Bank Director
Strong Board. Strong Bank.

2026 Technology Survey

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September 2026
Research

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About Bank Director

Bank Director reaches the leaders of the institutions that comprise America's banking industry. Since 1991, Bank Director has provided board-level research, peer insights and in-depth executive and board services. Built for banks, Bank Director extends into and beyond the boardroom by providing timely and relevant information through *Bank Director* magazine, board training services and the financial industry's premier event, Acquire or Be Acquired. For more information, please visit **www.bankdirector.com**.

About Jack Henry & Associates, Inc.®

Jack Henry™ (Nasdaq: JKHY) is a well-rounded financial technology company that strengthens connections between financial institutions and the people and businesses they serve. We are an S&P 500 company that prioritizes openness, collaboration, and user centricity – offering banks and credit unions a vibrant ecosystem of internally developed modern capabilities as well as the ability to integrate with leading fintechs. For 50 years, Jack Henry has provided technology solutions to enable clients to innovate faster, strategically differentiate, and successfully compete while serving the evolving needs of their accountholders. We empower approximately 7,200 clients with people-inspired innovation, personal service, and insight-driven solutions that help reduce the barriers to financial health. Additional information is available at **www.jackhenry.com**.

EXECUTIVE SUMMARY

Laura Alix is the director of research for Bank Director, an information resource for directors and officers of financial companies. You can connect with her on LinkedIn.

Community bank leaders no longer view national and superregional banks as their biggest threats.

Bank Director's 2026 Technology Survey, sponsored by Jack Henry & Associates, finds that 58% of bank executives and directors cite financial technology firms such as Block and PayPal as one of their greatest competitive threats, second only to local banks and credit unions (61%) and outpacing big or superregional banks (48%). Forty percent share concerns about competition from deposit-focused neobanks such as Chime. This is the first time that bank executives and board members responding to the annual survey have pointed to fintechs that offer a range of products — not big national banks like JPMorgan Chase & Co. or Bank of America Corp. — as their greatest threats.

That shift in sentiment may reflect the regulatory and political landscape in Washington, which has recently favored greater competition in the financial system. More fintech firms have sought bank charters over the past year — PayPal and the buy now pay later lender Affirm Holdings, for example, applied for industrial loan charters in 2025. In its application, PayPal outlined its ambitions to expand its offerings to small business clients.

In addition to the ILC applicants, more than a dozen firms have applied for national trust bank charters with the Office of the Comptroller of the Currency, according to S&P Global Market Intelligence. These include the cryptocurrency firms Circle Internet Group and Coinbase Global.

In the survey, 16% point to cryptocurrency or stablecoin platforms as a top competitive threat. The Genius Act, signed into law in July 2025, laid out a framework for banks and licensed nonbanks to issue payment stablecoins — digital assets backed by currency or U.S. Treasuries. While federal agencies have begun to issue proposed rules implementing the law, many community banks may not yet have a clear use case or customer demand. Perhaps as a result, just 10% say their institution has a strategy for stablecoin. Fewer (7%) have a strategy for tokenized deposits, another form of digital assets that can stay on bank balance sheets as deposits.

While banks await those final stablecoin rules, "institutions must ensure their core infrastructure... can support the tokenized money use cases that gain traction and scale in the years ahead," says Lee Wetherington, senior director of corporate strategy with Jack Henry.

Of potentially greater concern than stablecoin, however, is the 70% of survey respondents who say their bank does not have a strategy to reach younger accountholders, says Jennifer Geis, senior strategic advisor for research and payments with Jack Henry. "Banks are finally recognizing the fintech threat," she says. "Yet they're ignoring the very demographic that fintechs have targeted."

KEY FINDINGS

Efficiency Over Growth

Seventy-six percent of bank executives and directors say they see technology as primarily an engine for improving efficiency, while just 24% view it as a means of generating growth.

Getting Educated On Artificial Intelligence

More respondents say their bank has been taking steps in response to the growing prevalence of AI-enabled technologies. For example, 88% say their bank has drafted an acceptable use policy and 74% are educating employees about AI-enabled fraud, up from 66% and 54% last year.

Gauging AI Usage

Seventy-two percent say their bank has implemented generative AI, which uses machine learning to create new content. Most report its use in operations, marketing and compliance. Thirty percent say they are using agentic AI, a newer form of AI that can autonomously carry out tasks. Almost a quarter say their bank is not using either form of AI.

Integration Challenges

Sixty-nine percent cite integrating new technology with existing systems as a top concern when it comes to their own bank's use of technology, an 18-percentage point increase over the past year. Among banks that had a technology project fall short of its intended objectives, more than half pointed to integration as the culprit, which could indicate fragmented or outdated systems.

Prioritizing Payments

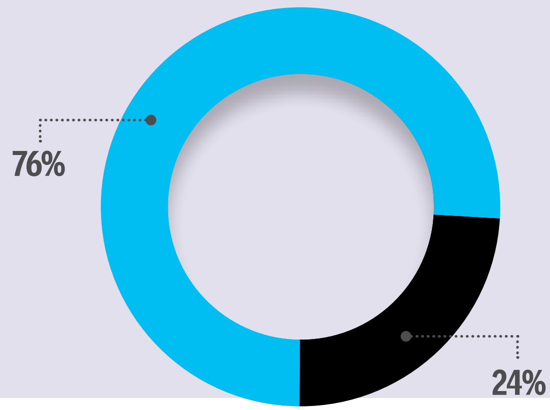
Eighty-two percent say their bank offers person-to-person payments to retail customers, a 9-percentage point increase from a year ago. Meanwhile, 58% offer mobile payment acceptance and 49% offer real-time payments to small and midsized business clients, up more than 10 percentage points over the previous survey

Most Not Sold on Crypto

Majorities believe that cryptocurrency (79%) and stablecoin (63%) have been overhyped in terms of their impact on the banking industry, and 43% say the same of tokenized deposits. By contrast, just 15% believe that generative AI is overhyped.

STRATEGY & ADOPTION

1. Thinking about your bank's approach to technology, do you see technology as primarily an engine for generating growth or improving efficiency?



