



Beyond the deal: How regional banks can turn mergers into modernization

Unlock scalable innovation for your regional
or community bank



Content

Executive summary: M&A as a strategic inflection point

Mergers and acquisitions have long forged a reliable path for banks to increase their assets, extend their footprints, and take their brands deep into new territory. While that quest for growth continues to drive M&A activity today, post-merger integration, particularly for regional and community banks reliant on legacy systems, presents an opportunity to modernize and reimagine how banking works, potentially unlocking the value secreted inside existing tech stacks, data silos, and newly acquired assets. And that's an opportunity worth seizing because, as successful deals have shown, the payoff can be impressive.

This e-book is grounded in findings from *Exploring M&A Trends and Challenges in Banking*, research conducted by TechStudio™, an Energize Marketing® Company, in partnership with FIS®. With insights from 300 senior executives at regional and community banks, it reflects many of the priorities, challenges, and modernization strategies shaping today's M&A decisions.¹

¹ Source: Exploring M&A Trends and Challenges in Banking survey, 2025. Conducted by Tech Studio™, an Energize Marketing® company, in partnership with FIS®.



“When banks are evaluating their technology stack, they really are evaluating the full ecosystem, so it’s not just a core buying decision. Particularly in the regional space and even community space, there is an expectation of a very high level of integration.”

**- Nicole Pienkos, SVP
and Head of Regional Banking, FIS**

From streamlining operations and enhancing digital client experiences to uncovering new service opportunities, successful M&A often stretches far beyond simply getting two disparate banking environments to work in concert or applying a superficial brand refresh. It can also be about turning operational complexity into a platform for innovation, building the infrastructure that will underpin open banking, ensure scalability, and leverage fintech partnerships to position institutions for what comes next.

Facing competitive headwinds from larger banking institutions — and fintech itself — vying for the same client base, regional and community banks must move quickly to modernize without sacrificing the attributes that make them appealing to the communities or abandoning customer expectations. Banks would do well to extend those efforts beyond core modernization, because transformation that unlocks value often comes from broad ecosystem thinking.

Banks taking this path must understand that modernization doesn’t necessarily lead to a single destination. It’s not a one-and-done effort or a simple swapping out of technology. Instead, ecosystem-focused transformation is typically a multi-phase journey that involves clearly defined business goals, a deep understanding of assets, a thorough assessment of technology gaps, and alignment with an astute, experienced partner — one who can meet you where you are and help get you to where your business goals and banking vision need you to be.

Backed by deep industry expertise and a flexible platform ecosystem, FIS is just that partner who can empower you to gain long-term value from deals — helping you to move faster, serve smarter, and future-proof your business.





Strategic opportunities inside deals

After a strong showing in 2024, bank merger and acquisition activity surged in the first quarter of 2025. According to S&P Global Market Intelligence,² 34 U.S. bank deals were announced in Q1, totaling \$1.61 billion — the highest first-quarter total since 2021 and more than double the \$796.2 million recorded in Q1 2024.

More than **84%** of banks surveyed have completed or attempted a merger or acquisition, underscoring how foundational M&A has become.³ These institutions often rely on mergers and acquisitions as a strategic lever to expand geographic reach, acquire technology or talent, and gain scale in a highly competitive environment. Unlike large national banks that already benefit from scale and infrastructure, regional and community banks often see M&A as one of the few available accelerants for modernization and growth.

This resurgence suggests renewed confidence in dealmaking, fueled by expectations for a more favorable regulatory climate, improving market conditions, and strategic urgency among regional and community banks. With momentum building in the first half of the year, many industry watchers anticipate that 2025 could be one of the most active M&A years in recent memory.

² Source: S&P Global Market Intelligence, 2025
³ Source: Exploring M&A Trends and Challenges in Banking survey, 2025. Conducted by TechStudio™, an Energize Marketing® company, in partnership with FIS®.



Survey insight: 55% of banking executives say expanding the customer base is the top reason for pursuing M&A — highlighting a clear push for scale, efficiency, and growth.³

Law firm Hunton⁴ notes that conditions could become even more favorable if anticipated interest rate cuts, tax policy changes, and regulatory rollbacks materialize. The current regulatory landscape, they add, already appears “ripe for a pruning” — raising expectations for a more robust dealmaking environment ahead.

71% of banking leaders have already completed a detailed or high-level synergy assessment — highlighting a more mature, forward-looking approach to M&A readiness.⁵

“There has been consolidation in the regional and community banking space for a number of years, and we think the market is very favorable to continue some of that consolidation,” states Nicole Pienkos, SVP and Head of Regional Banking at FIS.

And those deals represent strategic opportunities for banks to unlock future value. But much of the work begins after the ink has dried. As good as a deal looks on paper, many conjoined banks face friction caused by fragmented systems, siloed data, and outdated technology, and there is often a wide gap between existing technology and how it must function to support growth.

