

The \$10 Billion Inflection Point

How successful financial leaders
transform an operational milestone
into a strategic launchpad for their
institution's growth

Introduction

Reaching \$10 billion in assets is a pivotal milestone for your financial institution. It reshapes your revenue model, brings new regulatory expectations and opens up strategic options – whether you aim to stay independent, pursue acquisitions or consider a sale.

Of course, the groundwork for a successful transition doesn't begin at \$9.9B. How can you prepare your institution for this new stage of growth?

After decades of experience in banking and card services, we've observed common traits among institutions that thrive in navigating the transition. Many institutions don't treat this transition as a compliance hurdle to overcome, but as a launchpad to reimagine and realize their full potential.

Why the \$10B threshold is different

Let's face it, the \$10B mark does change the way your institution operates from a risk, compliance and financial standpoint. You enter a new category of oversight that means more scrutiny from federal regulators. It's the big leagues.

This shift is not only operational – it's cultural. Institutions must adapt their thinking and operations to the more rigorous environment. Even while delivering on higher consumer expectations, technology must be integrated to help manage third-party risk. Boards and executive teams need to be prepared, to avoid costly missteps.

Perhaps the most immediate and tangible impact is financial. The Durbin Amendment caps debit interchange fees for institutions above the \$10B threshold. For many banks and credit unions, this translates into a reduction of 40%* or more in debit interchange income – a revenue stream that has historically supported free checking and other consumer-friendly products.

Without a plan to replace this lost income, profitability may erode quickly. Institutions may feel pressure to raise fees, cut services or scale back growth initiatives – moves that could damage customer relationships and competitive positioning.

*Source: [federalreserve.gov/econres/feds/bank-profitability-and-debit-card-interchange-regulation-bank-responses-to-the-durbin-amendment.htm](https://www.federalreserve.gov/econres/feds/bank-profitability-and-debit-card-interchange-regulation-bank-responses-to-the-durbin-amendment.htm)

Durbin is only part of the story. Compliance costs rise as institutions invest in systems, staff and processes to meet heightened regulatory expectations. Technology upgrades, vendor management programs and enhanced risk frameworks add to the expense. For institutions that fail to anticipate these costs, the transition can feel like a financial squeeze, rather than a strategic opportunity.

Preparing early: Why \$5B is the real starting line

One of the most common mistakes institutions make is waiting too long to prepare. The reality is that the journey to \$10B begins at \$5B. At this stage, boards and leadership teams should start asking critical questions:

- What is our long-term growth strategy?
- How will we manage capital and liquidity as deposits increase?
- Do we have the compliance infrastructure to handle expanded oversight?
- How will we replace lost interchange income without compromising customer experience?

Early planning allows institutions to make deliberate investments in technology, talent and risk management. It also creates space for strategic decisions about mergers and acquisitions, geographic expansion and product diversification. Institutions that start early can approach \$10B with confidence, rather than scrambling to catch up.



Cards as a strategic lever

Among the most effective strategies for navigating the \$10B transition is leveraging the card portfolio. Cards are a direct connection to your consumer's wallet and yours – they are a source of non-interest income, a driver of customer engagement and a platform for innovation.

Why do cards matter so much? Because non-interest income is a key metric for investors and analysts. When interchange revenue declines, institutions that can grow other fee-based businesses maintain stronger valuations and greater flexibility. A diversified card portfolio – spanning consumer credit, small business cards and commercial solutions – provides multiple levers that may help with revenue loss.

Expanding programs can create new revenue streams while deepening relationships with business clients. Similarly, credit card programs offer opportunities to generate interest income and strengthen loyalty through rewards and digital features.



Technology as a growth multiplier

Digital transformation is a prerequisite for success. Institutions that invest in digital card issuance, self-service platforms and integrated account management tools position themselves to compete in a market where convenience and security are paramount.

Digital wallets, contactless payments and mobile-first experiences are now table stakes for consumers. Offering these capabilities not only enhances customer satisfaction but also reduces operational costs by streamlining processes and minimizing friction. For institutions approaching \$10B, technology investments should align with both compliance requirements and growth objectives.

Partnerships are essential

Navigating the road to \$10 billion is too complex – and too consequential – to go it alone. Institutions that handle the transition with confidence benefit from having the right partners at the table early. The journey touches every part of the organization at once: revenue modeling, digital channel readiness, vendor consolidation, capital planning and long-term strategy. Given the breadth of change, even strong internal teams may not have full visibility into every shift at once.

Partnership brings two advantages. First, it expands your bench strength. Networks like Visa and Mastercard can help quantify the real impact of Durbin and identify where revenue gaps will emerge. Advisory teams and processors can translate that analysis into a card strategy built for growth. Second, strong partners help reduce risk. As regulators increase scrutiny of vendor management at the \$10B threshold, institutions need enterprise-grade infrastructure, consistent controls and technology that scales without introducing operational or data exposure.

The institutions that succeed don't wait until the milestone is in sight. They build a coalition of experienced partners – networks, processors, advisors – who know the terrain, understand the sequence of decisions and can help them move through the transition deliberately and with less disruption.

Charting the course forward

Partners can strengthen strategy and widen the field of vision, but the most important decision as you approach this milestone is yours: What do we want our institution to be?

Stepping into this new phase is like a manager promoted into a new leadership role. The skills that brought you to this point are not the same ones that will carry you into the next chapter. For institutions, compliance, risk and operational readiness are essential, but they are only the baseline.

In our experience, leaders who approach the \$10B asset threshold intentionally often see stronger outcomes. This doesn't mean having all the answers at once. It means preparing early, upgrading capabilities and positioning your institution for the opportunities that scale unlocks.

At \$10B, new strategic doors open: remaining independent with greater competitiveness, using your new scale to expand, pursuing M&A from a position of strength or exploring a sale on your own terms. Together, we see that these options exist for institutions that prepare early and arrive with momentum – strong financials, diversified revenue, modern digital infrastructure and a clear purpose.

The \$10B threshold isn't the finish line – it's the start of a new race with higher stakes. Leaders who embrace this as an opportunity, rather than just a compliance challenge, position their institutions to unlock new value and reach their full potential.

About Fiserv Card Advisory Services

Fiserv Card Advisory Services guides financial institutions through revenue and operational challenges with tailored strategies for growth and innovation on their journey to \$10B and beyond.

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Lessons from institutions that thrive on the road to \$10B



Lesson 1

They start earlier than others

Winning teams begin planning at \$5B, not at \$9B. They know compliance, revenue changes, digital scale and M&A pressure hit all at once. Early preparation gives them the space to define what they want to be – and to enter the transition with control.



Lesson 2

They treat their card portfolio as a strategic lever

Cards are the most direct connection to the wallet – and your growth. Successful institutions use their card portfolio to protect revenue, deepen engagement and expand reach. They diversify early – especially into small business and commercial cards – and recognize cards as their most frequent digital touchpoint and a core engine for growth.



Lesson 3

They approach \$10B as a launchpad, not a finish line

Top performers don't tiptoe across the threshold. They use it to reimagine their business, strengthen their digital and vendor foundations and position themselves for expansion or M&A from a place of strength. For them, \$10B is the start of the next chapter, not the end of the story.

Connect with us

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