



PCI Performance Management

2026

COMMUNITY
BANK
EXECUTIVE
PLAYBOOK

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INTRODUCTION

For more than 25 years, PCI Performance Management has worked alongside community banks to navigate change with clarity and purpose. The 2026 landscape demands exactly that — clear-eyed awareness of emerging risks, disciplined strategic focus, and strong organizational alignment.

This playbook provides an actionable framework to help executives assess their environment, prepare for regulatory and market shifts, and lead their teams into 2026 with confidence.

TABLE OF CONTENTS

PART I — The External Landscape: Risks & Market Pressures

- 01 Regulatory Velocity & Compliance Expectations**
 - Rising regulatory burden
 - “Exam-ready” culture
 - Fair lending, BSA/AML, UDAP/UDAAP priorities
 - Board oversight expectations
 - Executive Checklists
- 02 Funding, Liquidity, and Margin Compression**
 - Higher-for-longer rate environment
 - Cost of funds & deposit pricing pressure
 - Liquidity coverage & contingency planning
 - Balance sheet resilience strategies
 - Executive Dashboards & KPIs
- 03 CRE Concentration & the 2025-2026 Maturity Wall**
 - Office and retail headwinds
 - Appraisal risk & market uncertainty
 - Stress testing & concentration management
 - Workout strategies & reviewer expectations
 - Board Questions & Red Flags
- 04 Cybersecurity, Fraud, and Operational Risk**
 - “Perfect storm” of cyber + vendor + ops risk
 - Incident response & third-party governance
 - Digital transformation risk gaps
 - Risk Governance Framework

TABLE OF CONTENTS

PART II — Strategic Positioning for 2026 & Beyond

- 05 Digital Banking, Payments Modernization & Fintech Strategy**
 - FedNow and real-time payments adoption
 - Digital UX expectations (Gen Z + SMB)
 - Fintech partnerships & ROI evaluation
 - Data analytics maturity
 - Tech Investment Roadmap

- 06 . Customer Experience, Brand Perception & Deposit Growth Strategy**
 - Competing with big-bank and fintech UX
 - The next generation of depositors
 - Financial education as a competitive advantage
 - Pricing, personalization, and marketing alignment
 - CX Scorecard

- 07 Talent, Leadership Bench Strength & Organizational Health**
 - Succession planning realities
 - Manager and lender skill gaps
 - Cross-training & operational resilience
 - Cultural alignment during change
 - People Risk Assessment Toolkit

- 08 Strategic Options: Independence, Partnership, or Acquisition?**
 - Why consolidation pressures are rising
 - Evaluating partnership vs acquisition
 - Credit union acquisition implications
 - Preparing the board for scenario planning
 - Strategic Decision Framework

TABLE OF CONTENTS

PART III — Planning Tools for Executives & Boards

- 09 Strategic Planning: The 2026 Agenda**
 - Key themes for 2026 planning retreats
 - SWOT 2.0 for community banks
 - Aligning goals, resources & timelines
 - Strategic Planning Worksheets

- 10 PCI Executive Checklists & Templates**
 - Risk review checklist
 - Board oversight checklist
 - Operational efficiency quick wins
 - Leadership bench strength rubric

- 11 Conclusion**
 - The Community Bank Opportunity in 2026
 - How PCI Can Support Your Strategy
 - Next Steps for Your Leadership Team

ABOUT US



For more than 25 years, PCI Performance Management has helped community banks navigate complexity with insight and purpose.

Through strategic planning, operational improvement, leadership coaching, and risk-focused assessments, PCI works alongside executive teams to build stronger cultures, more effective processes, and long-term organizational success.

PLAYBOOK OVERVIEW

This playbook is designed to help community bank leaders step into 2026 with clarity, focus, and a well-defined strategic path. Drawing on decades of experience working alongside banks nationwide, PCI has distilled the most important insights shaping today's environment into a practical, executive-ready guide.

Inside, you'll find forward-looking trends, risk considerations, and organizational priorities that matter most — along with tools and checklists to support board discussions, strategic planning, and operational execution. Our goal is to equip leadership teams with a resource they can rely on as they navigate regulatory expectations, market pressures, and internal organizational needs throughout the coming year.



01 REGULATORY VELOCITY & COMPLIANCE EXPECTATIONS

Regulatory expectations continue to accelerate, and community banks are feeling the pressure more than ever. The latest CSBS Annual Survey confirms that regulatory burden is now the top concern among community banks nationwide, ranking above credit, liquidity, cybersecurity, and market risk. Leaders report that compliance demands have expanded both in scope and speed, creating strain on limited staff, rising training needs, and heightened exam preparedness expectations.

The regulatory environment entering 2026 will be shaped by several converging forces:

Increasing Compliance Complexity

Areas such as fair lending, BSA/AML, consumer protection, and UDAAP continue to intensify. Examiners are scrutinizing not only outcomes, but also governance, documentation, and the effectiveness of internal monitoring systems. Banks are expected to demonstrate active oversight, clear reporting structures, and continuous improvement efforts.

Exam-Ready Culture

Supervisory agencies expect community banks to maintain an “exam-ready” posture year-round. This means stronger board reporting, more consistent internal audits, and demonstrated ownership of compliance at every level. Many banks report increased exam preparation time, more granular exam questions, and deeper reviews of credit risk, liquidity management, and cybersecurity governance.

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01 REGULATORY VELOCITY & COMPLIANCE EXPECTATIONS

Pressure on Staffing & Skill Sets

With compliance expectations growing, community banks face increasing difficulty keeping pace with required staff expertise. The CSBS survey highlights staff retention and succession planning in compliance and risk roles as persistent challenges, underscoring the need for training, documentation, and cross-functional backups.

Governance Expectations for Boards

Examiners expect boards to demonstrate clear oversight of compliance, risk appetite, loan concentrations, and third-party relationships. Transparent dashboards, regular reporting cycles, and strong meeting documentation will be essential as expectations expand.



Executive Checklist

Use this checklist to evaluate your bank's regulatory readiness heading into 2026:

- Are we treating regulatory expectations as a strategic priority, not an operational task?
- Do our board packets clearly articulate risk appetite, compliance trends, and emerging issues?
- Have we updated fair lending, BSA/AML, and UDAAP controls to reflect recent examiner focus?
- Is our compliance staffing model sustainable, or does it depend on a few key individuals?
- Do internal audits and monitoring programs reflect 2025–2026 regulatory priorities?
- Are we “exam ready” year-round, with documented processes and accessible reporting?

01 CHAPTER 1 CALLOUTS

Regulatory Reality Check for 2026

- Regulatory burden is now the #1 concern for community banks.
- Examiners expect a year-round exam-ready culture.
- Governance, documentation, and internal monitoring systems are under increased scrutiny.
- Compliance staffing shortages are now considered a form of internal risk.
- Boards must demonstrate active oversight, clear reporting structures, and alignment with risk appetite.



Key Questions for Your Board

1. Are we confident our governance and documentation would stand up to deeper regulatory scrutiny?
2. Do our risk dashboards provide a clear, timely picture of emerging compliance issues?
3. Have we identified succession gaps in compliance, internal audit, or risk leadership?
4. Are we proactively aligning our policies with 2025–2026 regulatory expectations?
5. Do third-party and fintech relationships meet current oversight standards?

02 FUNDING, LIQUIDITY & MARGIN COMPRESSION

As community banks enter 2026, many find themselves operating in a “higher-for-longer” rate environment — a mix of persistent elevated deposit costs, slower deposit growth, rising funding competition, and pressure on net interest margins (NIM). In this landscape, short-term decisions have ripple effects on liquidity, profitability, and long-term balance-sheet resilience.