Bridging that gap, though, often exceeds the capabilities and expertise of both the incumbent bank and its acquisition. As the newly formed institution navigates the patchwork of technology tools, often bought piecemeal over the years without adequate planning for cohesion and future needs, they frequently find these systems simply don’t work well together, complicating the bank’s ability to operate efficiently and extract value.

The right partner, though, can turn that complexity into a competitive advantage that helps lay the groundwork for future innovation.

³ Source: Exploring M&A Trends and Challenges in Banking survey, 2025. Conducted by Tech Studio™, an Energize Marketing® company, in partnership with FIS®.
⁴ Hunton, M&A Outlook for 2025
⁵ Source: Exploring M&A Trends and Challenges in Banking survey, 2025. Conducted by Tech Studio™, an Energize Marketing® company, in partnership with FIS®.

“You want to emerge from an acquisition as a stronger institution with a superior customer experience, so it’s really important not to disrupt your client base.”

- Nicole Pienkos, SVP and Head of Regional Banking, FIS



Turning today's investments in financial technology into tomorrow's innovation

Regional and community banks have made significant investments in financial technology over the years — technology that has likely served them well. While these systems weren't originally designed for today's real-time data needs, open banking frameworks, or the agile delivery models that modern banking now demands, they still hold tremendous value.

The opportunity now is not to replace these systems, but to unlock greater business value from them. By introducing plug-and-play solutions, banks can connect existing platforms with new capabilities — potentially extending their lifespan, enhancing performance, and supporting innovation at scale. This is a way for institutions to fuse reliability with innovation and turn trusted infrastructure into a foundation for future growth.





The right partner can help banks activate that transformation quickly and strategically — enabling them to preserve what works, reduce risk, and modernize in alignment with their people, processes, and platform strategy. Post-deal modernization isn't just about technology — it's also about simplifying operations and enabling people. Over half of executives **(54%)** are using M&A to eliminate redundancies, **40%** to improve IT, and **38%** to enhance talent.⁶ The benefits of this approach include:

- **Improved integration.** Enhancing connectivity across the technology ecosystem can help streamline workflows, simplify operations, and empower employees to focus on high-value client engagement.
- **Unlocked data.** Breaking down silos enables smarter decisions, faster execution, and innovation across departments.
- **Compliance readiness.** Flexible modernization helps institutions adapt to evolving regulatory requirements with greater speed and confidence.
- **Automation and AI.** Layering intelligent capabilities onto existing systems can drive efficiency, accelerate innovation, and improve customer experiences.
- **Strengthened security.** A modernized ecosystem — built from both proven systems and new secure technologies — helps create a more resilient defense posture across the enterprise.

By bridging the gap between what they have and what they need, banks can set the stage for future innovation, accelerate time to value, and build a platform that supports ongoing M&A activity and competitive differentiation.

⁶ Source: Exploring M&A Trends and Challenges in Banking survey, 2025. Conducted by TechStudio™, an Energize Marketing® company, in partnership with FIS®.





The post-M&A blueprint for scalable growth

Post-merger may be the perfect moment to rethink banking platform strategy — because integrating systems isn't enough. Additional value often comes from reimagining how banking infrastructure supports your business goals. Modernization isn't a rip-and-replace effort. It's typically strategic orchestration that needs to align with a bank's business objectives, long-term growth, banking vision, and evolving customer expectations. In that regard, most of the transformative work often begins after the mechanics of the deal are completed and the ink on the contract is dried.

The same rigorous due diligence that banks apply when vetting a potential merger or acquisition target should also be applied to technology during the post-merger, pre-modernization period — keeping the focus on business objectives and all stakeholders: employees, consumers, and corporations. This is an opportunity to define what constitutes a best-of-breed ecosystem and chart a course to get there. Don't simply assume the incumbent or acquiring a bank's tech stack is the best path forward. Instead, a thorough assessment of newly combined technologies and processes can reveal similarities and differences — as well as strengths, weaknesses, redundancies, and gaps that should be addressed.

While ecosystem modernization doesn't follow the same path for every bank post-merger, common approaches that leading institutions prioritize can improve the odds of success and minimize disruption. Many of those institutions are adopting:

A platform approach. Banking is following a familiar trendline across industries — toward models that help streamline operations, create efficiencies, foster collaboration, support new revenue streams, and encourage innovation. Done right, banks can use M&A as a catalyst for that transformation.

API-first infrastructure. Can improve interoperability by connecting the banking ecosystem and importantly allowing constituents to use standard, familiar, and well understood interfaces. Composable, modular solutions enable scalable growth and help lay the groundwork for future M&A and expansion.

Embedded analytics and AI. It's difficult to overestimate the value — and importance — of analytics and automation to any business, but especially banking, where accessible data can lead to smarter, data-driven decisions in real time that can create better business and client outcomes. Data-driven banks tend to be well-positioned to benefit from insights into real-time risk, customer behavior, and cloud-readiness. AI can supercharge those abilities as well as help to streamline processes and introduce efficiencies.

