We'll get you there

CPAs | CONSULTANTS | WEALTH ADVISORS

Govern the Future of Financial Services With Strategy and Oversight

Planning amid disruption and governing the future at community financial institutions

©2026 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.
Securities and investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor, member FINRA/SIPC.

The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

©2026 CliftonLarsonAllen LLP

SESSION CPE REQUIREMENTS

You need to attend 50 minutes to receive the full 1 CPE credit.

There will be 4 polling questions throughout the presentation. You must respond to a minimum of 3 to receive the full 1 CPE credit.

Both requirements must be met to receive CPE credit

©2026 CliftonLarsonAllen LLP

Today's Presenters



David Heneke, CPA, CISA

Principal

david.heneke@CLAconnect.com



Travis Whiting, CPA

Principal

travis.whiting@CLAconnect.com



Susan Sabo, CPA

Managing Partner of Industry

susan.sabo@CLAconnect.com

©2026 CliftonLarsonAllen LLP

ONE QUESTION BEFORE WE START

If your strategic plan disappeared tomorrow, how long would it take your board to notice?

81%

of directors say their boards could challenge management more effectively on strategy

PwC 2026 Annual Corporate Directors Survey

44%

of bank leaders say better measurement against strategic goals would strengthen planning

Bank Director 2026 Governance Best Practices Survey

39%

of bank boards conduct an annual board assessment

Bank Director 2026 Governance Best Practices Survey

©2026 CliftonLarsonAllen LLP

LEARNING OBJECTIVES

By the end of this session, you'll be able to:

Identify the disruptive forces reshaping community banking and what each means for your strategic plan and risk appetite

Recall ways to build a strategic framework that balances short-term adaptability with long-term relevance, ties to mission, market and capital, and survives leadership transition

Review board responsibilities and the governance boundary, shifting directors from operational review to strategic oversight while holding management accountable

Discuss practical oversight tools: a strategy-weighted agenda, exception-based dashboards, consent agendas, and the questions every board packet should answer

Identify ways to prepare governance for scale, including the oversight capabilities and regulatory expectations that accompany growth

©2026 CliftonLarsonAllen LLP

SESSION ROADMAP

Today's Journey: From Plan to Boardroom

Two halves, one connection: the plan sets direction, and the boardroom keeps it alive.



01 Confront the forces

Six disruptors and what they mean for your plan and risk appetite

02 Build a plan that lives

Mission, market, capital, and a plan that outlasts its author

03 Govern, don't manage

The board-management boundary and the shift to strategic oversight

04 Make board time count

Agendas, consent agendas, dashboards, and better packets

05 Govern for scale

Capabilities and expectations that come with growth

THE PLAN

THE BOARDROOM

©2026 CliftonLarsonAllen LLP

PART ONE

01

Confront the Forces

Name the disruption honestly, then decide what it means for your plan and your risk appetite.



©2026 CliftonLarsonAllen LLP

Six Forces Reshaping Community Financial Institutions

Each is a threat to someone in your market, and an opening for whoever adapts first.



Consolidation

Fewer, larger competitors. Scale economics reward size in technology and compliance spend.



Margin pressure

Deposit competition, funding costs, and rate marks squeeze spread income.



AI and technology

Arrives through staff and vendors, often before the board has set a policy.



Non-traditional competitors

Fintechs, nonbank lenders, and payment platforms target your most profitable customers.



Shifting talent

Retirements, key-person concentration, and new skill needs in data, cyber, and AI.



Customer expectations

Digital-first, instant, and personal, benchmarked against the leading app on their phone.

©2026 CliftonLarsonAllen LLP

The Banking Landscape in Four Numbers

Strong current earnings are not a reason to wait. They are what buys you options.

4,238



FDIC-insured institutions in the Q2 2026 Quarterly Banking Profile, down from roughly 18,000 in the mid-1980s

3.32%



Industry net interest margin in Q2 2026: margins have stabilized, but funding competition persists

1.53%



Community bank quarterly pretax ROA in Q2 2026, a position of strength from which to make choices

21%



of bank boards say AI risks are not overseen by the board at all

Bank Director 2026 Governance Best Practices Survey

©2026 CliftonLarsonAllen LLP

BY THE NUMBERS

The Credit Union Landscape in Four Numbers

Strong current earnings are not a reason to wait. They are what buys you options.