Key Trends & Challenges

- **Margin pressure is a top concern:** According to the latest Conference of State Bank Supervisors (CSBS) 2025 survey, community bankers rank net interest margin as their top external risk. Core deposit growth ranks a close second — signaling that stable, low-cost deposits remain a critical buffer.
- **Compressed profitability despite growth in deposits and loans:** As noted in the Federal Deposit Insurance Corporation (FDIC) 2025 Risk Review, community bank net income declined in 2024 relative to 2023. While deposit and loan volume grew, rising funding costs and non-interest expenses squeezed margins.
- **Liquidity remains uneven, especially for smaller banks:** Recent commentary notes that smaller institutions (under \$10 billion assets) are facing rising liquidity risk, in part due to slower deposit growth, increased reliance on non-core funding or wholesale sources, and less stable funding in an uncertain economic environment.
- **Greater funding and deposit competition** — including nonbanks and fintech disrupters: The 2025 CSBS survey shows deposit growth and retention remain among the top external risks for community banks — a sign that competition for funds is intensifying.

02 FUNDING, LIQUIDITY & MARGIN COMPRESSION

What This Means for Your Bank

- **Net interest margin volatility is no longer a short-term issue — it's structural.** With funding costs elevated, banks that don't actively manage deposit mix, pricing, and cost of funds risk shrinking margins.
- **Deposit strategy and funding diversification matter more than ever.** Relying too heavily on interest-bearing deposits or non-core funding could increase exposure to interest-rate swings and liquidity stress.
- **Loan growth alone won't save profitability.** While loan and deposit growth is a good sign, increased expenses and compressed spreads mean loan volume must be coupled with disciplined margin management.
- **Smaller banks need liquidity contingency plans** — particularly those heavily reliant on wholesale funding or with high proportion of interest-bearing deposits.

Executive Dashboard & KPI Recommendations

KPI / Metric	Why It Matters / What to Watch
Net Interest Margin (NIM)	Primary measure of profitability — track quarterly and compare to peer benchmarks
Cost of Funds / Deposit Beta	Measures how sensitive your deposit pricing is to interest-rate changes; high sensitivity increases margin risk
Core Deposit Growth Rate	Indicates stability of low-cost deposit base (versus volatile non-core or wholesale funding)
Loan-to-Deposit Ratio & Liquidity Coverage	Helps assess funding adequacy and liquidity buffer — critical if deposit growth slows or wholesale funding increases
Non-Interest Expense Ratio (efficiency ratio)	With margins compressed, controlling operating costs becomes more important for sustained profitability

02 FUNDING, LIQUIDITY & MARGIN COMPRESSION

Strategic Actions for 2026 & Beyond

- **Reassess deposit strategy:** Focus on strengthening core deposit base — consider incentives for non-interest-bearing / low-cost deposits; target stable deposit segments like small business, community relationships, payroll accounts, etc.
- **Diversify funding sources prudently:** Avoid over-reliance on wholesale funding unless carefully matched with asset/liability duration and liquidity stress scenarios.
- **Stress-test interest-rate and liquidity scenarios:** Run upside/downside interest-rate simulations, deposit-run scenarios, and liquidity stress tests to gauge buffer adequacy.
- **Refine loan pricing and underwriting discipline:** Given margin pressure, underwriting must factor in not just credit risk but also spread, duration risk, and expected funding volatility.
- **Tighten expense control and operational efficiency:** Evaluate cost structure, branch footprint, staffing mix, and tech investment ROI — especially as margin compression erodes cushion from interest income.
- **Enhance board & ALCO reporting:** Present management and board with a dashboard that highlights NIM trends, deposit composition, cost-of-funds pressure, liquidity metrics, and contingency plans.



Key Takeaways for Boards & Executives

- Margin risk and deposit competition have overtaken regulation as the leading external concern for community banks in 2025–2026.
- Loan/deposit growth does not automatically protect profitability. Without disciplined funding strategy and cost controls, rising funding costs and compressed spreads can erode return on assets — as the FDIC reported in 2024.
- Banks that proactively manage deposits, funding sources, liquidity, and pricing — rather than reacting — will be best positioned to preserve margin, maintain liquidity, and capitalize on future loan and deposit growth opportunities.

02 CHAPTER 2 CALLOUTS

Key Financial Questions for Your Board

- Are we experiencing true core deposit growth, or are we relying more heavily on higher-cost funds?
- How sensitive is our funding base to rate changes (deposit beta analysis)?
- What liquidity stress scenarios have we run in the last 6 months, and what were the outcomes?
- Will our current margin strategy remain viable in a higher-for-longer rate environment?
- How exposed are we to rapid swings in funding costs or deposit runoff?
- Are ALCO dashboards highlighting early signals in liquidity, NIM trends, and cost of funds?



03 CRE CONCENTRATION & THE 2025–2026 MATURITY WALL

As the commercial real estate (CRE) market continues to shift under pressure — especially in office, retail, and other property types hit by structural changes — community and regional banks must look carefully at their CRE exposures. Elevated concentration in CRE, together with a wave of upcoming maturities, creates a potential “maturity wall” that could challenge liquidity, credit quality, and overall stability.

Key Trends & Emerging Risks

- **CRE exposure remains high across U.S. banks** — CRE loans recently reached record levels

Data from mid-2025 show U.S. banks held a combined \$2.08 trillion in CRE loans, an increase of about \$32.4 billion ($\approx 1.6\%$) from the start of the year.

- **CRE loan concentration remains a supervisory red flag**

Even when loans are prudently underwritten, high concentration in CRE can pose systemic and idiosyncratic risks. Regulators continue to stress the importance of effective concentration limits, risk ratings, and diversified portfolios.

- **Market stress is concentrated in office** — delinquencies are rising, maturity wall looms

Office-property loans have suffered especially: recent data show office loan delinquencies hitting record highs, with more than 11.76% now delinquent. At the same time, a large share of CRE debt is maturing in 2025–2026, creating refinancing pressure on troubled properties.

- **Not all CRE segments are equally stressed** — but exposure matters

While sectors like multifamily and certain retail properties may show relative resilience, the divergence in performance across segments means banks must analyze property-type exposure, geography, borrower strength, and loan terms — not treat CRE as monolithic.

03 CRE CONCENTRATION & THE 2025–2026 MATURITY WALL

What This Means for Your Bank

- **High CRE concentration + stressed property types = elevated credit & liquidity risk.** Even well-underwritten CRE portfolios can become risky under broad market stress.
- **Refinancing risk is acute in 2025–2026.** Property owners may struggle to refinance maturing loans, especially office or suburban/tertiary properties with weaker occupancy or cash flow.
- **Loan portfolio diversification and concentration limits are essential.** Without proper limits and diligent risk-rating practices, CRE exposure can threaten capital, liquidity, and capital-adequacy stress tests.
- **Stress testing must include worst-case scenarios.** Rise in delinquencies, vacancy rates, reduced rents, and declining valuations must be simulated — not just base-case assumptions.
- **Board and ALCO oversight should include detailed CRE dashboards.** Loan mix, geographic concentration, maturity schedule, property-type breakdown, delinquency, vacancy rates, and stress-test outcomes should all be tracked and reported.

Board Questions & Red-Flag Indicators

Use the following as a starting point for board discussion or risk-committee review:

1. What percentage of our loan portfolio is CRE, and what portion of that is office, retail, or other high-risk segments?
2. Do we have sub-limits or exposure caps on specific CRE segments (e.g., office, hospitality, retail)?
3. When are our largest CRE loan maturities scheduled — and do we have contingency plans if refinancing fails?
4. Have we stress-tested our CRE portfolio under scenarios of increased vacancy, reduced rents, lower valuations, and rising interest rates?
5. How diversified is our CRE portfolio by geography, property type, and borrower concentration?
6. Are our loan-rating, valuation, and allowance practices up to date with realistic downside assumptions?
7. Do our liquidity and capital-planning models account for potential CRE loan losses or runoff?
8. Is our reporting to the board frequent and detailed enough to flag early signs of CRE stress (delinquencies, tenant departures, occupancy drops)?