More seamless digital experiences. Reducing friction and creating more seamless digital experiences for employees, consumers, and corporations can lead to higher degrees of engagement, satisfaction, loyalty, and efficiency. It can also set up newly conjoined institutions to add services, processes, and apps that can better serve their communities, something that customers may expect to be a result of a merger or acquisition.



“The incumbent, even in the acquiring institution, from a technology perspective, isn't always the best solution for the combined organization.”

- **Nicole Pienkos, SVP
and Head of Regional
Banking, FIS**

The FIS edge: Enabling what's next

Bank transformation is at the heart of post-merger success. And it requires more than updated tech — it demands a composable platform built for scale, speed, and long-term growth. While other firms are focused on core modernization, FIS has moved beyond that, says Peter Boyer, Senior Vice President at FIS, “to modernizing banking, the global economy, and the experiences of our clients and their customers.”

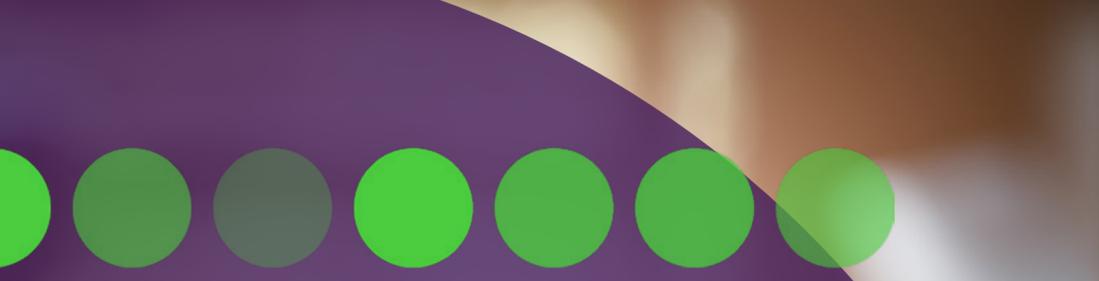
With vast experience in creating scalable, future-ready infrastructure, FIS brings an all-important blend of reliability and innovation to power modernization across the money lifecycle: payments, banking and investing as well as a deep understanding of processes, people, and partners in the banking ecosystem. Post-merger, banks benefit from:

- **An industry leading composable ecosystem, a one-stop shop to help build experiences that they want — and need — to deliver to constituents.**
- **A record of proven delivery across M&A scenarios for institutions of all sizes.**

- **Improved satisfaction and engagement among constituents — customers, employees, and partners.**
- **Greater efficiencies through more streamlined and intuitive processes.**
- **Embedded fintech partnerships and open APIs for innovation at scale.**
- **Modern client experiences and post-merger operational agility.**
- **The ability to provide full-stack banking solutions that help power growth.**
- **Plug-and-play solutions that help provide faster and risk-adjusted scalability.**
- **A secure foundation that allows banks to scale not only efficiently but with risk management and up-to-date compliance.**

As a partner, FIS doesn't just deliver technology. We bring business acumen and end-to-end management prowess to post-merger modernization, helping to break down an institution's long-term banking vision into manageable, achievable steps and demonstrating progress in tangible terms, even if your priorities shift. In short, FIS delivers transformation.





“Typically, when an institution does an acquisition, it’s usually not the one and only. They’re typically more acquisitive institutions and they want to continue to grow on the platform.”

**- Nicole Pienkos, SVP
and Head of Regional
Banking, FIS**



Building future-ready institutions

The headlines from respected voices in banking, including American Banker and the Banking Exchange, continue to forecast a rise in bank mergers through 2025 and beyond. Indeed, optimism for M&A remains strong among banking executives.

Survey insight: Optimism for M&A remains strong — particularly for those well positioned to evolve. Over half of banking leaders (54%) expect to complete an M&A transaction within the next 12 months.⁷

But to make it possible to truly unlock value and position institutions for whatever the future of banking may bring, regional and community banks must look beyond the nuts and bolts of joining institutions and core modernization. They must also contemplate and pursue what is required to create a true best-of-breed ecosystem.

The platform decisions made today can define your institution’s agility tomorrow. There are many different paths to post-merger ecosystem modernization and the value it can unleash. Let us help you map your modernization strategy — starting from where you are.

FIS helps you grow with confidence — powering your M&A strategy with an industry leading composable platform. We fuse reliability with innovation to help extend the value of your technology investments, align people and processes, and accelerate transformation across the money lifecycle.

Together, we can fuse reliability with innovation to architect your banking future.

⁷ Source: Exploring M&A Trends and Challenges in Banking survey, 2025. Conducted by TechStudio™, an Energize Marketing® company, in partnership with FIS®.

BOOK YOUR STRATEGIC MODERNIZATION ASSESSMENT

Money at rest Money in motion Money at work™

Make your digital transformation a success with FIS.
Our **technology** powers the global economy across the money lifecycle.



Money
at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.



Money
in motion

Unlock liquidity and flow funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.



Money
at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard and Poor's 500® Index. To learn more, visit FISglobal.com. Follow FIS on KinkedIn, Facebook and X (@FISglobal).

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