4,214

Federally insured credit unions at June 30, 2026, down from 4,370 one year earlier as consolidation continues

3.49%

Credit union net interest margin in Q2 2026 (YTD, % of average assets), up from 3.32% a year earlier

0.91%

Credit union ROA in Q2 2026 (YTD annualized), up from 0.76%: a position of strength from which to make choices

0.96%

Loan delinquency rate in Q2 2026, up 6 basis points from a year earlier, even as earnings improved

NCUA Quarterly Credit Union Data Summary, 2026 Q2

Source: NCUA, Quarterly Credit Union Data Summary 2026 Q2 (federally insured credit unions; data as of June 30, 2026).

From Force to Plan to Risk Appetite

Every force in your plan should have a strategic question and a risk appetite signal the board monitors.

FORCE	QUESTION FOR THE STRATEGIC PLAN	RISK APPETITE SIGNAL FOR THE BOARD
Consolidation	Are we a buyer, seller, partner, or independent by choice?	Capital cushion above well-capitalized; board-approved M&A criteria
Margin pressure	Which business lines truly earn their capital?	NIM and cost of funds limits; reliance on rate-sensitive funding
AI and technology	Where will we adopt, and with what guardrails?	No unreviewed AI on regulated data; vendor AI due diligence required
Non-traditional competitors	Which customers are we most at risk of losing?	Core deposit runoff tolerance; loan and deposit share triggers
Shifting talent	Who are our key people, and who is next?	A ready-now or emergency successor named for every critical role
Customer expectations	Where must we match, and where do we differentiate?	Digital adoption and customer attrition thresholds

©2026 CliftonLarsonAllen LLP

Your Turn: Plot Your Forces

IMPACT ON OUR PLAN →

ACT NOW *High impact, low readiness*	**LEVERAGE** *High impact, high readiness*
MONITOR *Low impact, low readiness*	**MAINTAIN** *Low impact, high readiness*

READINESS →

THE FORCES

- Consolidation
- Margin pressure
- AI and technology
- Non-traditional competitors
- Shifting talent
- Customer expectations

AT YOUR INSTITUTION

1. Place each force in a quadrant for your institution.
2. Circle the one force in Act Now that your plan does not address today.
3. Write one risk appetite signal your board should see for it.

©2026 CliftonLarsonAllen LLP

PART TWO

02

Build a Plan That Lives

Balance short-term adaptability with long-term relevance, tied to mission, market, and capital.



©2026 CliftonLarsonAllen LLP

Why Strategic Plans Get Shelved, and the Cure

SYMPTOM	CURE
Written for the exam, not for decisions	**Written to drive start, stop, and double-down choices**
Owned by the CEO	**Owned by the board, executed by management**
Discussed once a year at the retreat	**Reviewed every quarter against triggers and KPIs**
Twelve priorities, so no priorities	**Three to five pillars, each with a named owner**
Disconnected from budget and capital plan	**Every initiative funded, staffed, and measured**

©2026 CliftonLarsonAllen LLP

Anchor and Adapt: Fixed Destination, Flexible Route

Long-term relevance comes from what you hold constant. Short-term adaptability comes from what you're willing to change.



ANCHOR

Long-term relevance · 3 to 5 years

- Mission and purpose: why we exist
- Market position: where we choose to win
- Capital target and ownership expectations
- Leadership and board bench strength

vs.