03 CRE CONCENTRATION & THE 2025–2026 MATURITY WALL

Strategic Actions for 2026 & Beyond

- Reassess CRE concentration limits — consider lowering caps, especially for office, retail, and other challenged segments.
- Create a **CRE Maturity & Risk Dashboard**: include segment exposure, maturities, occupancy/rent trends, stress-test results, and allowance coverage.
- Implement regular (semi-annual or quarterly) **stress-testing for CRE portfolios**, under adverse economic and real estate market scenarios.
- When originating new CRE loans, apply **enhanced underwriting standards**: tighter loan-to-value (LTV) and debt-service-coverage (DSC) requirements, more conservative rent/occupancy assumptions.
- Increase frequency and depth of **monitoring and documentation** — especially for existing high-risk loans (office, retail, hospitality).
- Engage board and ALCO early — present worst-case scenarios around CRE stress and ensure capital and liquidity plans reflect them.
- Explore **diversification of asset mix**: consider shifting toward less-volatile loan segments or increasing non-CRE loans to lower overall portfolio concentration risk.



Summary & What Boards Should Watch

- CRE is no longer a “nice to watch” — it’s a core risk driver for many community banks heading into 2026. While some CRE segments remain stable or recovering, the pressure on office, retail, hospitality, and maturing loans is real and growing.
- Banks that proactively manage concentration, stress-test their portfolios, maintain strong allowance practices, and ensure diversified loan mix will be better positioned to weather potential stress — and emerge with balanced, resilient portfolios.

03 CHAPTER 3 CALLOUTS

Board Questions for 2026

1. What percentage of our portfolio is CRE, and which segments present the greatest risk?
2. How much CRE debt in our portfolio is maturing in 2025–2026?
3. Have we conducted recent stress tests incorporating vacancy, valuation decline, and interest-rate shocks?
4. Are our CRE concentration limits appropriate for current market conditions?
5. Do we have sufficient capital and liquidity buffers to absorb potential CRE deterioration?
6. How frequently are we updating risk ratings and monitoring high-risk segments?



04 CYBERSECURITY, FRAUD & OPERATIONAL RISK

Cybersecurity and operational risk remain some of the most dynamic and fast-evolving areas of risk management for community banks. As digital adoption accelerates, fraudulent activity increases, and third-party dependencies expand, banks must strengthen governance, monitoring, and resiliency to stay ahead of threats. For many institutions, cybersecurity and fraud risk now carry as much weight as traditional credit or liquidity risk — and demand the same level of board attention.

Key Trends & Issues Affecting Community Banks

- **Cyber threats are growing in sophistication and frequency.**

Community banks face increased exposure to ransomware, email compromise, credential theft, and social engineering attacks. Attackers often target smaller institutions under the assumption that defenses are thinner or less coordinated.

- **Fraud levels continue to rise across digital channels.**

As digital payments and online banking proliferate, banks are seeing more account takeover attempts, ACH and wire fraud, synthetic identity fraud, and scams targeting customers directly. Fraud mitigation now requires strong customer education, robust authentication, and real-time monitoring.

- **Third-party and vendor dependencies expand operational risk.**

With more core functions outsourced — from digital banking systems to payments, LOS platforms, call centers, and cloud services — vendor oversight has become a critical governance priority. Banks must document due diligence, monitor performance, track incidents, and ensure contract terms align with regulatory expectations.

- **Technology transformation can outpace risk controls.**

Institutions adopting new platforms, digital features, or fintech partnerships must ensure that risk assessments, controls, and documentation keep pace.

- **Business continuity and resilience expectations are rising.**

Regulators now look closely at how banks prepare. Business continuity planning is no longer an annual exercise — it must be integrated into ongoing operations and vendor oversight.

04 CYBERSECURITY, FRAUD & OPERATIONAL RISK

What This Means for Your Bank

- **Cybersecurity is no longer just an IT function** — it is a strategic and enterprise-wide priority. Boards and executives must actively oversee cyber and fraud risks, not merely receive IT updates.
- **Operational resiliency must extend beyond the bank's four walls.** If a key vendor fails, experiences an outage, or suffers a security breach, the bank must still serve customers and maintain continuity.
- **Documentation is essential.** Regulators expect clear evidence of due diligence, monitoring, testing, and board reporting. Strong programs fail quickly without proper documentation.
- **Customer education is part of fraud mitigation.** As scams grow more sophisticated, banks must actively support and train customers, especially small businesses and older populations.
- **Internal training and simulations are crucial.** Cyber incident response, wire verification procedures, and social engineering awareness require recurring exercises — not annual reminders.

Operational Risk Governance Checklist

Use this checklist as a quick readiness assessment going into 2026:

- Do we conduct recurring cybersecurity and social-engineering training for all staff?
- Are our incident response plans current, tested, and understood by cross-functional teams?
- Do we receive timely fraud trend reporting across ACH, wires, checks, and digital channels?
- Are we performing documented, ongoing vendor monitoring — not just upfront due diligence?
- Do our contracts include incident reporting, audit rights, performance standards, and exit strategies?
- Have we tested business continuity and disaster recovery plans against meaningful scenarios?
- Does the board receive regular dashboards showing cyber alerts, fraud losses, vendor risk, and remediation status?
- Are our authentication, MFA, and access-control protocols aligned with current best practices?

04 CHAPTER 4 CALLOUTS

Five Questions Every Board Should Be Asking in 2026

Are we prepared to respond to a cyber incident today? (Not in theory — but with a tested, documented, cross-functional plan.)

Which vendors present the greatest operational risk to our bank? (And how are we validating performance, security, and resilience?)

What fraud patterns are emerging across our customers and channels? (Boards should see trends — not anecdotes.)

How quickly can we restore critical systems if our core or cloud provider goes down? (Business continuity and recovery time matter.)

Are our authentication, access controls, and staff training keeping pace with current threats? Cyber risk evolves; controls and training must evolve, too.)



05 **DIGITAL BANKING, PAYMENTS MODERNIZATION & FINTECH STRATEGY**

Digital banking and payments modernization remain critical levers for competitiveness, customer experience, and long-term growth. For community banks, technology decisions made today will determine their ability to attract and retain customers, expand market share, and manage operational and financial risk in 2026 and beyond.

Key Trends & Industry Shifts

- **Real-time payments are moving from optional to expected.**

The rollout of FedNow and continued growth of RTP (Real-Time Payments) are reshaping how consumers and businesses transfer funds. Banks that do not offer real-time payments risk losing relevance, particularly with tech-savvy consumers, small businesses, and younger generations.

- **Digital experience is now a primary driver of customer loyalty.**

Customers increasingly judge a bank's value on its mobile app performance, user interface, onboarding speed, payment options, and digital service tools — not just rates and branch availability.

- **Fintech partnerships are becoming essential — but must be vetted carefully.**

Banks that strategically partner with fintechs can expand offerings (payments, lending, financial wellness tools, SMB cash flow solutions) more quickly and cost-effectively. However, third-party relationships increase operational, compliance, and reputational risk, requiring strong vendor due diligence and ongoing monitoring.

- **Data and analytics are emerging as competitive differentiators.**

Banks that leverage data to understand customer behavior, target deposit-growth opportunities, reduce fraud, and refine underwriting will outperform peers. Mature analytics capabilities also support ALCO, credit, compliance, and strategy functions.

- **SMBs expect modern treasury and payment tools.**

Small and mid-sized businesses want digital invoicing, integrated payment rails, faster settlement, and real-time visibility into cash flow. Community banks offering modern treasury services can deepen relationships and secure sticky deposits.