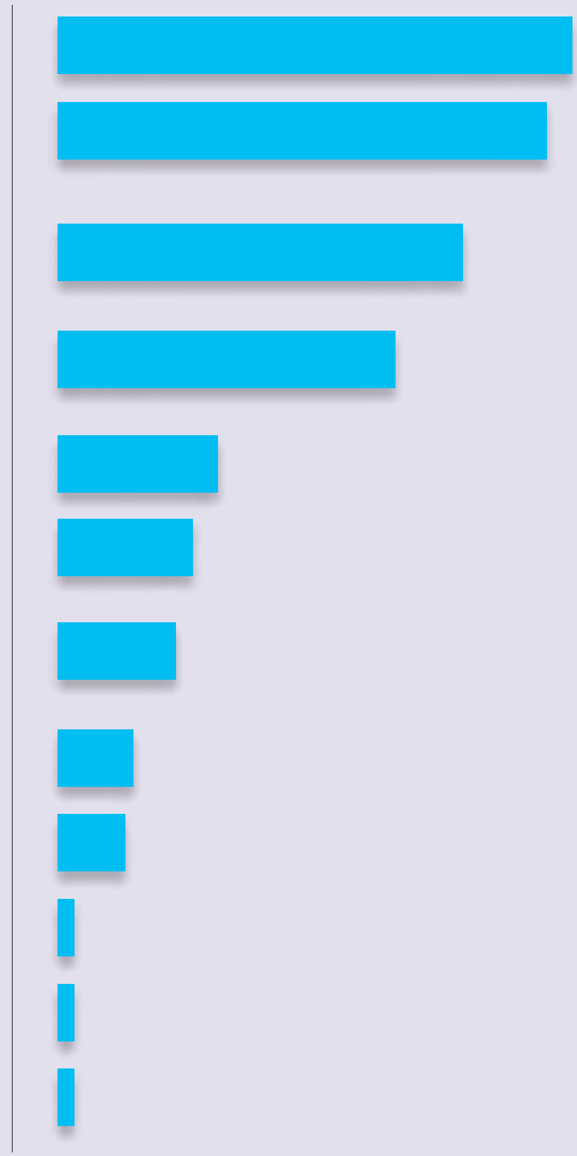
■ Improving efficiency

■ Generating growth

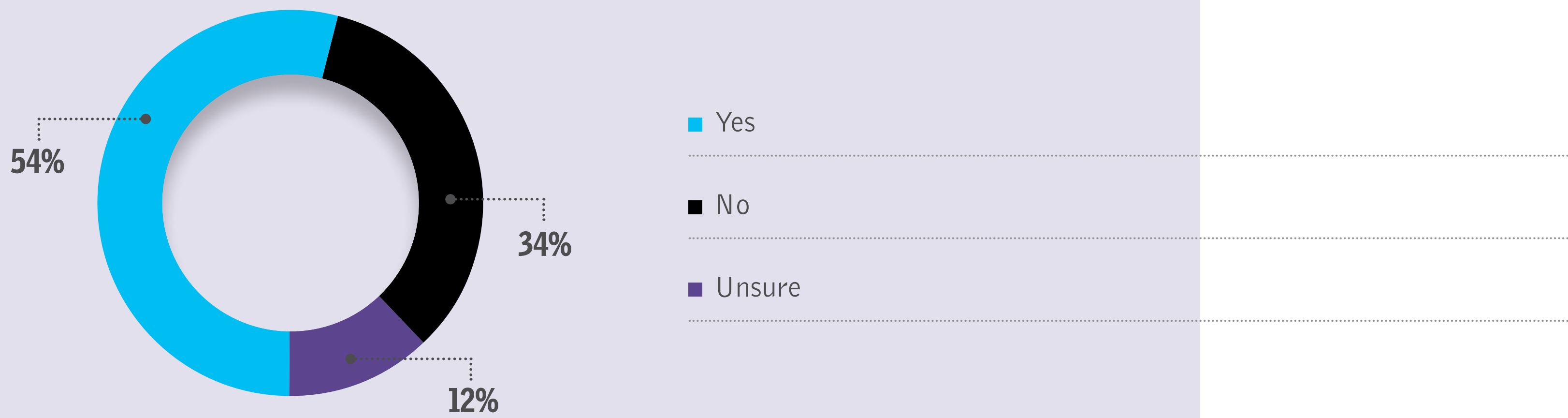
2. Of the following, which three do you consider to be the greatest competitive threats to your bank?

Respondents were asked to select no more than three options.

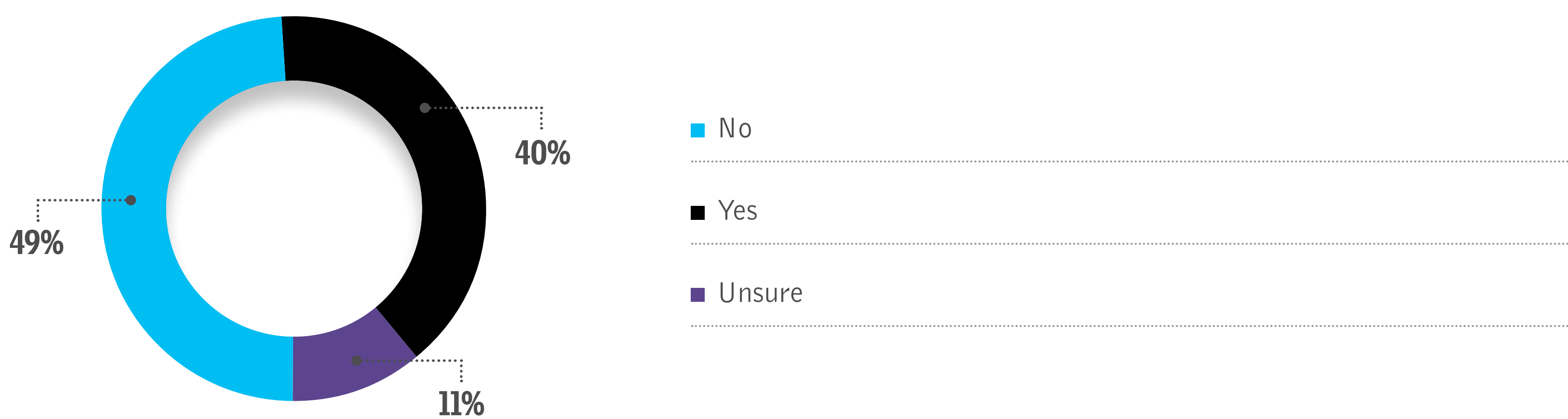
61%	Local banks and/or credit unions
58%	Financial technology companies that offer a range of products, such as PayPal or Block (CashApp/Square)
48%	Big/superregional banks
40%	Neo/challenger banks that attract consumer deposits, such as Chime
19%	Digital, nonbank business lenders
16%	Cryptocurrency or stablecoin platforms
14%	Big tech companies such as Apple, Facebook (Meta) and Google (Alphabet)
9%	Mega retailers such as Amazon.com and Walmart
8%	Digital, nonbank mortgage lenders
2%	Other
2%	Digital, nonbank consumer lenders
2%	Digital wealth management providers



3. Does your bank set clear objectives for its technology initiatives and investments?



4. Over the past 18 months, have any of your bank's technology initiatives fallen short of its objectives?



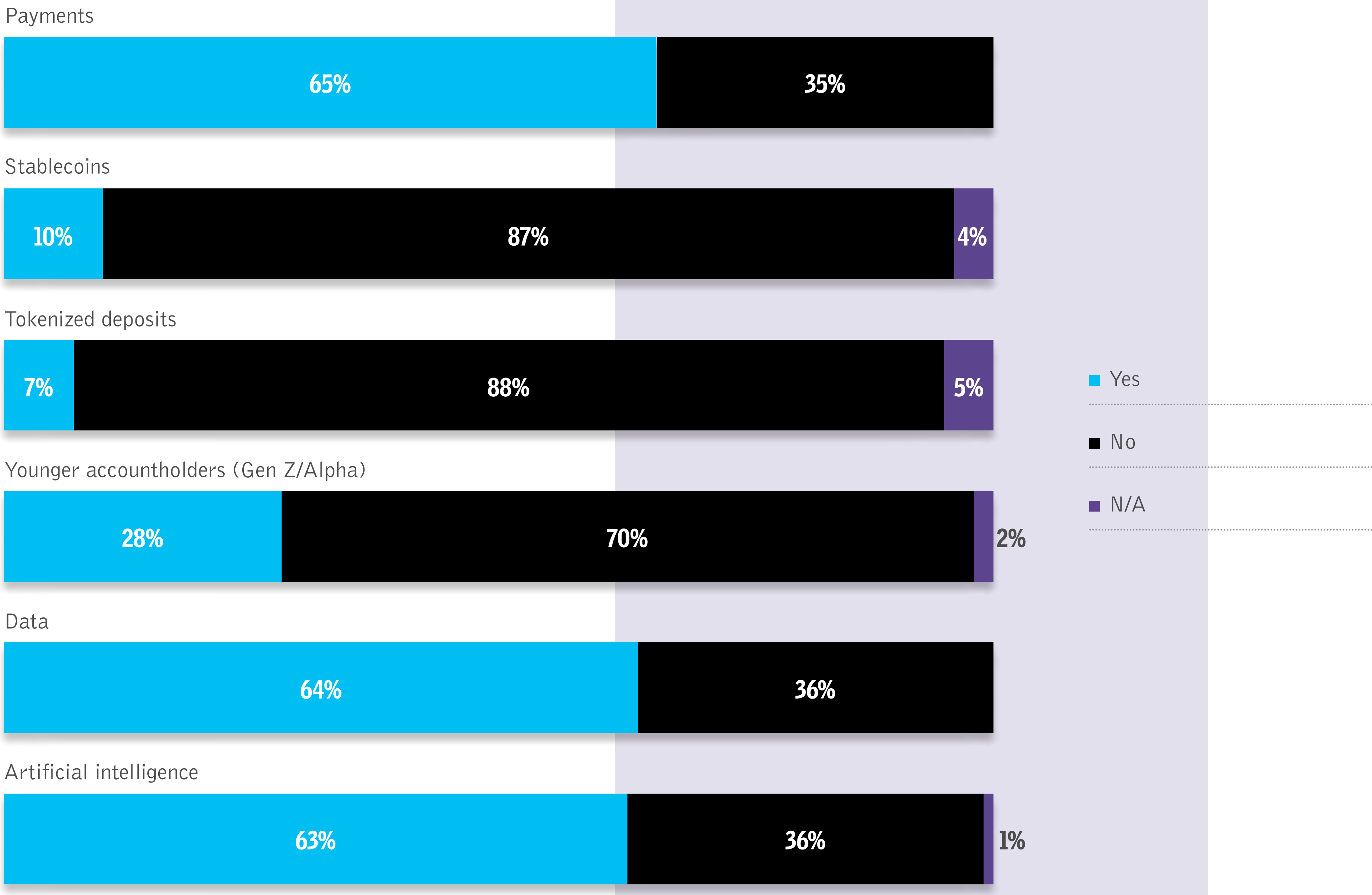
5. Why was your bank unable to achieve its objectives in adopting the technology?

Question only asked of respondents who indicated that a technology initiative fell short of its objectives. Respondents were asked to select all that apply.