ADAPT

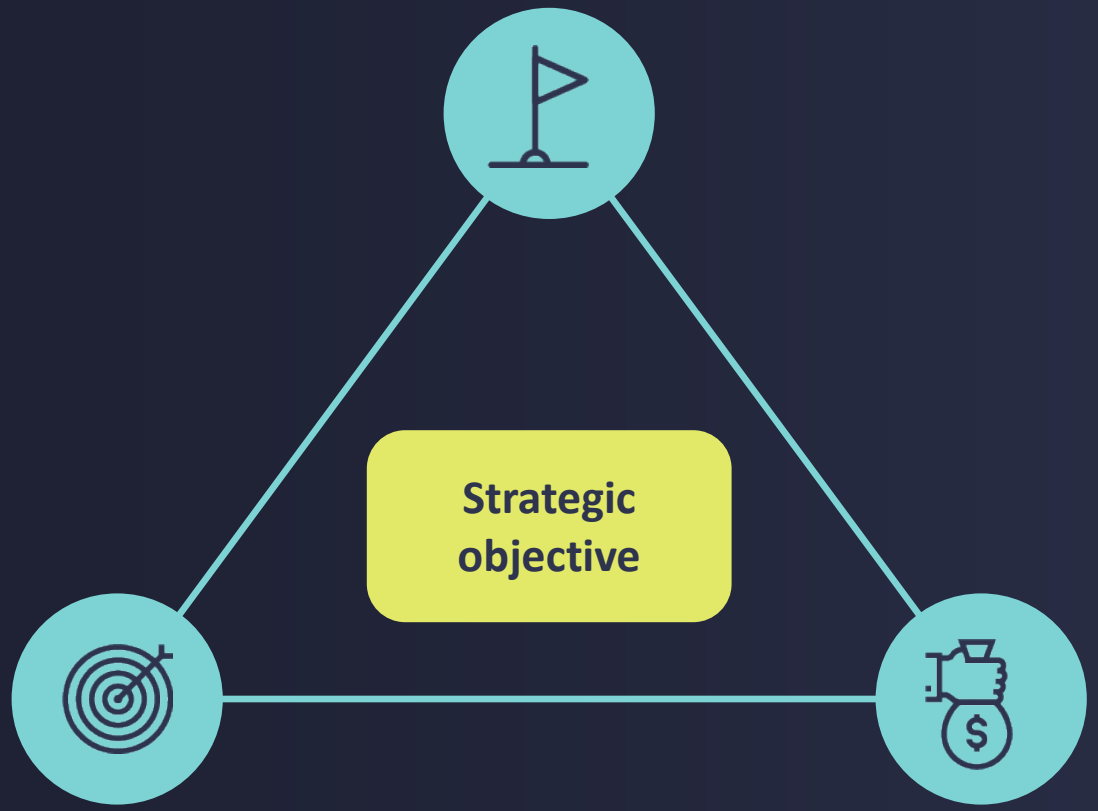
Short-term adaptability · 12 to 18 months

- Rolling initiatives with owners and dates
- Pre-defined triggers that prompt reprioritization
- Quarterly board strategy check-in
- Pilot, measure, then scale or stop

Anchors change only by board decision. Adapt items change whenever a trigger fires, without waiting for next year's retreat.

©2026 CliftonLarsonAllen LLP

Three Tests for Every Strategic Objective



Mission

Does it advance why we exist, for customers, employees, and community?

Market

Can we win here against the competitors we actually face?

Capital

Can we fund it and stay inside our risk appetite?

Fail any one test? It's a wish, not a strategy.

©2026 CliftonLarsonAllen LLP

The Strategy Chain: From Mission to the Board Dashboard

Management owns the middle of the chain. The board sees both ends at every meeting.



Mission	Pillars (3-5)	Objectives	Initiatives	KPIs and KRIs	Board dashboard
EXAMPLE	EXAMPLE	EXAMPLE	EXAMPLE	EXAMPLE	EXAMPLE
Help our communities and members thrive	*Grow the core deposit franchise*	*+8% core deposits in 24 months*	*Small-business treasury services; CFO owner; Q2 launch*	*Core deposit growth; cost of funds vs. limit*	*On track · Watch · Off track*

BOARD SETS DIRECTION | **MANAGEMENT EXECUTES** | **BOARD MONITORS AND HOLDS ACCOUNTABLE**

©2026 CliftonLarsonAllen LLP

Plan With Triggers, Not Hope

Pre-decided responses turn disruption into execution instead of a special meeting.

IF WE SEE…	…THEN WE
Deposit costs rise faster than plan for two consecutive quarters	**Re-examine funding mix and pricing; ALCO brings options to the board**
A competitor merges, exits, or closes branches in our market	**Activate talent recruiting and customer acquisition playbook**
An acquisition approach or opportunity arrives	**Apply board-approved M&A criteria; decide whether to engage within 30 days**
A key executive resigns or is suddenly unavailable	**Execute the emergency succession plan; interim leader already named**
Vendor switches on AI features in a core system	**Route through AI register and vendor due diligence before use**

©2026 CliftonLarsonAllen LLP

Build a Plan That Outlasts Its Author



Institutionalize ownership

The plan belongs to the board, not the CEO. Hold an annual retreat plus quarterly strategy sessions.



Document the 'why'

Record assumptions, trade-offs, and decisions so successors inherit the reasoning, not just the goals.



Build the bench deliberately

Identify successors 3 to 5 years out. Emergency and long-term succession plans are different documents.