05 **DIGITAL BANKING, PAYMENTS MODERNIZATION & FINTECH STRATEGY**

What This Means for Your Bank

- **Digital banking is no longer an enhancement — it's a core service expectation.** Customers evaluate a bank based on mobile experience, payment capability, and onboarding ease.
- **Payments modernization requires a clear roadmap.** Adopting FedNow, expanding instant payments, and upgrading payment rails must align with risk appetite, operational readiness, and customer needs.
- **Fintech partnerships demand strategic fit and strong oversight.** Not every fintech aligns with every bank. Partnerships must be scalable, sustainable, and compliant with regulatory expectations around due diligence and monitoring.
- **Data maturity drives smarter decision-making.** Banks that build internal analytical capabilities improve pricing, fraud detection, customer segmentation, and operational efficiency.
- **Technology investments must be evaluated through an ROI and risk lens.** Shiny technology is not the goal — strategic capability-building is.

Payments & Digital Strategy Checklist

Use this checklist to assess your bank's current digital posture:

1. Do we offer — or have a roadmap to offer — real-time payments (FedNow, RTP)?
2. How satisfied are customers with our digital banking experience (UI, reliability, ease of use)?
3. Do we evaluate fintech partnerships for strategic fit, compliance risk, and long-term sustainability?
4. Are our vendors (especially digital or cloud-based) integrated into our risk and vendor-management framework?
5. Do we use customer data for personalization, targeted outreach, or improved underwriting?
6. Are our SMB clients receiving modern treasury tools that support their cash-flow needs?
7. Do we have a technology roadmap tied to strategic planning, not just vendor releases?
8. Is the board routinely briefed on digital strategy, cybersecurity implications, and ROI?

05

DIGITAL BANKING, PAYMENTS MODERNIZATION & FINTECH STRATEGY

Strategic Actions for 2026 & Beyond

- **Implement or expand instant payments** to meet consumer and SMB expectations.
- **Modernize digital banking UX** with improved navigation, onboarding, alerts, and personalization.
- **Enhance SMB** services (treasury, cash-flow tools, integrated payments) to secure long-term commercial relationships.
- **Invest in data analytics and reporting** that support credit, deposit, fraud, and marketing strategies.
- **Adopt a risk-aligned fintech framework** with clear governance and due-diligence protocols.
- **Strengthen digital engagement strategies** to attract younger demographics and deepen existing relationships.
- **Use technology to support efficiency** through automation, workflow tools, and smart operations redesign.



05 CHAPTER 5 CALLOUTS

Payments Modernization Roadmap

1. Assess Readiness

- Evaluate current payment rails (ACH, wires, card).
- Identify gaps in speed, reliability, and customer experience.
- Review core processor and vendor capabilities.

2. Enable Real-Time Payments

- Determine path for FedNow and/or RTP adoption.
- Update policies, procedures, and customer agreements.
- Train operations, fraud, and customer service teams.

3. Upgrade Customer Experience

- Improve mobile payment flows, alerts, and cash-movement tools.
- Streamline digital onboarding and account funding.
- Add instant transfers and scheduled payments options.

4. Strengthen Risk & Fraud Controls

- Implement real-time fraud monitoring.
- Enhance authentication and multifactor controls.
- Update vendor oversight for payment partners.

5. Expand SMB & Treasury Services

- Introduce digital invoicing and integrated payment tools.
- Enable faster settlement and real-time balance visibility.
- Support cash-flow forecasting features.

6. Measure ROI & Adoption

- Track usage, customer feedback, fraud rates, and transaction volume.
- Adjust staffing, workflows, and marketing based on customer behavior.



Customer expectations are evolving faster than most banks' delivery channels. In 2026, deposit growth will come not just from interest rates, but from customer experience, digital convenience, trust, and perceived value. As fintechs and large banks continue to raise the bar on usability and speed, community banks must differentiate through a blend of technology, relationship banking, responsiveness, and reputation.

Brand perception is equally important. Customers — especially younger generations and small businesses — increasingly choose banks whose digital tools work seamlessly and who demonstrate transparency, community commitment, and financial wellness support.

Key Trends Driving CX & Deposit Strategy

- **Digital experience strongly influences deposit choice.**

Customers now expect intuitive mobile apps, easy account opening, seamless payments, real-time alerts, and quick issue resolution. In many markets, digital convenience outweighs branch proximity.

- **Younger customers want guidance, not just access.**

Gen Z and Millennials value financial education, budgeting tools, and personalized insights. They are also more willing to switch banks for a better app or modern UX.

- **SMBs expect banking partners — not just service providers.**

Small businesses want integrated payments, invoicing, cash-flow tools, and responsive support. Banks that deliver modern treasury services deepen commercial relationships and attract sticky deposits.

- **Authentic brand identity matters.**

Community banks with strong reputations for service, local engagement, and trust have a significant competitive advantage — but must communicate this clearly through digital channels.

- **Friction is the enemy of deposit growth.**

Lengthy onboarding processes, outdated interfaces, slow transfers, or inconsistent customer communication erode loyalty and impede cross-selling.

06 CX, BRAND PERCEPTION & DEPOSIT GROWTH STRATEGY

What This Means for Your Bank

- **CX must be measured and managed like any other strategic function.** Tracking customer satisfaction, digital usage, response times, and conversion rates should be standard practice.
- **Deposit growth requires more than pricing strategy.** Customers choose where they feel supported, informed, and valued — not just where rates are highest.
- **Reputation = retention.** Banks with strong brand trust retain deposits more effectively during market uncertainty.
- **Digital onboarding and account-opening experiences drive early impressions.** If opening an account is confusing or slow, attrition risk rises immediately.
- **SMB and commercial depositors need proactive engagement.** Offering modern tools and advisory-style support positions the bank as a long-term financial partner.

Customer Experience & Deposit Growth Checklist

Use this checklist to evaluate how well your bank is positioned for deposit growth in 2026:

- Do we measure customer experience (CX) through surveys, NPS, reviews, or analytics?
- Is our digital onboarding process fast, intuitive, and mobile-friendly?
- Are we offering the financial education tools our markets value (budgeting, insights, alerts)?
- How effective is our SMB treasury offering in meeting modern expectations?
- Do we proactively gather and act on customer feedback?
- Are our communication channels (branch, phone, chat, online) consistent and responsive?
- Does our brand clearly communicate trust, expertise, and community involvement?
- Are digital channels aligned with our brand story and customer promise?
- Do we have a structured retention strategy for high-value depositors?

06 CX, BRAND PERCEPTION & DEPOSIT GROWTH STRATEGY

Strategic Opportunities for 2026

- **Upgrade digital onboarding** with fewer clicks, faster ID verification, and easy funding options.
- **Adopt modern financial wellness tools**—spending insights, savings nudges, auto-budgeting, alerts.
- **Align branch and digital experience** so service feels consistent across channels.
- **Create a CX dashboard** for ALCO, leadership, and board reporting.
- **Enhance SMB deposit offerings** with digital invoicing, integrated payments, and cash-flow dashboards.
- **Strengthen customer outreach** with personalized, proactive communication.
- **Run periodic brand perception assessments** to understand how the bank is viewed in-market.



06 CHAPTER 6 CALLOUTS

Deposit Growth Framework (2026)

1. Attract

Modern digital onboarding
Competitive, transparent products
Strong brand presence & community trust
Financial education tools (budgeting, insights, alerts)

2. Engage

Personalized digital communication
Proactive service touchpoints
Frictionless mobile + online experience
SMB cash-flow & treasury solutions

3. Deepen

Cross-sell through data insights
Advisory-style conversations (SMB & retail)
Modern treasury services to secure commercial deposits
Relationship-based pricing transparency

4. Retain

Consistent service across channels
Loyalty-building digital features (alerts, controls, nudges)
Early-warning identification of attrition risk
Ongoing customer feedback loops

Five Questions Every Board Should Ask

1. What drives deposit growth in our market — pricing, experience, digital convenience, or trust?
2. How satisfied are customers with our digital banking experience? (Do we measure it? How often is it reported to leadership?)
3. Are our onboarding processes simple and fast enough to prevent early attrition?
4. What modern tools are we offering to SMBs to deepen commercial deposits?
5. Do we actively monitor and respond to customer feedback — and does the board see the results?