58%	Integration challenges with existing systems
42%	Insufficient vendor support
39%	Longer than expected implementation time
19%	Lack of employee adoption
19%	Shift in priorities
15%	Insufficient due diligence
8%	Lack of client adoption
4%	Other

6. Does your bank have a formal strategy for any of the following?

Numbers don't add up to 100% due to rounding.



SERVING CUSTOMERS

7. What digital capabilities does your bank offer to its retail customers?

Respondents were asked to select all that apply.

82%
Person-to-person payments

72%
Deposit account onboarding

65%
Mortgage loan applications

50%
Personal financial management/digital budgeting capabilities

32%
Consumer (auto, etc.) loan applications/processing

26%
Wealth management capabilities, including brokerage

8. Which of the following have you found to be most effective at enhancing the customer experience?

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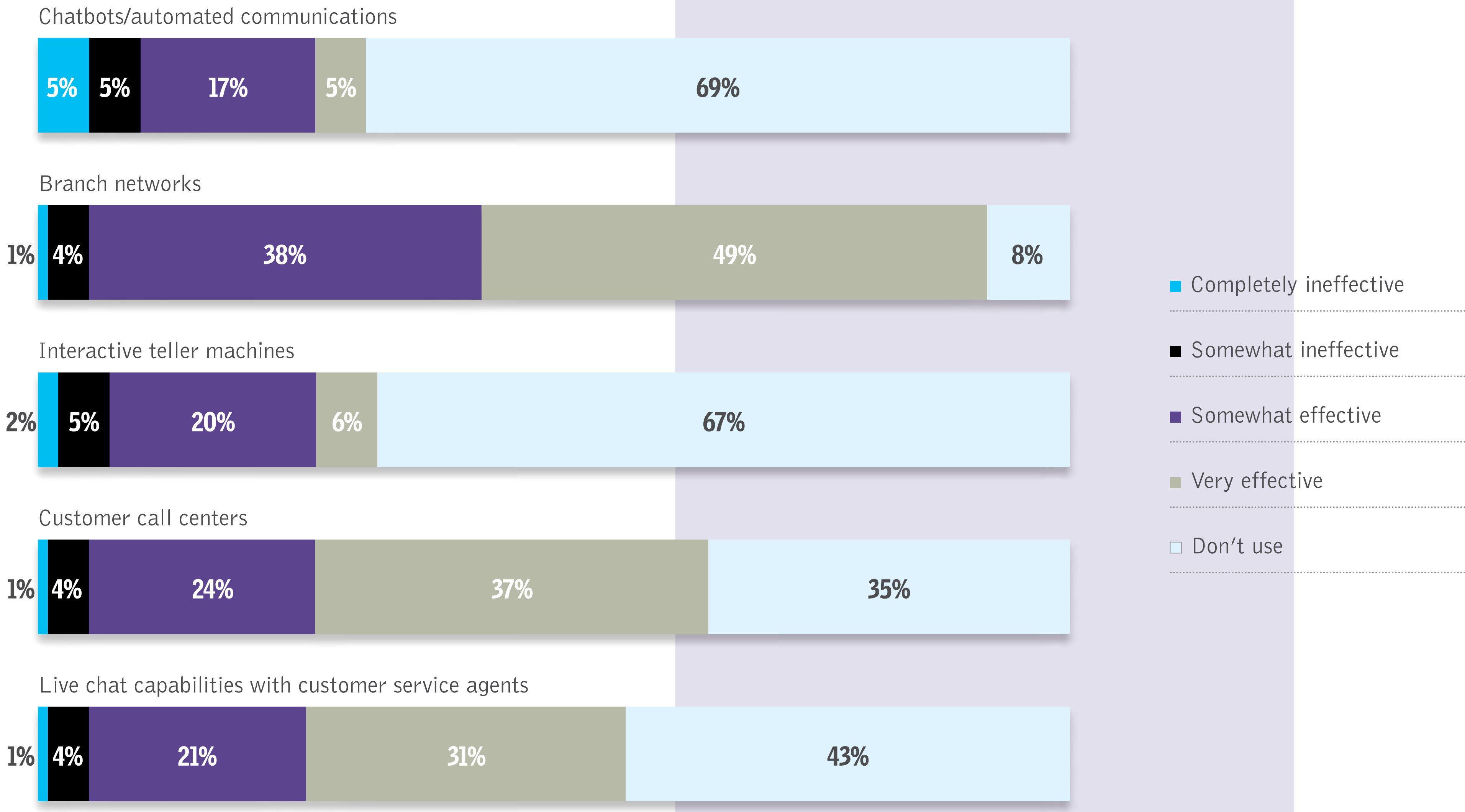


9. What digital capabilities does your bank offer to its small and midsized business customers?

Respondents were asked to select all that apply.

78%
Treasury management

77%
Integration with accounting systems (e.g. QuickBooks)