Refresh the board, too

57% of bank leaders expect one or two director retirements through 2027. Use a skills matrix.

Bank Director 2026 Governance Best Practices Survey

Ask your board: *"If our CEO doesn't come back Monday, who runs the institution, and does our plan still make sense without them?"*

©2026 CliftonLarsonAllen LLP

TAKE THIS WITH YOU

Six Questions to Open Your Next Planning Session

Mindset before mechanics: ask these before anyone opens a spreadsheet.

1

Is independence and long-term relevance realistic for us?

2

Is our mission still relevant, and does it shape decisions?

3

Are we honestly acknowledging the disruptors?

4

Which growth and profitability metrics matter, and what threatens them?

5

Do we have what it takes: people, process, and systems?

6

What will it take, and are we willing to fund it?

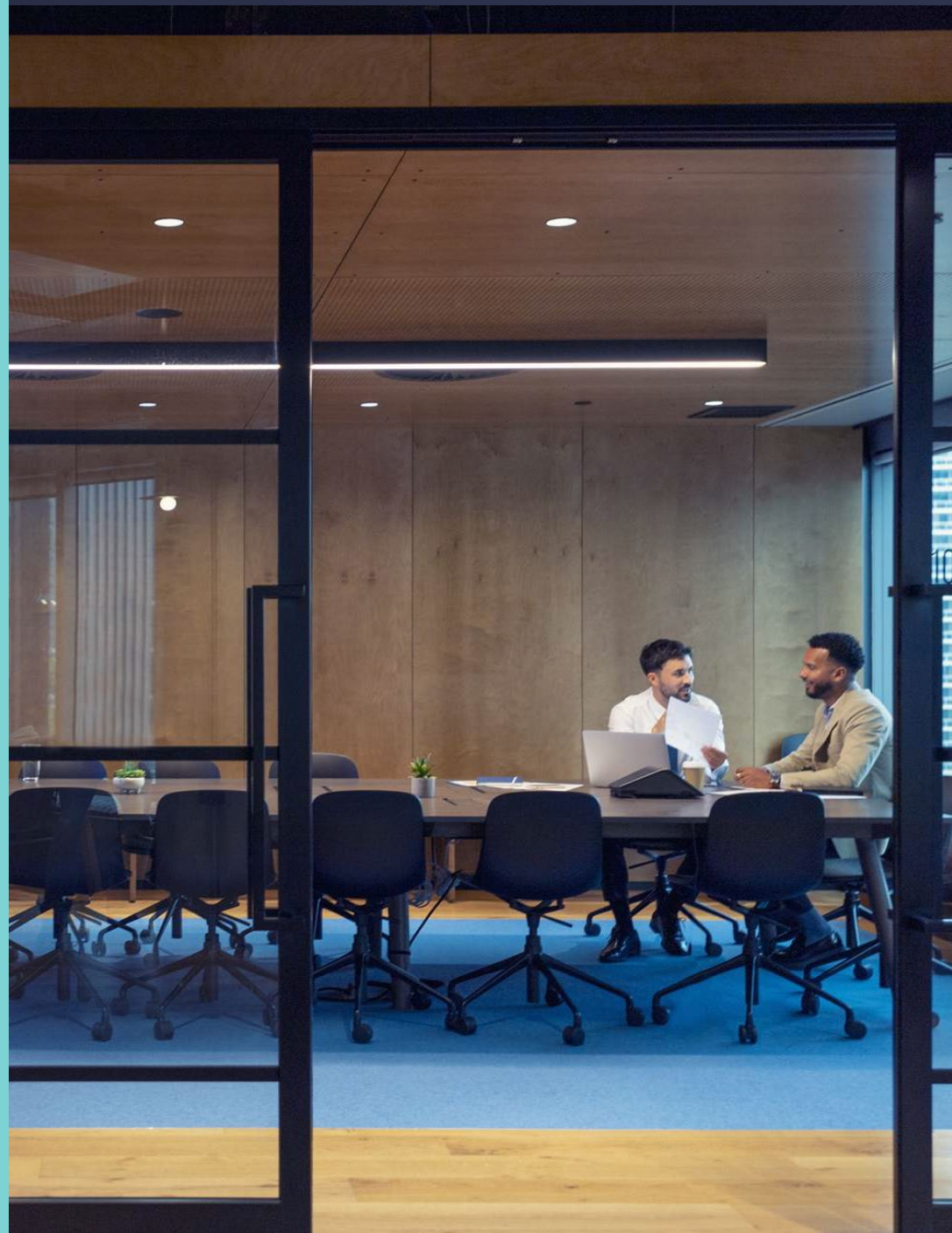
©2026 CliftonLarsonAllen LLP

PART THREE

03

Govern, Don't Manage

Reinforce the board-management boundary and shift directors from operational review to strategic oversight.