07 TALENT, LEADERSHIP BENCH STRENGTH & ORG HEALTH

People risk has become one of the most persistent challenges facing community banks. As regulations intensify, technology evolves, and customer expectations shift, banks must rely on skilled managers, engaged staff, and strong leadership pipelines to execute strategy effectively. Yet many institutions continue to face staffing shortages, retirements, skill gaps, and difficulty retaining high-value employees — particularly in compliance, lending, operations, and IT.

Organizational health is no longer a “soft” concept. It directly affects strategic execution, service quality, risk management, and long-term growth. Banks with strong leadership development and clear accountability structures are consistently more resilient in periods of market stress.

Key Trends Affecting Community Bank Talent

- **Retirements and succession gaps are accelerating.**

Many banks have executive, lending, and operations leaders nearing retirement, and succession plans remain incomplete or outdated.

- **Manager skill gaps limit strategic execution.**

Frontline and mid-level managers often lack training in communication, coaching, performance management, or change leadership — which directly impacts culture and productivity.

- **Compliance, credit, and IT roles remain hard to fill.**

Specialized roles are becoming more competitive and require higher salaries or development pathways to retain talent.

- **Culture and communication challenges affect retention.**

Even well-compensated employees may leave when clarity, alignment, or recognition are lacking. Remote and hybrid work expectations add complexity.

- **Board and leadership teams increasingly focus on “people risk.”**

Regulators expect banks to have clear succession plans, cross-training programs, and documented processes that protect continuity.

07 TALENT, LEADERSHIP BENCH STRENGTH & ORG HEALTH

What This Means for Your Bank

- **Your strategic plan is only as strong as your management bench.** Without capable managers, even the best strategies lose momentum.
- **Leadership transitions must be planned early.** Sudden retirements or departures can stall operations, disrupt culture, and strain remaining staff.
- **Organizational clarity reduces burnout and turnover.** Employees perform better when roles, responsibilities, and expectations are well defined.
- **Cross-training enhances operational resilience.** A single point of failure — in lending, operations, or IT — is a risk management issue, not just an HR issue.
- **Investing in people is a competitive advantage.** Banks that support learning, development, and career paths retain stronger talent and deliver better service.

Talent & Leadership Readiness Checklist

Use this assessment as you prepare for your 2026 strategic planning and organizational goals:

1. Do we have current succession plans for key executive, lending, risk, and operations roles?
2. Have we identified critical positions with no backup or cross-training?
3. Do our managers receive training in communication, coaching, delegation, and accountability?
4. How engaged are our employees — and how often do we measure it?
5. Do we have clear role descriptions and performance standards for all positions?
6. Are we developing future leaders through mentoring, projects, or internal advancement pathways?
7. How effectively do we handle performance conversations and conflict resolution?
8. Is our culture aligned with our customer experience promises and strategic goals?
9. Do we have a structured onboarding process that sets employees up for success?

07 TALENT, LEADERSHIP BENCH STRENGTH & ORG HEALTH

Strategic Opportunities for 2026

- **Refresh succession plans** with clear timelines, readiness assessments, and training paths.
- **Strengthen manager training** to improve communication, coaching, and performance management.
- **Create cross-training matrices** for operations, lending, compliance, and IT roles.
- **Implement structured one-on-one routines** to improve accountability and engagement.
- **Introduce leadership development programs** for emerging and high-potential employees.
- **Conduct culture audits** to assess communication, expectations, alignment, and morale.
- **Enhance onboarding and retention practices** to reduce turnover in critical roles.
- **Develop internal mobility pathways** to nurture talent and reduce hiring gaps.



07 CHAPTER 7 CALLOUTS

Five Questions Every Board Should Ask About People Risk

1. Do we have succession plans for all key executive, lending, risk, and operations roles — and are they current?
(Not theoretical plans — documented, reviewed, and tied to development.)
2. Where are our “single points of failure”?
(Which roles have no backup, cross-training, or depth?)
3. How strong is our management bench?
(Do frontline and mid-level managers have the skills to lead, coach, and drive accountability?)
4. What is our cultural health?
(Are communication, alignment, and morale strong enough to support strategic execution?)
5. Are we investing in talent development at the pace required by today’s environment?
(Regulatory complexity and digital transformation both require stronger, more capable teams.)



08 STRATEGIC OPTIONS: INDEPENDENCE, PARTNERSHIP, OR ACQUISITION?

The community banking landscape continues to evolve under pressures from rising regulatory costs, margin compression, technology investment needs, and increasing competition from both large institutions and fintechs. As these forces intensify, more banks are reassessing their long-term strategic position and evaluating whether remaining independent, seeking strategic partnerships, or pursuing acquisition opportunities best serves their mission and communities.

Strategic clarity is essential. The strongest banks are not simply reacting to market pressures — they are proactively evaluating options, preparing leadership teams, and positioning themselves for sustainable performance in 2026 and beyond.

Key Drivers Influencing Strategic Direction

- **Rising cost structures make scale increasingly important.**

Technology investments, cybersecurity, compliance, and talent acquisition demand greater resources. Smaller banks often experience disproportionate pressure.

- **M&A activity remains steady, especially in markets with slower growth.**

Even in volatile rate environments, strategic acquisitions continue as institutions seek efficiencies, diversification, or expanded geographic presence.

- **Some banks pursue partnerships to remain independent.**

Shared services, technology alliances, fintech relationships, or limited-scope collaborations can strengthen competitive position without changing ownership.

- **Credit unions remain active acquirers.**

Credit union acquisitions of community banks have increased, reshaping competitive dynamics and influencing valuations in some regions.

- **Boards are expected to engage in scenario planning.**

Regulators increasingly expect boards to proactively evaluate options — not wait for external pressure or crisis.

08 STRATEGIC OPTIONS: INDEPENDENCE, PARTNERSHIP, OR ACQUISITION?

What This Means for Your Bank

- **Remaining independent requires intentional investment.** Banks choosing independence must strengthen leadership, upgrade technology, enhance customer experience, and maintain healthy balance sheet metrics.
- **Partnerships can extend capability without sacrificing identity.** Community banks can leverage fintechs, shared service models, or consortiums to improve offerings and reduce costs while keeping governance local.
- **Acquisition can accelerate scale — but only if strategically aligned.** Buying or selling without clear cultural, financial, and operational alignment introduces risk. Successful deals hinge on leadership continuity and integration planning.
- **Boards need structured frameworks to evaluate options.** Understanding strategic fit, cultural alignment, financial impact, and long-term viability is essential to informed decision-making.

Strategic Evaluation Checklist for Leadership Teams

Use this framework as you assess your bank's long-term direction:

- Do we have the scale and resources to remain competitive over the next 5–10 years?
- Are our technology investments aligned with market expectations?
- Can we meaningfully improve efficiency through process redesign or partnerships?
- Are we consistently achieving target profitability and growth metrics?
- Does our leadership bench support future expansion or heightened risk/compliance demands?
- What partnerships could expand our offerings or reduce cost pressures?
- If considering M&A, have we evaluated both strategic fit and cultural compatibility?
- Are we prepared to conduct scenario planning at the board level?