58%
Mobile payment acceptance

49%
Real-time payments

48%
Tap to pay mobile payment acceptance

47%
Deposit account onboarding

35%
Payroll services

31%
Loan application/processing

28%
Accounts payable and receivable

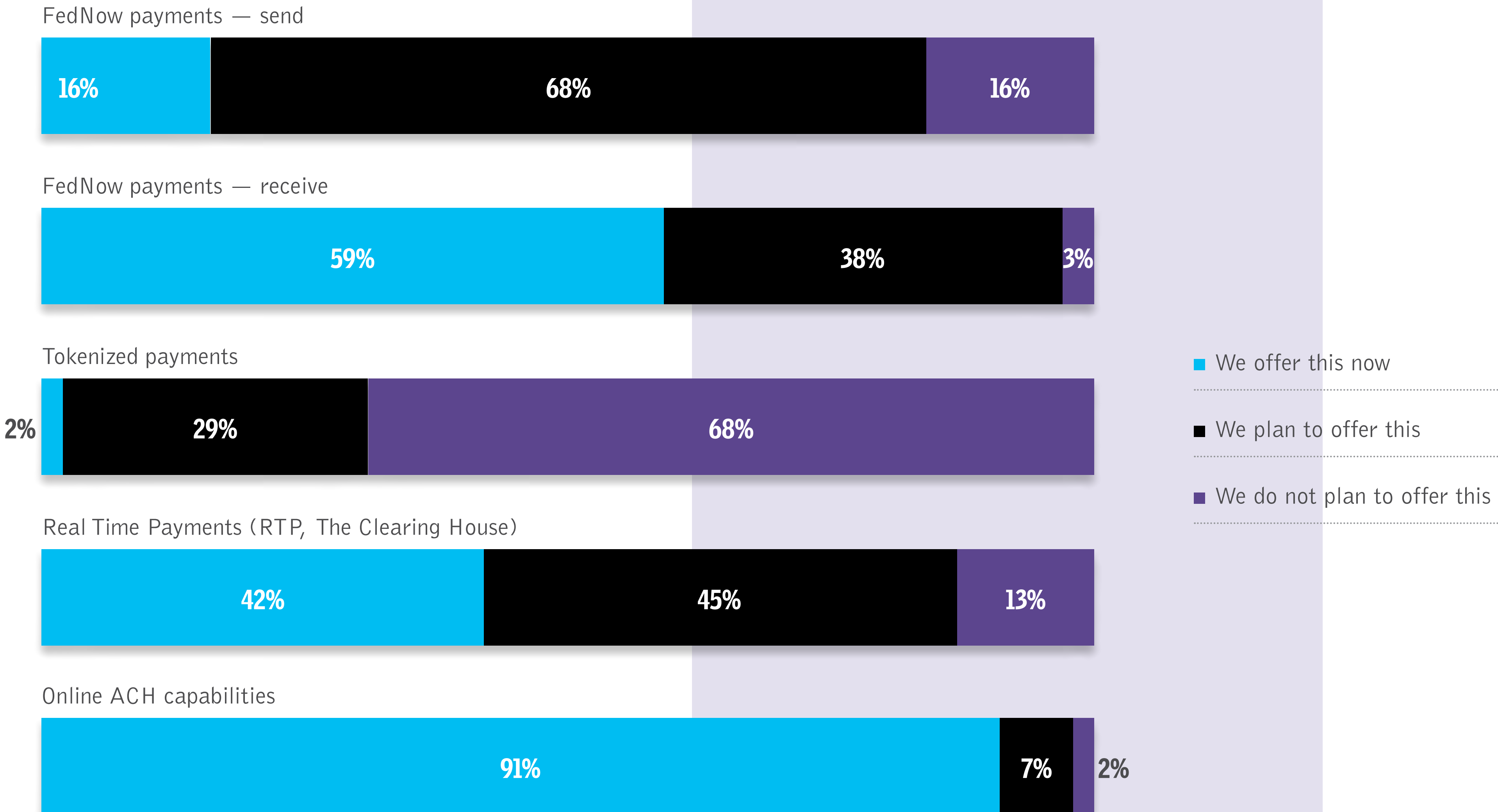
19%
Cash flow accounting

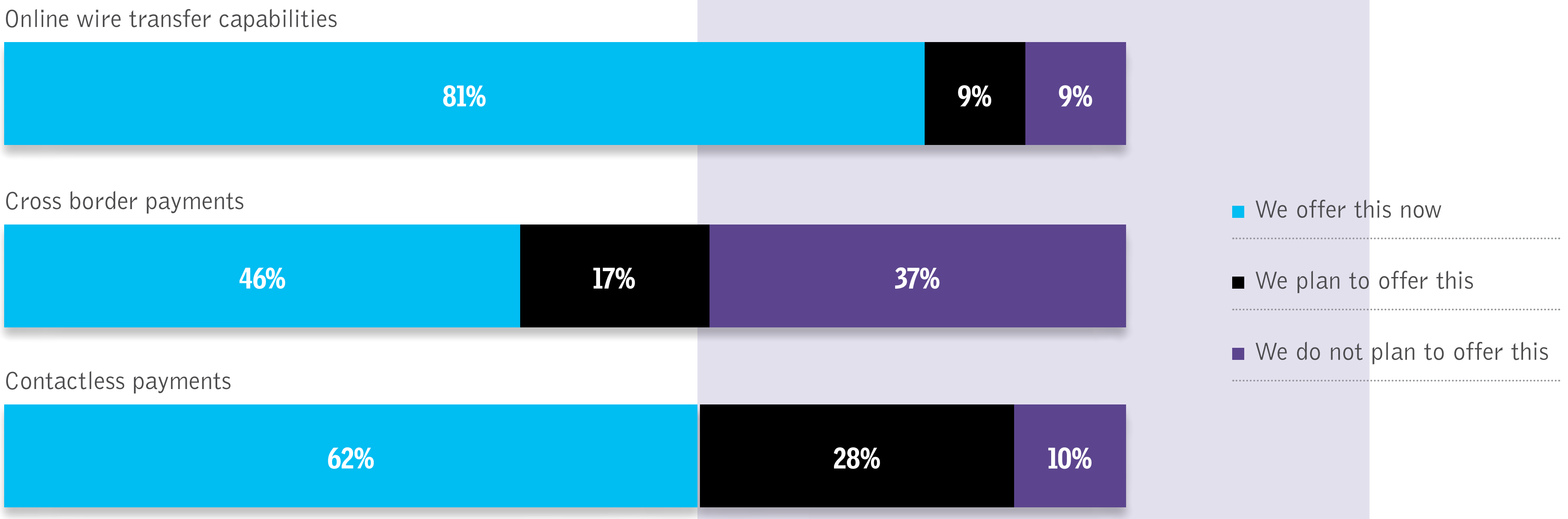
12%
Cash flow forecasting

10. Do you believe that your bank's payment offerings are sufficient to meet your customers' needs?

11. Which of the following do you offer or plan to offer as part of your bank's payments suite over the next 18 months?

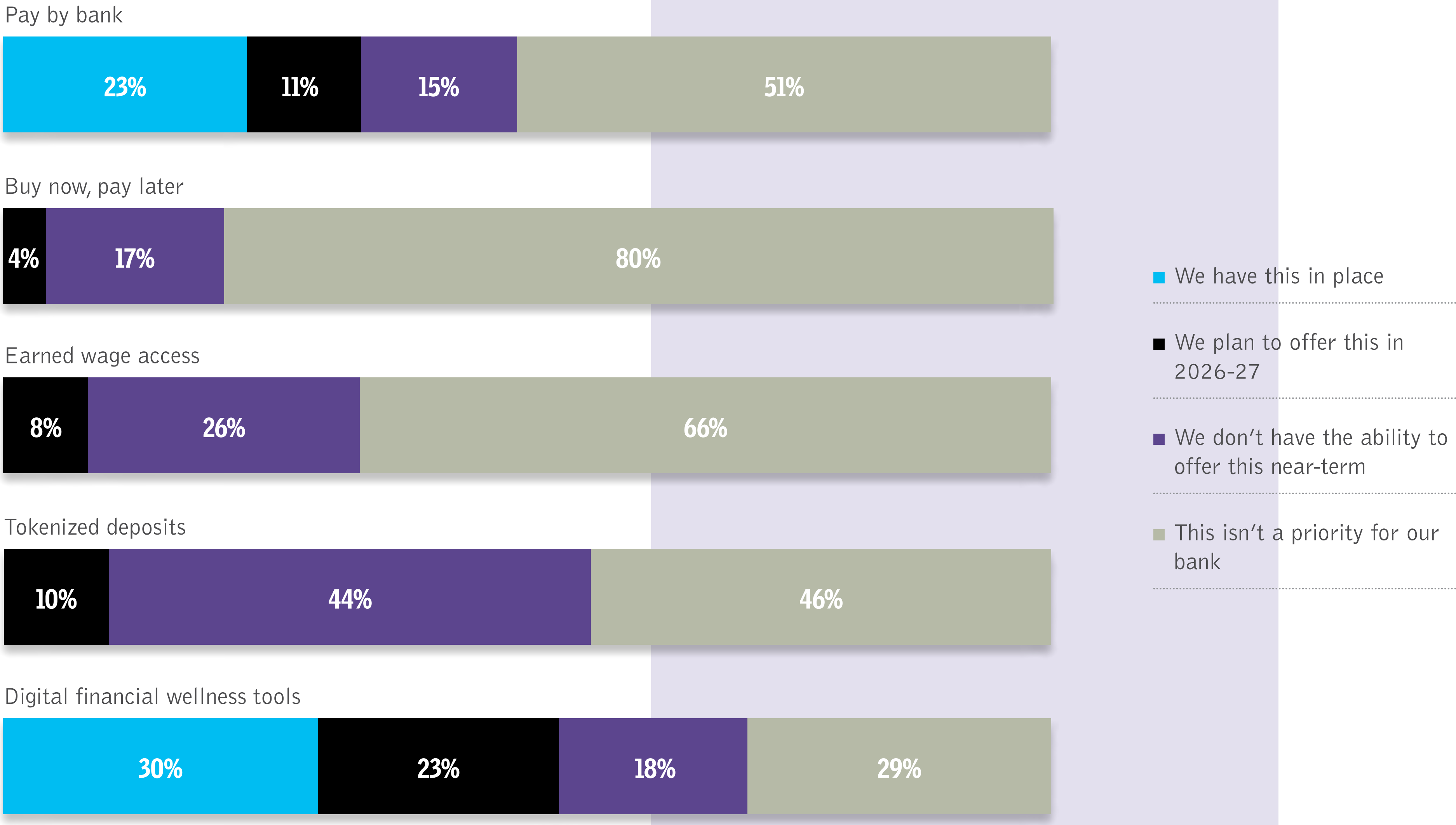
Numbers don't add up to 100% due to rounding.

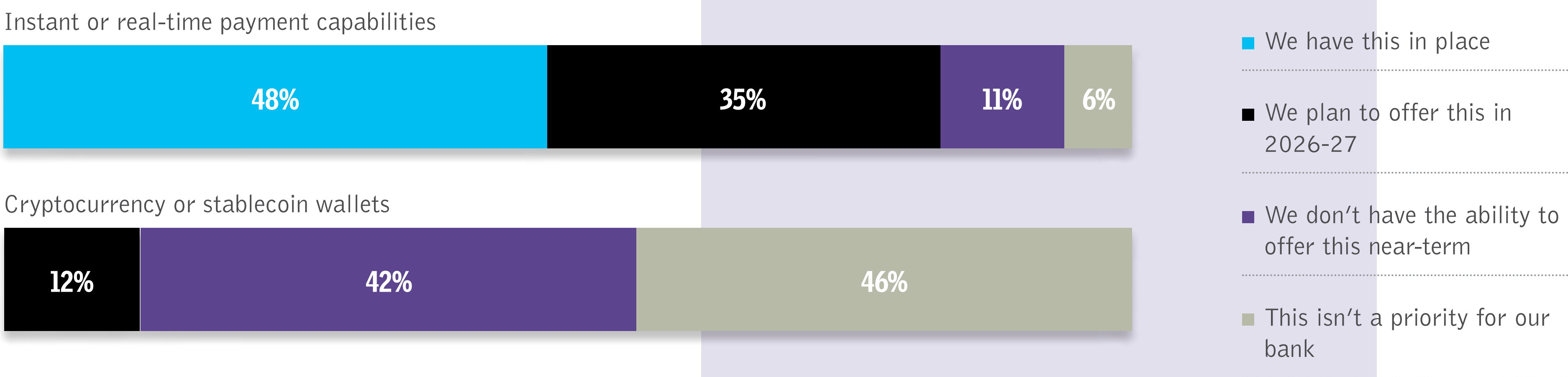



Online wire transfer capabilities
81%
9%
9%
Cross border payments
46%
17%
37%
Contactless payments
62%
28%
10%
We offer this now
We plan to offer this
We do not plan to offer this

12. How is your bank approaching the adoption of the following customer-facing solutions?

Numbers don't add up to 100% due to rounding.