©2026 CliftonLarsonAllen LLP

The Board's Core Responsibilities



Act in the best interests

Exercise independent judgment.



Make informed decisions

Review the right information and ask the right questions.



Set direction and guardrails

Approve strategy, risk appetite, and key policies.



Hold management accountable

Focus on execution, performance, and escalation.



Oversee, don't manage

Concentrate on trends, exceptions, risks, and decisions.



Document decisions

Demonstrate diligence and sound governance.

The board's role is not to manage the institution. It is to govern its future.

©2026 CliftonLarsonAllen LLP

The Board's Role

OWNERS/
SHAREHOLDERS

Return on equity, dividends, growth, control, legacy

MANAGEMENT
(CEO, CFO, CRO, CLO)

Operating results, execution, credit quality, compensation



THE BOARD OF DIRECTORS

REGULATORS

Safety and soundness

DEPOSITORS

Insurance fund

COMMUNITY

CRA

©2026 CliftonLarsonAllen LLP

The Board-Management Boundary

Directors create value by setting direction, testing risk, and holding management accountable.



GOVERNANCE: THE BOARD

- Sets strategic direction and risk appetite
- Approves policy and material decisions
- Challenges assumptions and alternatives
- Monitors performance, trends, and exceptions
- Holds management accountable for outcomes
- Confirms risk and control processes work

THE LINE



EXECUTION: MANAGEMENT

- Runs day-to-day operations
- Designs and operates controls
- Makes routine staffing and vendor decisions
- Executes strategy within approved limits
- Escalates material issues early
- Provides concise, decision-ready information

Board question: *"What decision, risk, or exception requires our attention?"*

©2026 CliftonLarsonAllen LLP

Three Postures of a Director

All three matter, but the strategic overseer is the one most boards are missing.

Reviewer

LOOKING BACK

"What happened last month?"

Line-item review, variance questions, report acceptance

Monitor

LOOKING AT NOW

"Are we within our limits?"

KRIs, exceptions, trends, escalations

Strategic overseer

LOOKING AHEAD

"What must we decide, and what could knock us off course?"

Trade-offs, scenarios, challenge, accountability

Every substantive discussion ends with: Decision | Owner | Deadline | Escalation trigger

©2026 CliftonLarsonAllen LLP

PART FOUR

04

Make Board Time Count

Strategy-weighted agendas, consent agendas, exception-based dashboards, and better board packets.



©2026 CliftonLarsonAllen LLP

A Strategy-Weighted Agenda: The 50 / 30 / 20 Model

Illustrative two-hour board meeting. Timing scales to your meeting length.



Strategic: Growth, deposit, and capital strategy · Competitive and market trends · Technology and AI governance · Talent and succession

Financial and risk: Earnings, capital, and liquidity · Credit quality and concentrations · KRIs and limit exceptions

Governance: Required regulatory reviews · Audit and exam matters · Policy approvals

SAMPLE AGENDA

0:00	Consent agenda	*5 min*
0:05	CEO headline: what changed, what we need from you	*10 min*
0:15	Strategic deep dive: one pillar, one decision	*40 min*
0:55	Emerging risk spotlight	*10 min*
1:05	Financial and risk dashboard (exceptions only)	*36 min*
1:41	Committee reports and required approvals	*14 min*
1:55	Executive session	*5 min*

Strategy 60 min · Financial and risk 36 min · Governance 24 min

©2026 CliftonLarsonAllen LLP

Put Every Item in the Right Lane

Move detail to management, committees, or the consent agenda unless it creates a material decision or exception.

Keep with management and committees

- Branch-level operating detail
- Routine staffing and vendor tasks
- Project schedules and status updates
- Transactions within delegated authority
- Line-by-line report review

Consent agenda

- Prior meeting minutes
- Routine policy re-approvals with no material change
- Committee reports for information
- Required reports within thresholds
- Ratifications within policy

Full board discussion

- A strategic choice or material trade-off
- Capital, liquidity, earnings, or reputation at stake
- Risk appetite or a limit approached or breached
- A materially deteriorating trend
- Significant or overdue audit or exam issue

Golden rule: any single director can pull an item off the consent agenda for discussion, no explanation required.