08 STRATEGIC OPTIONS: INDEPENDENCE, PARTNERSHIP, OR ACQUISITION?

Strategic Opportunities for 2026

- **Strengthen independence** through improved efficiency, digital modernization, and leadership depth.
- **Explore partnerships** (fintech, shared services, technology collaborations) to enhance capability and reduce marginal cost of innovation.
- **Evaluate acquisition opportunities** to expand markets, diversify revenue, or achieve scale benefits.
- **Assess the bank's "strategic identity"** — who you serve, how you differentiate, and how you grow.
- **Build board-level processes** for evaluating offers, partnerships, or organic growth paths.
- **Prepare leadership** for integration, culture alignment, or organizational redesign if M&A is pursued.



08 CHAPTER 8 CALLOUTS

Strategic Options Framework (2026)

A clear, simple roadmap boards can use to evaluate long-term direction.

1. Remain Independent

When it makes sense:

- Strong capital, earnings, and liquidity
- Clear competitive identity
- Healthy leadership bench
- Ability to invest in technology and talent

Strategic priorities:

- Digital modernization
- Customer experience upgrades
- Cost structure optimization
- Leadership development & succession

2. Pursue Acquisition (Buy or Sell)

When it makes sense:

- Need scale or diversification
- Market presence is constrained
- Aging leadership or lack of succession
- Attractive opportunities arise

Success factors:

- Cultural alignment
- Leadership continuity
- Integration planning
- Realistic financial modeling



3. Strengthen Through Partnerships

When it makes sense:

- Need expanded capabilities without major M&A
- Desire to stay local but operate more efficiently
- Gaps in technology, compliance, or treasury services

Possible partnerships:

- Fintech collaborations
- Shared services models
- Vendor consolidations
- Consortium/peer alliances

Strategic priorities:

- Vendor governance
- Clear ROI measures
- Integration of systems & processes

08 CHAPTER 8 CALLOUTS

Five Questions Every Board Should Ask About Strategic Direction

1. Do we have the scale, technology, and talent needed to remain competitive over the next 5–10 years?
2. What partnerships — if any — could meaningfully expand our capabilities or reduce operational cost?
3. Is our bank positioned to be a buyer, a seller, or an independent institution with intentional investment?
4. How aligned are our leadership team and culture to support growth, modernization, or integration?
5. Are we proactively evaluating strategic options — or waiting for market pressure to force a decision?



09 STRATEGIC PLANNING: THE 2026 AGENDA

Strategic planning for 2026 requires a more focused, disciplined approach than in previous years. With rising regulatory expectations, technology investment demands, workforce challenges, and margin pressure, leadership teams must align their vision, resources, and operational priorities with clarity and precision. The most effective planning sessions create not just a document, but a decision-making framework that guides the bank throughout the year.

Community banks with strong planning processes demonstrate three consistent traits: **clarity of direction, alignment across leadership, and disciplined execution**. This section outlines the essential components of an effective 2026 planning agenda.

Key Themes for 2026 Strategic Planning

- **Regulatory readiness must be integrated, not siloed.** Compliance and risk management expectations should shape strategic priorities, investment decisions, and staffing models — not sit as a separate review item.
- **Digital and payments modernization require explicit planning and resource allocation.** Banks must define their roadmap for FedNow, mobile UX improvements, and fintech partnerships.
- **Leadership bench strength is a strategic pillar.** Succession plans, manager development programs, and cross-training should be built into the strategic plan, not treated as HR checkboxes.
- **Efficiency and cost structure are central to performance.** Process redesign, workflow simplification, automation, and vendor optimization are critical to maintaining competitiveness in a margin-compressed environment.
- **Deposit growth strategy must be multi-dimensional.** Pricing, digital onboarding, brand perception, CX, and SMB treasury services should all be reflected in growth targets.
- **Scenario planning is essential for board-level governance.** Banks should evaluate best-case, baseline, and stress scenarios for liquidity, CRE exposure, cyber events, and strategic direction.

09 STRATEGIC PLANNING: THE 2026 AGENDA

What This Means for Your Bank's Planning Session

- Planning must connect **vision → strategy → goals → execution steps → responsible owners.**
- Leadership teams need to evaluate strategy across all five core pillars: **financial performance, customer experience, people, operations, and risk.**
- Banks should build planning agendas that combine data-driven analysis, facilitated discussion, and prioritization exercises.
- Strong plans include **fewer priorities with deeper focus**, not long lists with diluted impact.
- Annual plans should tie directly to **quarterly execution rhythms** and board reporting.

Strategic Opportunities for 2026

- **Integrate digital modernization into the core strategy**, not as a tech initiative.
- **Enhance board engagement** with meaningful dashboards and scenario-planning discussions.
- **Invest in leadership development** to support strategy implementation and cultural health.
- **Reevaluate cost structure** via process redesign, vendor consolidation, and automation.
- **Develop a deposit growth strategy** centered on CX, digital, and SMB relationships.
- **Strengthen operational resilience** through updated business continuity and cyber readiness exercises.
- **Explore partnerships or strategic alternatives** if scale or capability gaps emerge.

09 STRATEGIC PLANNING: THE 2026 AGENDA

Strategic Planning Worksheets (Recommended Components)

Here are the core elements to include in your 2026 planning toolkit:

1. SWOT 2.0: Strengths, Weaknesses, Opportunities, Threats

A modernized version that incorporates digital capability, people risk, CRE exposure, payments modernization, and regulatory pressure.

2. Strategic Priorities Alignment Map

Identifies the 3–5 high-impact initiatives that will move the bank forward.

3. KPI Dashboard for 2026

Includes metrics for:

- NIM & liquidity
- CRE performance
- Digital adoption
- Efficiency ratio
- People & culture indicators
- Risk & compliance markers

4. Resource & Capacity Assessment

Determines whether the bank has the people, budget, and technology to execute effectively.

5. Scenario Planning Templates

Evaluates strategic options under different economic, regulatory, or competitive conditions.

6. Twelve-Month Execution Calendar

Breaks down each initiative into quarterly milestones with assigned owners.



09 CHAPTER 9 CALLOUTS

Five Questions Every Board Should Ask During Strategic Planning

1. **What are the 3–5 priorities that will truly move our bank forward in 2026?** (Not 20 initiatives — but the vital few.)
2. **Do we have the people, technology, and budget needed to execute our strategy?** (Capacity must match ambition.)
3. **How will we measure success — and how often will we review progress?** (KPIs, quarterly milestones, and board reporting matter.)
4. **Are we prepared for best-case, baseline, and stress-case scenarios** (Liquidity, CRE, cyber, and strategic alternatives.)
5. **How aligned is our leadership team around goals, roles, and accountability?** (Strategic clarity requires cultural alignment.)



09 CHAPTER 9 CALLOUTS

Strategic Planning Agenda (2026)

1. Environmental Scan

- Key trends: regulatory, digital, credit, CX, people risk
- Bank performance benchmarking
- Peer and market shifts

2. Vision & Strategic Direction

- Clarify purpose, long-term goals, identity
- Strategic options review (Independence → Partnership → Acquisition)

3. Breakout Sessions / Deep Dives

- Financial performance & NIM outlook
- Digital + payments modernization
- CRE concentration & balance-sheet risk
- Talent, culture & leadership bench

4. Prioritization & Alignment

- Select core priorities (3–5)
- Define success metrics
- Assign owners and resource needs

5. Execution Planning

- Develop quarterly milestones
- KPI dashboard finalization
- Communication plan for staff & board



09 CHAPTER 9 CALLOUTS

Top 5 Strategic Priorities for 2026: PCI's Recommended Focus Areas

1. Strengthen Digital & Payments Capabilities

Deliver real-time payments, seamless digital banking, and modern onboarding.

2. Enhance Customer Experience & Deposit Strategy

Leverage CX, brand perception, and SMB treasury tools to grow core deposits.

3. Build Leadership Bench Strength & Improve Manager Capability

Succession planning + manager development = strategic resilience.

4. Redesign Processes to Improve Efficiency & Reduce Cost Structure

Workflow optimization, automation, and vendor consolidation.