Instant or real-time payment capabilities
48%
35%
11%
6%
Cryptocurrency or stablecoin wallets
12%
42%
46%
We have this in place
We plan to offer this in 2026-27
We don't have the ability to offer this near-term
This isn't a priority for our bank

INVESTMENT

13. How much has your bank budgeted for technology in fiscal year 2026?

Question only asked of CEOs, chief technology officers, chief information officers, chief financial officers and chief operating officers. Respondents were asked to report the total amount as a whole number and not enter zero values.

$1,720,000

Median percentage allocated for technology

14. How much has your bank budgeted for technology in fiscal year 2026 as a percentage of noninterest expenses?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs. Respondents were asked to report the total amount as a whole number and not enter zero values.

11%

Median percentage of noninterest expenses budgeted for technology

15. How much of your bank's technology budget has been allocated to emerging technologies or new digital/technology initiatives in fiscal year 2026?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs. Respondents were asked to report the total amount as a whole number and not enter zero values.

10%

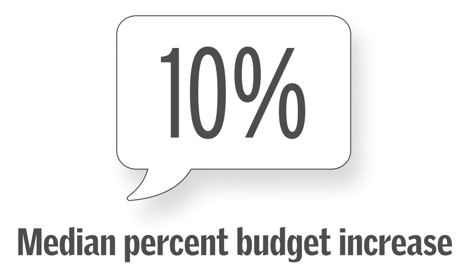
Median percentage allocated for new initiatives

16. Did your bank increase or decrease its budget for technology in fiscal year 2026 compared to its technology budget for fiscal year 2025?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs.

17. By what percentage did your technology budget increase for fiscal year 2026, compared to your bank's technology budget in fiscal year 2025?

Question only asked of CEOs, CTOs, CIOs, CFOs and COOs. Respondents were asked to report the total amount as a whole number and not enter zero values.

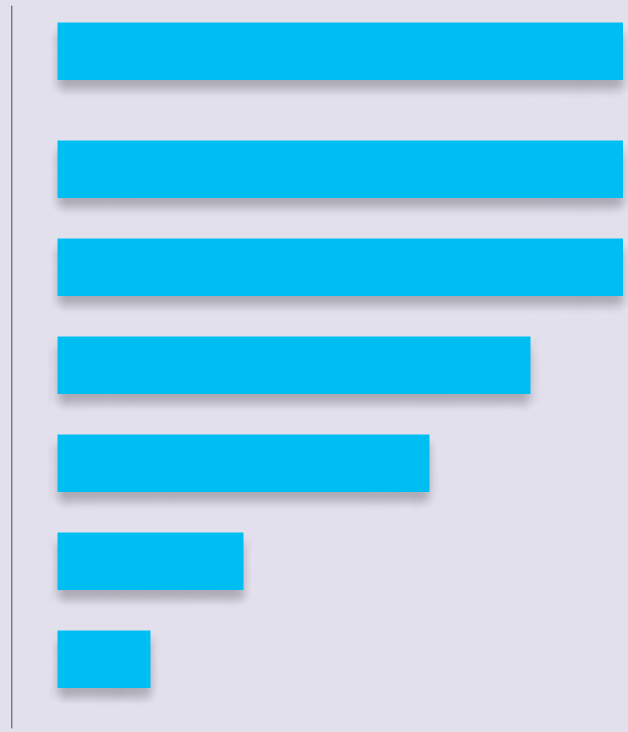


EMERGING TECHNOLOGIES

18. Thinking about cryptocurrency and stablecoin, which of the following is your bank planning to enable or support over the next two years?

Question only asked of respondents who indicated their bank plans to offer cryptocurrency or stablecoin wallets in 2026-27.

67%	Orchestration, exchange and settlement of dollars to stablecoins/crypto and vice
67%	Treasury and liquidity management with stablecoins
67%	Cross border payments with stablecoins
56%	Retail and merchant payments with stablecoins
44%	Custody of digital assets
22%	Lending against cryptocurrency
11%	Supporting on chain wallets for account holders



19. How does your bank manage its data?

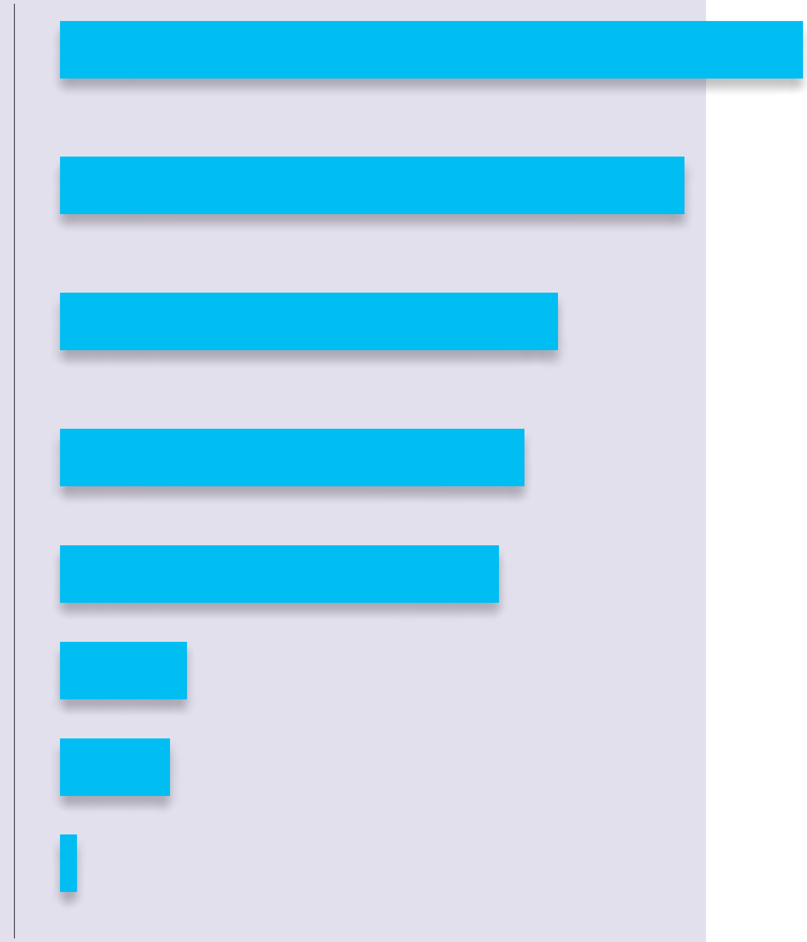
Respondents were asked to select all that apply.

75%	We rely on our core provider to access our data
61%	We keep data in the system or platform that generates or uses the data
55%	We use spreadsheets to manage data used by business lines
30%	We use a data lake or warehouse to combine data from different sources
13%	We do not have a formal data management strategy
1%	Other

20. What steps has your bank taken in response to the growing prevalence of artificial intelligence (AI) technologies?

Respondents were asked to select all that apply.

88%	We've drafted an acceptable use policy to guide usage of AI technologies within the bank
74%	We're educating employees about the growing threat of AI-enabled fraud
59%	We have appointed an executive or team responsible for AI oversight
55%	We've updated our vendor due diligence process to account for AI risks
52%	We've trained employees on the use of generative AI
15%	We've trained employees on building AI agents
13%	We've restricted/banned use of AI tools until further evaluation
2%	We have not taken any formal steps in response to AI



21. What types of artificial intelligence has your bank implemented to date?

Respondents were asked to select all that apply.

72% Generative AI

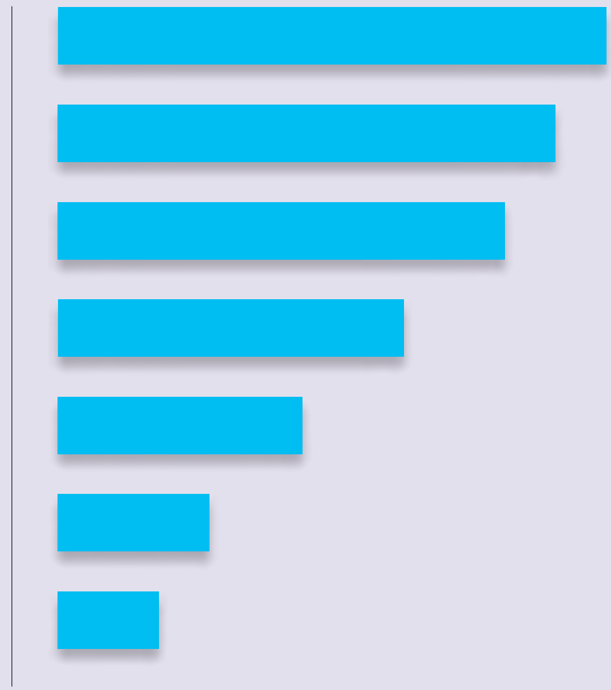
30% Agentic AI

22% Neither of these

22. What are the concerns preventing your bank from using generative or agentic AI?

Question only asked of respondents who indicated their bank is not using generative or agentic AI. Respondents were asked to select all that apply.