©2026 CliftonLarsonAllen LLP

Exception-Based Dashboards Direct the Discussion

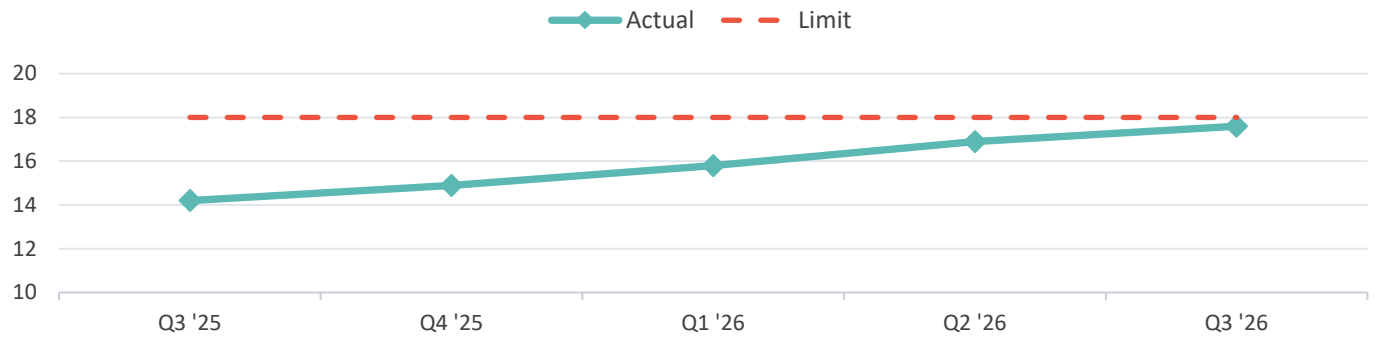
BOARD DASHBOARD

Trends · Exceptions · Strategic goals

CAPITAL	LIQUIDITY	ASSET QUALITY
Within appetite	Watch	Stable

NIM / EARNINGS	STRATEGIC INITIATIVES	CYBER AND AI
Watch	3 of 4 on track	1 exception

Example KRI: uninsured deposits as % of total (illustrative)



BOARD ATTENTION

1 material trend: uninsured deposits approaching limit

2 emerging risks: liquidity and NIM

1 decision required: cyber and AI

The dashboard is not the discussion. It directs the discussion to what changed, why it matters, and what the board must decide.

©2026 CliftonLarsonAllen LLP

Strategic Assessment Summary

Auto-generated observations across the RFP review areas, plus space for consultant commentary. Use “Print / Save PDF” for a client-ready leave-behind.

⚠ **Draft observations.** Key Observations are generated by deterministic rules from FDIC and uploaded data. They are inputs to the consultant's judgment, not conclusions — review, edit, and support them before they appear in a client deliverable.

Print / Save as PDF | Save Session (.json) | Load Session

Strategic Plan Tracker — Are We On Track? ⚙ AUTO ⌛ Indicator — consultant review required

A composite of KPI performance, KRI risk position, and action-plan execution, overall and by strategic plan pillar. It updates live from the KPI / KRI Dashboard and the Action Plan.

STRATEGIC PLAN STATUS	PERFORMANCE (KPIS)	RISK (KRIS)	EXECUTION (ACTIONS)
▲ Off track	13	85	0
▲ Composite score 32 / 100	▲ 1 on track · 0 watch · 7 off track	▲ 8 within · 1 elevated · 1 breach	▲ 0 of 19 started · 0 past target qtr

32

0 · Off track | 50 · At risk | 75 · On track | 100

Data coverage: **39%** of 46 KPIs/KRIs have a current value — **below the 40% confidence threshold; treat the status as provisional**. Enter bank-provided actuals on the KPI / KRI Dashboard to raise confidence.