5. Advance Risk Management Maturity

CRE stress testing, cyber readiness, liquidity oversight, and board-aligned reporting.



09 CHAPTER 9 CALLOUTS

2026 Strategic Planning Readiness Scorecard

Rate each item from 1 to 5:

1 = Not Ready • 2 = Early Stages • 3 = Developing • 4 = Strong • 5 = Fully Aligned & Executing

1. Strategic Clarity

Item	Score (1–5)
We have a clear long-term vision and strategic identity.	
Leadership is aligned on the 3–5 priorities for 2026.	
Our strategic plan is connected to KPIs and measurable outcomes.	
We regularly communicate strategy to managers and staff.	

Subtotal (Max 20): _____

Indicators of Strength: Unified leadership, defined priorities, clear KPIs

Red Flags: Too many priorities, unclear direction, conflicting goals

2. Financial & Risk Readiness

Item	Score (1-5)
We have a realistic NIM and liquidity outlook for 2026.	
CRE exposure and maturities are well understood and stress-tested.	
Board receives clear, timely risk dashboards and trend analysis.	
We have evaluated our readiness for digital payments and cyber threats.	

Subtotal (Max 20): _____

Indicators of Strength: Data-driven decisions, stress testing, proactive risk management

Red Flags: Unknown CRE risk, limited dashboards, reactive risk posture

3. Customer & Market Positioning

Item	Score (1-5)
Our digital banking experience meets customer expectations.	
We have a defined deposit growth strategy (beyond pricing).	
SMB treasury/cash-flow needs are well served by our offerings	
Our brand perception is known and actively managed	

Subtotal (Max 20): _____

Indicators of Strength: Strong CX, modern digital tools, clear differentiators

Red Flags: Friction in digital onboarding, no CX metrics, unclear value proposition

4. People, Leadership & Culture

Item	Score (1-5)
Succession plans are current for key executive and risk roles.	
Managers have the skills needed to execute strategy.	
Culture supports accountability, communication, and collaboration	
We have clear role expectations and performance metrics.	

Subtotal (Max 20): _____

Indicators of Strength: Strong bench, aligned culture, capable managers

Red Flags: Single points of failure, low morale, unclear roles

5. Operational Efficiency & Execution Discipline

Item	Score (1-5)
Processes and workflows are documented, efficient, and modernized	
Technology investments are evaluated for ROI and alignment.	
We use quarterly execution rhythms to track strategic progress	
Vendor management is robust and adds value, not complexity.	

Subtotal (Max 20): _____

Indicators of Strength: Automation, process clarity, execution cadence

Red Flags: Manual workflows, project overload, vendor sprawl

Total Readiness Score (Max 100):

Interpretation Guide

- **85–100: Strategically Ready**
 - Strong alignment, clear priorities, well-positioned for 2026.
- **70–84: Moderately Ready**
 - Good foundation; needs refinement in targeted areas.
- **55–69: Emerging Readiness**
 - Several high-impact gaps; strategic plan may lack traction.
- **Below 55: Not Ready**
 - Planning requires significant focus to ensure execution success.



PCI EXECUTIVE CHECKLISTS & TEMPLATES

Practical tools to support stronger planning, governance, and execution in 2026.

PCI's strength has always been translating complex challenges into clear, actionable frameworks. The following checklists and templates are designed to help leadership teams operationalize strategic decisions, strengthen internal governance, and improve execution throughout the year. These tools can be used individually or woven into a structured planning and performance rhythm.

Executive Tool 1: 2026 Board Governance Checklist

For annual board planning, retreat preparation, and oversight alignment.

	Board Governance Essentials
	Annual review of strategic direction, mission, and identity
	Clear delineation of board vs. management responsibilities
	Annual evaluation of board composition and skills
	Regular review of risk dashboards and early-warning indicators
	Documented oversight of compliance, cyber, and liquidity readiness
	Structured board education plan (regulatory, digital, CRE, risk)
	Annual board self-assessment and follow-up action plan
	Review of CEO performance and leadership development priorities

Executive Tool 1: 2026 Board Governance Checklist

Continued...

	Strategic Alignment Indicators
	Board understands top 3–5 strategic priorities
	KPI dashboard reviewed quarterly
	Scenario planning conducted annually
	Clear succession plan for CEO + key executives

Executive Tool 2: 2026 Leadership Team Alignment

For executive teams before, during, and after the strategic planning cycle.

	Leadership Alignment Questions
	Do all leaders agree on the bank's top priorities?
	Are roles and responsibilities clearly defined?
	Does each leader understand how their department drives strategy?
	Do we have shared definitions of success for 2026?
	Are interdepartmental dependencies documented and managed?

10 PCI EXECUTIVE CHECKLISTS & TEMPLATES

2026 Leadership Team Alignment

Continued...

	Leadership Strength & Culture Indicators
	Managers have coaching and accountability skills
	Communication flow is timely + transparent
	Cultural health is measured and addressed
	Leadership team models the behaviors expected from staff

10 PCI EXECUTIVE CHECKLISTS & TEMPLATES

Executive Tool 3: Quarterly Strategy Review Template

A structured rhythm to keep the plan relevant and results-focused.

1. Performance Review (30 minutes)

- KPI dashboard
- Financial performance
- Risk & compliance update (cyber, CRE, liquidity)

2. Priority Progress (40 minutes)

For each strategic priority:

- Status (On Track / At Risk / Behind)
- Key wins
- Barriers
- Adjustments needed

3. Resource Check (15 minutes)

- Staffing
- Budget
- Technology dependencies

4. Decision & Alignment Items (15 minutes)

- What needs approval?
- What needs escalation?
- What needs clarity?

5. Communication Plan (10 minutes)

- What is shared with staff?
- What is shared with the board?

10

PCI EXECUTIVE CHECKLISTS & TEMPLATES

Executive Tool 4: 2026 Risk Dashboard Template

Designed for ALCO, ERM, and board-level reporting.

Key Dashboard Components

- **Liquidity:** LCR trends, wholesale funding reliance, early warning triggers
- **NIM & Margin:** Quarterly trends, cost of funds, loan yields, stress projections
- **CRE Exposure:** Concentration limits, maturities, subsegment risks
- **Cybersecurity:** Alerts, incidents, training completion, vulnerability scan results
- **Operational Risk:** Vendor issues, process failures, BCP testing
- **Customer Experience:** Digital adoption, onboarding friction, NPS themes
- **People Risk:** Turnover, succession gaps, cultural indicators

Executive Tool 5: 2026 Strategic Priority Worksheet

For narrowing priorities to the vital few.

Step 1 — Define the Priority	Step 2 — Why This Matters	Step 3 — Success Indicators (KPIs)	Step 4 — Roadmap (Quarterly)	Step 5 — Risks & Dependencies
Priority Title: _____ Owner: _____ Supporting Departments: _____	Strategic importance: _____ Expected outcome: _____	KPI 1: _____ KPI 2: _____ KPI 3: _____	Quarter Milestones Status	Operational risks: _____ Vendor dependencies: _____ Staffing needs: _____

10 PCI EXECUTIVE CHECKLISTS & TEMPLATES

Executive Tool 6: Bank Culture & Communication Pulse Check

A lightweight assessment for leadership teams.

	Rate each item 1-5 (low to high health):
	· Employees understand the strategy
	Communication flows across departments
	Managers conduct effective 1:1s
	Recognition & accountability are balanced
	Morale supports execution
	Staff feel connected to the bank's mission
	Leadership models desired behavior

10 PCI EXECUTIVE CHECKLISTS & TEMPLATES

Executive Tool 7: PCI Annual Planning Calendar Template

A month-by-month planning structure banks can adopt.