65%	Lack of expertise
59%	Regulatory and/or compliance risk
53%	Unclear use cases for the technology
41%	Inadequate data infrastructure
29%	Budgetary resources
18%	Lack of buy-in from key executives
12%	Lack of buy-in from the board



23. In which areas is your bank using generative AI?

Respondents were asked to select all that apply.

80% Operations

73% Marketing

66% Compliance

49% Lending

29% Customer Service

20% Software development

15% Payments

13% Other

24. What generative AI programs does your bank use?

Respondents were asked to select all that apply.

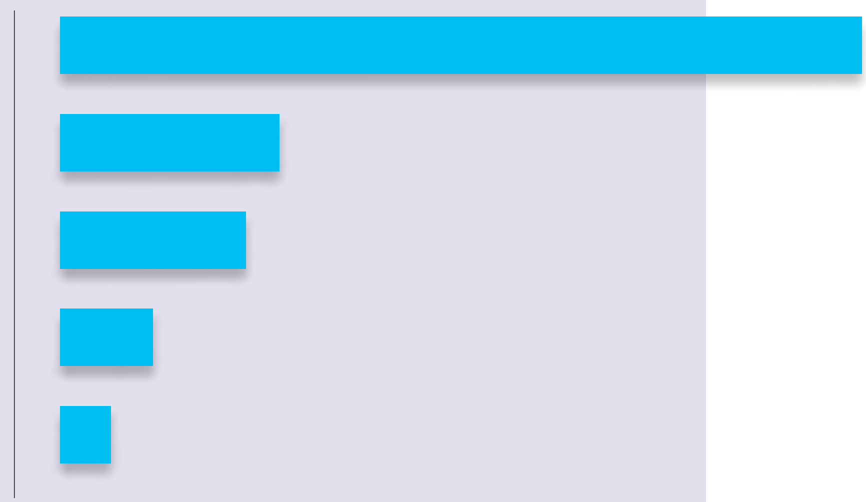
95% Copilot (Microsoft)

26% Claude (Anthropic)

22% ChatGPT (OpenAI)

11% Gemini (Google)

6% Other



25. In which areas is your bank using agentic AI?

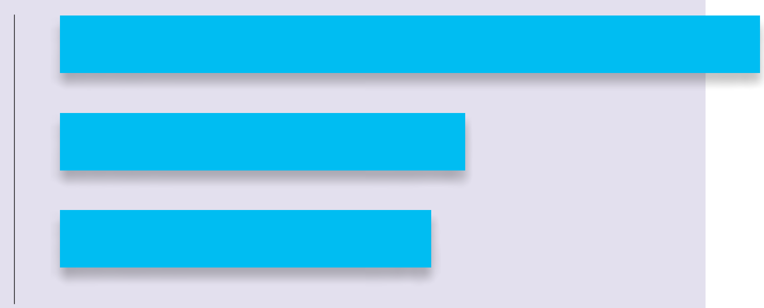
Respondents were asked to select all that apply.

78%	Operations
48%	Cybersecurity
26%	Customer Service
26%	Software development
17%	Lending
13%	Payments
4%	Other

26. How is your bank implementing agentic AI?

Respondents were asked to select all that apply.

83%	Embedded in existing third-party applications
48%	Custom applications built in house
44%	Custom applications built by vendors/third parties

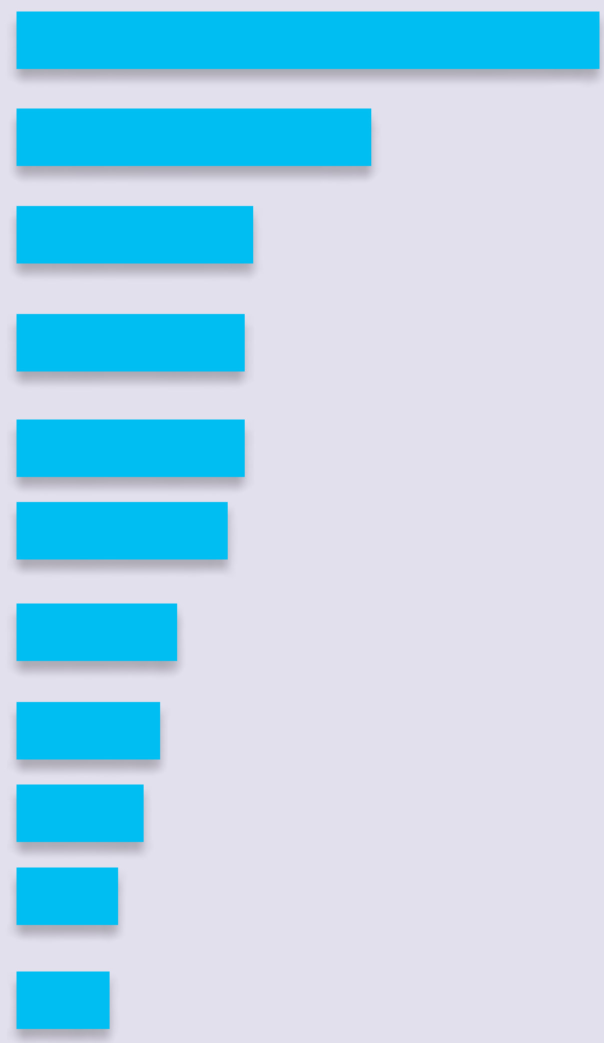


RESOURCES & DECISION MAKING

27. What challenges are you most concerned about as it pertains to your bank's use of technology?

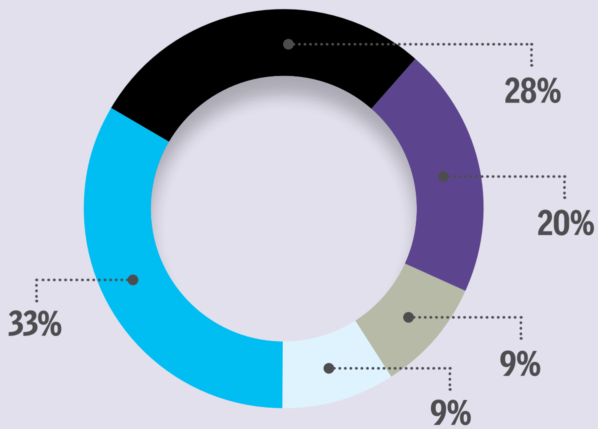
Respondents were asked to select no more than three options.

69%	Integrating new technology with existing systems
42%	Rising technology costs
28%	Inability to use data effectively
27%	Obsolete technology that requires workarounds, or lacks patches and updates
27%	Insufficient staff product or technology knowledge
25%	Lack of employee adoption or use
19%	Compliance and regulation
17%	No clear return on investment
15%	Data and/or system requirements
12%	Inability to prioritize technology projects
11%	Lack of customer adoption or use



28. Thinking about the most recent, significant technology implementation at your bank, how long did the due diligence process take?

Numbers don't add up to 100% due to rounding.



- 3 to 6 months
- Less than 3 months
- 6 to 9 months
- 9 months to a year
- A year or longer

29. How does your bank handle decisions about technology investments?

Respondents were asked to select the options that most closely align with their bank.