STATUS BY STRATEGIC PLAN PILLAR

Strategic pillar	Status	Score	Score bar	KPIs ✓/◐/▲	KRIs ✓/◐/▲	Actions started	Coverage	Main drivers
Enterprise Growth Quality, prudent, profitable growth in net income and EPS to grow shareholder va…	▲ Off track	26		0/0/7	6/0/1 (+2 n/a)	0 / 5	88%	▲ K01 Return on assets; ▲ K02 Return on equity; ▲ K03 Net interest margin
Culture & Talent Remain an "employer of choice": work-life balance, fun & rewarding environment, …	— Insufficient data	—		0/0/0 (+2 n/a)	0/0/0 (+2 n/a)	0 / 4	0%	No metrics off target
Commercial Become the premier commercial bank in the footprint; commercial deposits/TM as p…	▲ Off track	28		0/0/3 (+4 n/a)	6/1/0 (+3 n/a)	0 / 7	59%	▲ K03 Net interest margin; ▲ K05 Loan growth (YoY); ▲ K06 Deposit growth (YoY)
Retail Best retail bank in our markets: grow households (4% net) and deposits through a…	▲ Off track · low data coverage	0		0/0/2 (+7 n/a)	0/0/0 (+1 n/a)	0 / 5	20%	▲ K06 Deposit growth (YoY); ▲ K09 Deposit market share — large…

©2026 CliftonLarsonAllen LLP

Five Questions Every Board Packet Should Answer

1	2	3	4	5
HEADLINE	TREND	IMPACT	ACTION	DECISION
What changed?	***Where is it headed?***	***Why does it matter?***	***What is management doing?***	***What does the board need?***
The most important change since the last meeting.	Improving, stable, or deteriorating?	Effect on capital, liquidity, earnings, customers, or reputation.	Response underway, timing, and escalation trigger.	Guidance, challenge, approval, or strategic input.

End every discussion with: “What decision or action is required from us?”

©2026 CliftonLarsonAllen LLP

Three Questions Every Board Should Ask Each Month

1

CAPITAL, LIQUIDITY AND EARNINGS

What could materially impair capital, liquidity, or earnings?

2

EMERGING RISK

What risk is growing faster than management anticipated?

3

STRATEGIC DECISIONS

What decision will require board attention in the next 12 to 24 months?

©2026 CliftonLarsonAllen LLP

PART FIVE

05

Govern for Scale

Build oversight capabilities ahead of growth, not after an examiner points out the gap.



©2026 CliftonLarsonAllen LLP

Oversight Capabilities That Must Scale With You

Build the capability one step before you need it.

CAPABILITY	WHERE MANY START	WHAT GROWTH REQUIRES
ERM and risk appetite	Informal limits in individual policies	**Board-approved risk appetite with KRIs and escalation**
Committee structure	Audit and loan committees	**Dedicated risk committee, charters, executive sessions**
Three lines of defense	Dual roles; risk owned where it sits	**Independent second line; internal audit reports to audit committee**
Data and board reporting	Manual packets, backward-looking	**Exception-based dashboards and data governance**
Third-party, model and AI risk	Contract review at onboarding	**Lifecycle TPRM, model validation, AI register**
Board composition	Generalists and long tenure	**Skills matrix covering cyber, AI, M&A, and risk**

©2026 CliftonLarsonAllen LLP

Does Your Board Have the Skills Your Plan Requires?



21%

of bank boards include at least one director with AI experience

44%

report M&A expertise on the board, up 10 points from last year

Bank Director, 2026 Governance Best Practices Survey

©2026 CliftonLarsonAllen LLP

Five Moves Before Your Next Board Meeting

01	**Name your forces.** Pick the two or three disruptors that matter most and write a risk appetite signal for each.
02	**Test every objective.** Mission, market, capital: cut anything that fails a test.
03	**Re-weight the agenda.** Move toward 50% forward-looking time, with one strategic pillar per meeting.
04	**Clear the runway.** Adopt a consent agenda, exception-based dashboards, and the five packet questions.
05	**Look one step ahead.** Map your next growth threshold and the capabilities you need before you reach it.

The quality of governance is measured by the quality of attention, challenge, and decisions, not the volume of reports reviewed.

©2026 CliftonLarsonAllen LLP



Questions and discussion: which move will you make first?

©2026 CliftonLarsonAllen LLP

Thank you!

Plan boldly. Govern forward.

David T. Heneke
Principal
david.heneke@CLAconnect.com

Travis Whiting, CPA
Principal
travis.whiting@CLAconnect.com

Susan Sabo
Managing Partner of Industry
susan.sabo@CLAconnect.com

CLAconnect.com

CPAs | CONSULTANTS | WEALTH ADVISORS

©2026 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.
Securities and investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor, member FINRA/SIPC.