	Planning Calendar (Example)
January–March:	KPI refresh, board education, first strategic pulse check
April–May:	Operational assessments, talent review, budget-to-plan adjustments
June:	Midyear strategy reset + CRE/liquidity stress test
July–August:	Market scan + digital readiness review
September–October:	Strategic planning retreats (PCI-led)
November:	Budget alignment + board approval
December:	Communication rollout + execution readiness



CLOSING SUMMARY & NEXT STEPS WITH PCI

The 2026 Community Bank Executive Playbook is designed to help leadership teams navigate a rapidly changing environment with clarity, confidence, and strategic focus. As regulatory expectations increase, margins tighten, technology accelerates, and workforce dynamics evolve, community banks must ground their decisions in disciplined planning and aligned execution.

Strong banks will thrive not because they avoid challenges, but because they:

- Understand their strategic identity,
- Invest in leadership and culture,
- Modernize digital and customer experience capabilities,
- Strengthen financial and risk readiness, and
- Maintain a forward-looking view of the market.

This playbook provides the frameworks, questions, and tools that boards and executive teams can use to deepen alignment and sharpen decision-making throughout 2026.

But the most important part of strategy is how effectively it gets executed.

PCI Performance Management supports community banks across the country with strategic planning facilitation, leadership development, operational assessments, and board governance tools that turn strategy into measurable performance.

HOW PCI CAN SUPPORT YOUR 2026 STRATEGY

STRATEGIC PLANNING & BOARD FACILITATION

Custom-designed planning retreats, executive offsites, and board strategy sessions that create clarity, alignment, and actionable priorities.

LEADERSHIP COACHING & BENCH STRENGTH DEVELOPMENT

Skill-building programs for managers and emerging leaders to strengthen communication, accountability, and execution.

OPERATIONAL EFFICIENCY & PROCESS IMPROVEMENT ASSESSMENTS

Targeted reviews to streamline workflows, reduce cost structure, and improve performance across departments.

RISK, CECL & GOVERNANCE MATURITY SUPPORT

Implementation of dashboards, reporting tools, and governance frameworks that meet examiner expectations and improve transparency.

DIGITAL & CUSTOMER EXPERIENCE READINESS

Assessments and roadmaps to modernize digital banking, payments, and customer experience capabilities.

SCHEDULE A 2026 STRATEGY CONSULTATION



Whether your bank is preparing for a planning retreat, evaluating strategic options, or addressing internal alignment, PCI is here to help.

Reach out to schedule a complimentary consultation:

- lorenprairie@prairiebankconsulting.com
- 612-669-3567

Strategic Readiness Consultation (30 minutes):

A focused conversation to identify your bank's strengths, opportunities, and next steps for 2026.

Community banks play an essential role in local economies and the financial wellbeing of the communities they serve. Your commitment to thoughtful leadership, strong governance, and forward-looking strategy is what keeps these institutions resilient.

We look forward to supporting your journey into 2026 — and beyond.

APPENDIX: CITATIONS & RESOURCE LIST

Supporting research, industry insights, and regulatory guidance for 2026 planning.

A. REGULATORY, RISK, & SUPERVISORY GUIDANCE

Federal Deposit Insurance Corporation (FDIC)

- FDIC Risk Review (2024). Commercial Real Estate, Credit Risk, Market Trends.
<https://www.fdic.gov/analysis/risk-review/2024-risk-review/>
- Commercial Real Estate Loan Concentration: Risk Management Guidance.
<https://www.fdic.gov/resources/supervisory-guidance/>

Office of the Comptroller of the Currency (OCC)

- Semiannual Risk Perspective (2024).
<https://www.occ.treas.gov/publications-and-resources/publications/semiannual-risk-perspective/>
- Corporate Governance & Board Expectations Handbook.
<https://www.occ.treas.gov/publications-and-resources/comptrollers-handbook/>

Federal Financial Institutions Examination Council (FFIEC)

- Cybersecurity Assessment Tool (CAT).
<https://www.ffiec.gov/cyberassessmenttool.htm>
- Business Continuity Management Handbook.
<https://ithandbook.ffiec.gov/>

APPENDIX: CITATIONS & RESOURCE LIST

Supporting research, industry insights, and regulatory guidance for 2026 planning.

B. INDUSTRY DATA & BANKING TRENDS

Risk.net

- U.S. Banks' CRE Lending Hits Record Mid-year 2025 (quantitative maturity & exposure data).
<https://www.risk.net/risk-quantum/>

Urban Land Institute (ULI)

- Economist Snapshot: Bank Stress & CRE Maturity Wall (2024–2026 outlook).
<https://urbanland.uli.org/>

Reuters Banking & Finance

- Office delinquencies, CRE stress, and regional bank risk reporting (2024–2025).
<https://www.reuters.com/finance/>

S&P Global Market Intelligence

- Community bank financial performance, margin pressure, deposit flows, and M&A trends.
<https://www.spglobal.com/marketintelligence/>

The Financial Brand

- Digital banking, CX, payments modernization, and fintech partnership trends.
<https://thefinancialbrand.com/>

Independent Community Bankers of America (ICBA)

- Payments modernization, community bank advocacy, and FedNow adoption.
<https://www.icba.org/>

APPENDIX: CITATIONS & RESOURCE LIST

Supporting research, industry insights, and regulatory guidance for 2026 planning.

C. PAYMENTS MODERNIZATION & DIGITAL BANKING RESOURCES

Federal Reserve — FedNow Service

- FedNow technical resources, onboarding, and readiness checklists.
<https://fednow.org/>

The Clearing House — RTP® Network

- Real-time payments integration guidance.
<https://www.theclearinghouse.org/>

FDIC & OCC Guidance on Third-Party Risk Management

- Interagency Guidance on Third-Party Relationships (2023).
<https://www.fdic.gov/resources/supervisory-guidance/>
- OCC Bulletin 2023-17: Third-Party Risk Management.

Deloitte, McKinsey & Forrester Reports (general reference only)

- Digital experience expectations and small business banking trends.

D. CYBERSECURITY, FRAUD & OPERATIONAL RISK RESOURCES

CISA (Cybersecurity & Infrastructure Security Agency)

- Ransomware alerts, cyber hygiene, and best practices.
<https://www.cisa.gov/>

FS-ISAC (Financial Services Information Sharing & Analysis Center)

- Threat intelligence and emerging risks for community banks.
<https://www.fsisac.com/>

FFIEC Cybersecurity Resource Guide

- Authentication, access control, and incident response expectations.
<https://www.ffiec.gov/cybersecurity.htm>

APPENDIX: CITATIONS & RESOURCE LIST

Supporting research, industry insights, and regulatory guidance for 2026 planning.

E. LEADERSHIP, TALENT & ORGANIZATIONAL HEALTH

Gallup Workplace Studies

- Manager effectiveness, engagement, and organizational performance correlations.
<https://www.gallup.com/workplace/>

Harvard Business Review (HBR)

- Leadership development, culture alignment, strategic execution research.
<https://hbr.org/>

Society for Human Resource Management (SHRM)

- Succession planning, talent pipeline, and operational workforce guidance.
<https://www.shrm.org/>

F. STRATEGIC PLANNING, GOVERNANCE & BANK MANAGEMENT

FDIC & OCC Governance Handbooks

- Director roles, governance frameworks, risk oversight expectations.

Bank Director Magazine & Research

- Governance, compensation, board priorities, M&A sentiment.
<https://www.bankdirector.com/>

CECL, Credit, & Risk Resources

- FASB and regulatory interpretations.
- Community bank implementation guides from Crowe, BDO, Moss Adams, etc.

NOTES ON CITATIONS & USAGE

This appendix includes publicly available sources, not proprietary research.

Some sources (e.g., McKinsey, Forrester) produce industry-wide insights that support general strategic themes — they are cited as general references, not specific data points.

The playbook content remains actionable without citations, but this appendix provides credibility and depth consistent with professional consulting deliverables.



THANK YOU