65% A management-level team or steering committee has final approval

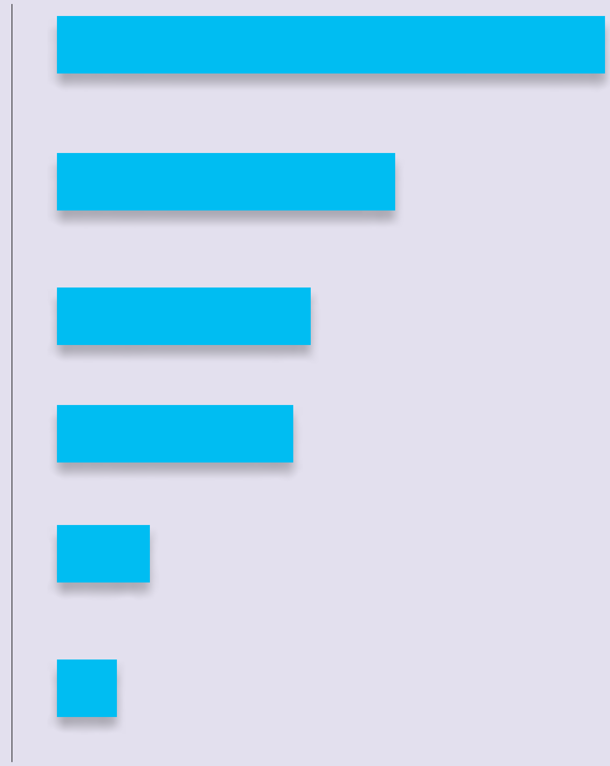
40% A C-level executive (other than the CIO or CTO) has final approval

30% Our board of directors is directly involved in major technology investment decisions

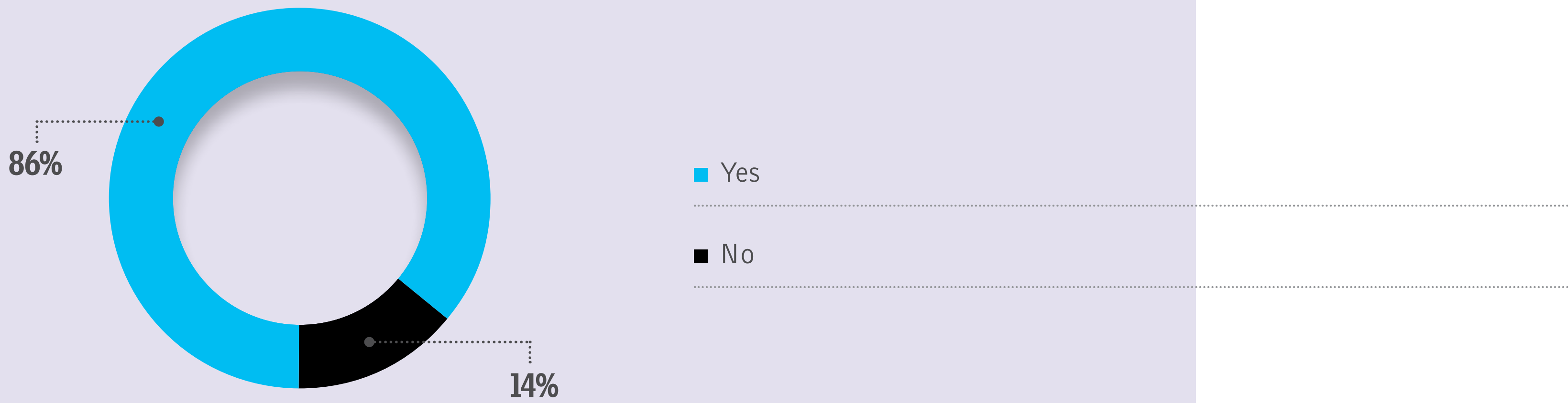
28% Investments are jointly decided by IT and business line leaders

11% Investments are driven by the IT (information technology) department

7% Decisions are made on an ad hoc basis within business lines or functions

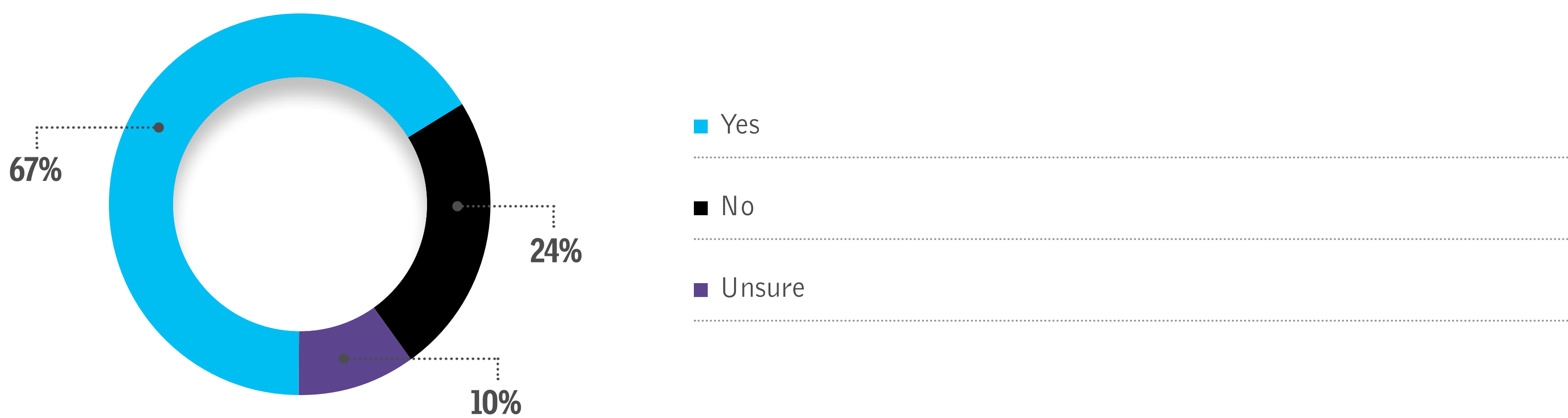


30. Do you believe your bank's decision-making process for technology is effective?



31. Overall, do you believe your bank allocates sufficient resources to technology and innovation?

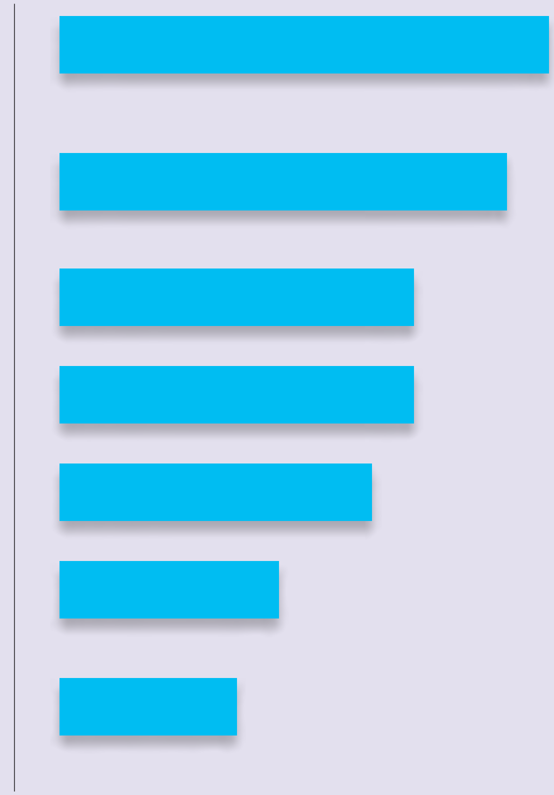
Numbers don't add up to 100% due to rounding.



32. What deficiencies do you see in your bank’s allocation of resources to technology and innovation?

Question only asked of respondents who indicated their bank does not allocate sufficient resources to technology and innovation.

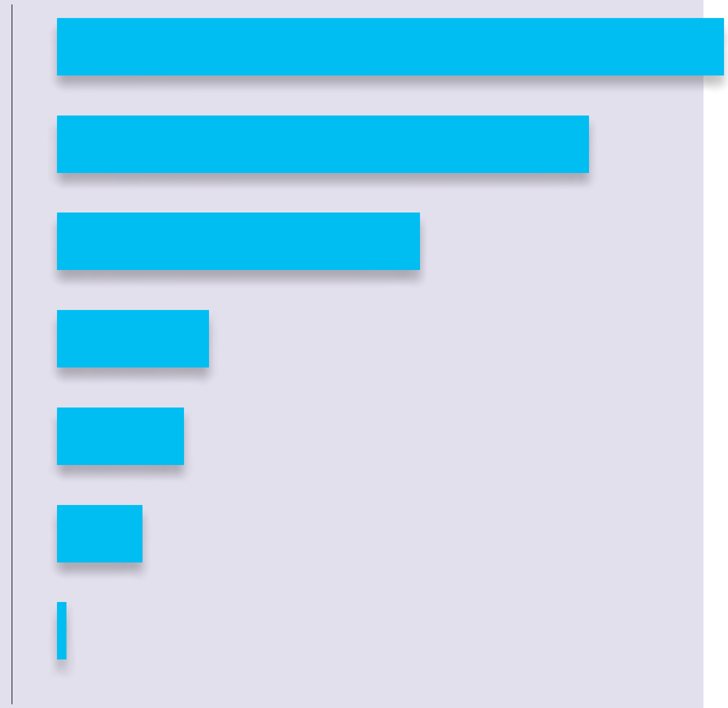
58%	More budget dollars should be allocated to technology and innovation
53%	Lack of clear metrics to understand return on investment from tech investments
42%	Mid-level staffing (programmers, developers, data scientists, etc)
42%	Lack of adoption by staff after implementation
37%	Misalignment with bank strategy
26%	Executive or officer-level staffing
21%	Lack of resources to the marketing team to drive customer adoption



33. Which of the following technologies, if any, do you believe has been overhyped in terms of its impact on the banking industry?

Respondents were asked to select all that apply.

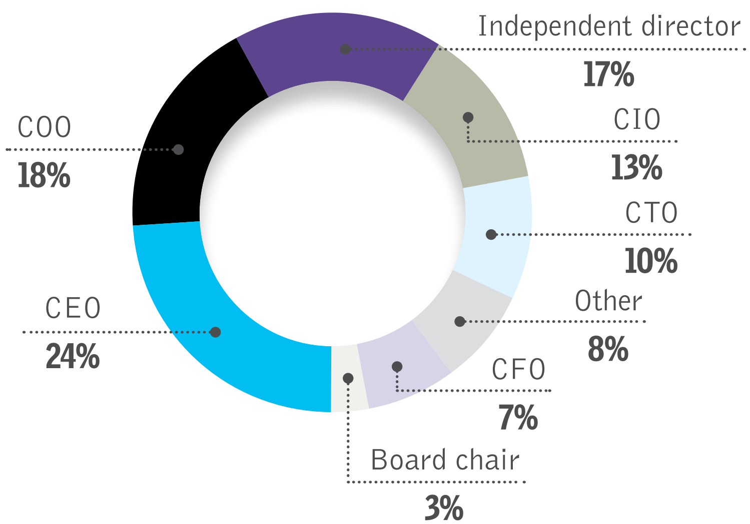
79%	Cryptocurrency such as bitcoin or ethereum
63%	Stablecoin
43%	Tokenized deposits
18%	Agentic AI
15%	Generative AI
10%	None of these
1%	Other



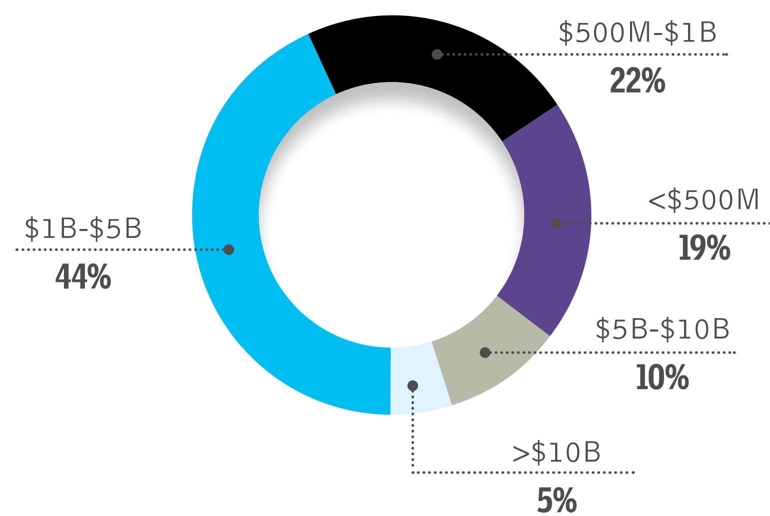
ABOUT THE SURVEY

Bank Director's 2026 Technology Survey, sponsored by Jack Henry & Associates, surveyed 136 independent directors, chief executive officers, chief operating officers and senior technology executives of U.S. banks below $100 billion in assets to understand how these institutions make decisions about technology and data against a competitive landscape. The survey was conducted in June and July 2026. Over half of the respondents represent banks with $1 billion to $10 billion in assets.

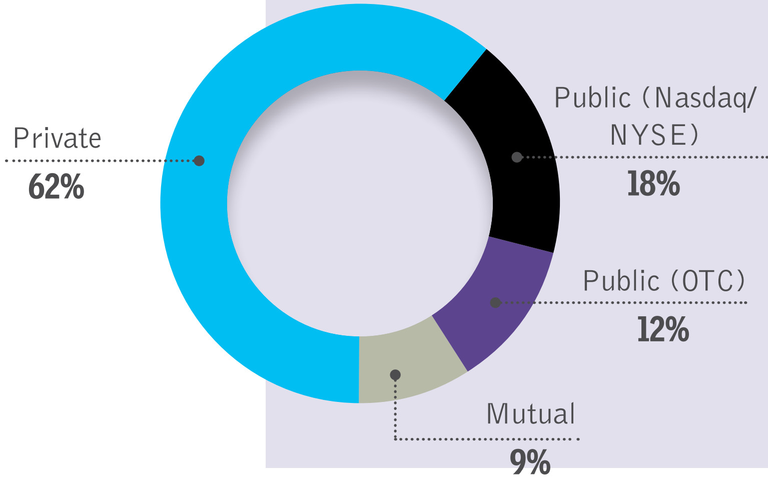
TITLE



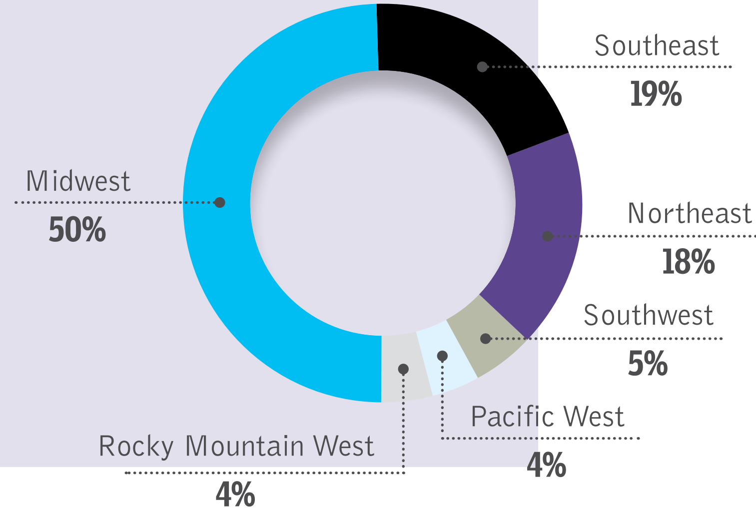
ASSET SIZE



OWNERSHIP STRUCTURE



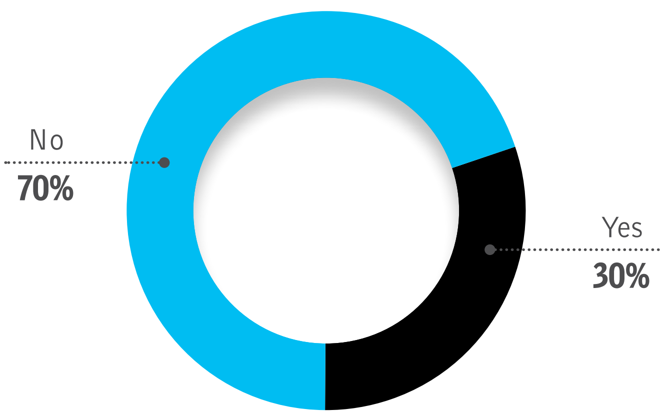
REGION*



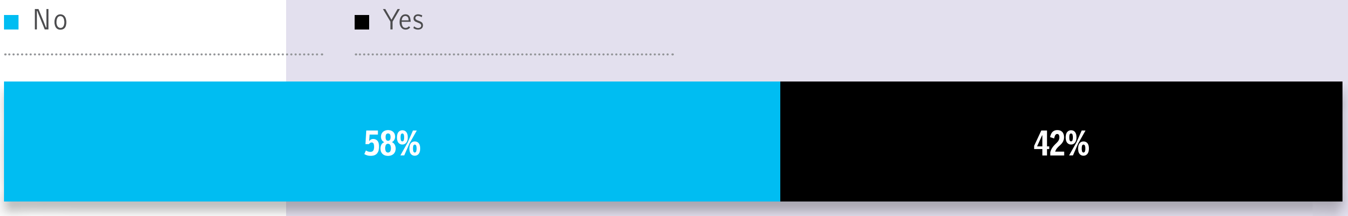
**Regions defined as follows: Midwest (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI); Northeast (CT, ME, MA, NH, NJ, NY, PA, RI, VT); Pacific West (AK, CA, HI, OR, WA); Rocky Mountain West (CO, ID, MT, NV, UT, WY); Southeast (AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, SC, TN, VA, WV); Southwest (AZ, NM, OK, TX)*

DO YOU HAVE A PROFESSIONAL BACKGROUND, SKILLS OR EXPERTISE IN TECHNOLOGY?

Question only asked of directors and board chairs.



IS AT LEAST 30% OF YOUR BANK CONTROLLED BY A SINGLE FAMILY?



HOW WOULD YOU PRIMARILY DESCRIBE YOUR BANKS' MARKETS?

Respondents were asked to select the option that best matches the markets their bank primarily serves. Numbers don't add up to 100% due to rounding.