



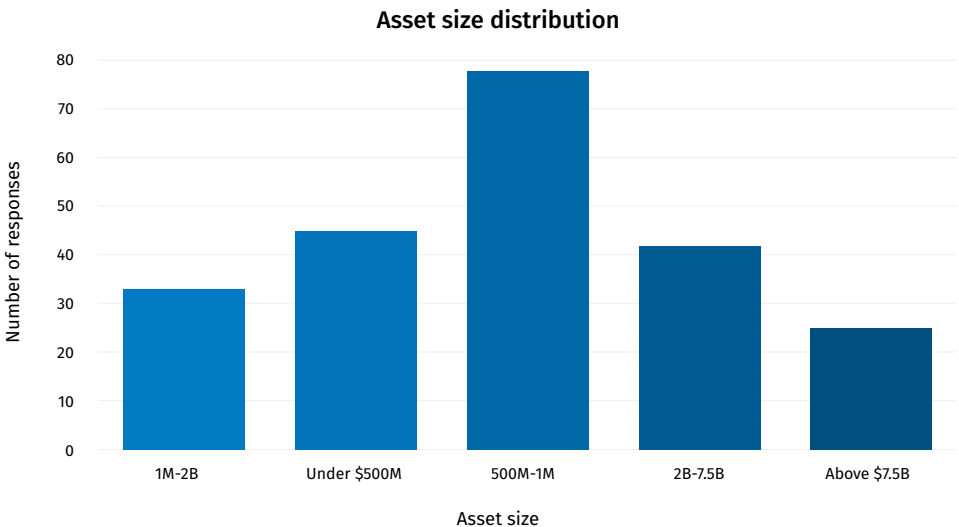
Calling all community bankers digital lending Are you ahead or behind?

Executive summary

Community banks are at a pivotal moment in their digital lending transformation journey. A recent Wolters Kluwer survey of 215 banking professionals reveals strong momentum in loan product diversification, electronic signature adoption, and a strategic shift toward pledging practices. This summary explores the survey’s findings, highlighting opportunities and challenges as banks modernize operations and manage liquidity in a rapidly evolving financial landscape.

1. Respondent profile

The survey captured responses from institutions across a wide asset spectrum:



35%

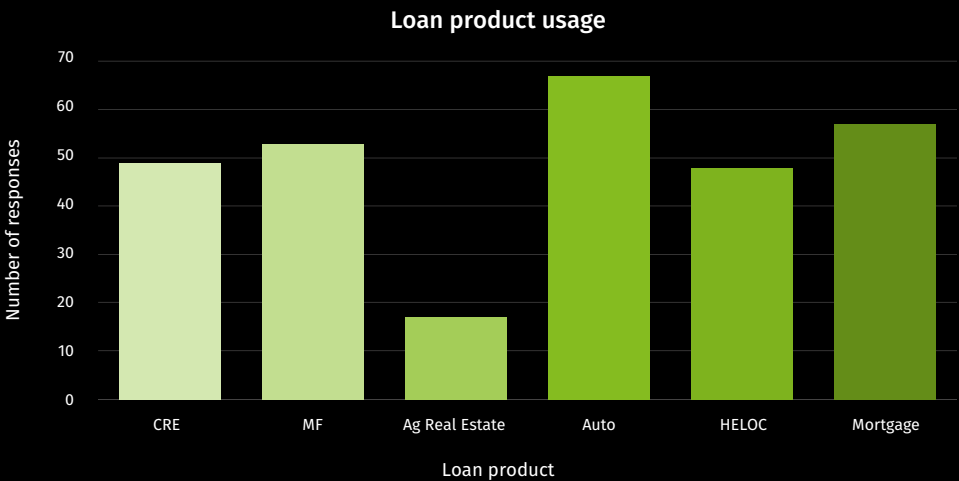
→ Majority (35 percent) of respondents represent banks with assets between \$500M–\$1B

66%

→ Directors and managers made up over 66 percent of respondents, indicating strategic-level insights

2. Loan product trends

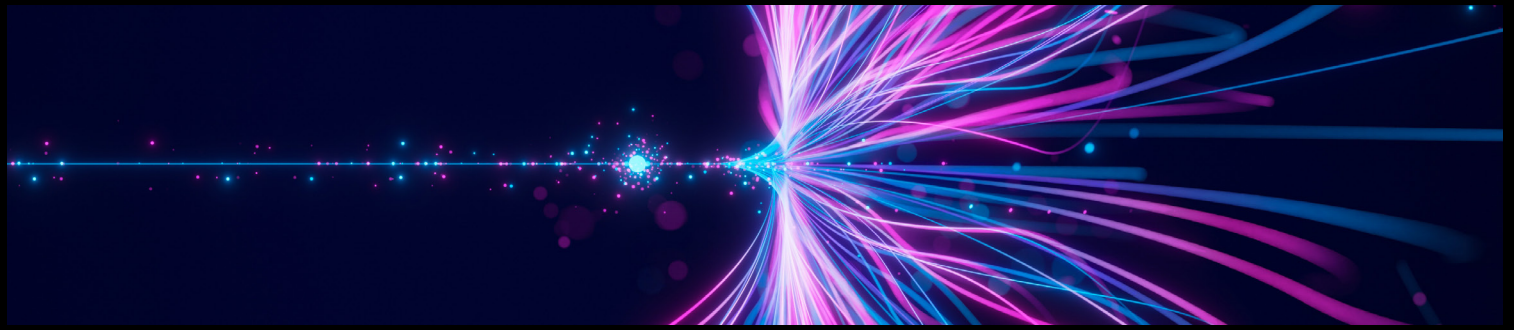
Community banks continue to diversify their lending portfolios:



→ Auto loans (23 percent), mortgages (20 percent), and multifamily loans (18 percent) are the most commonly completed annually

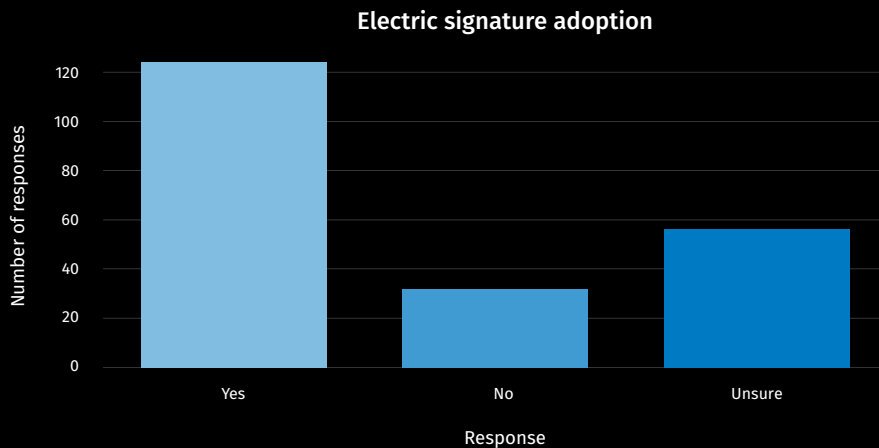
35%

→ 35 percent of institutions complete 100–200 loans per year, while 20 percent exceed 200 loans, reflecting robust lending activity



3. Digital lending adoption

Electronic signature usage is gaining traction, especially in sophisticated lending classes:



These findings suggest that while digital tools are being embraced, broader education and infrastructure support are needed to overcome adoption hurdles.

→ **58 percent** of institutions currently use or plan to use eSignatures for CRE, multifamily, and agricultural real estate loans

→ **DocuSign (59 percent)** leads the market, followed by **Adobe/OneSpan (30 percent)**

→ Key barriers include:

10% System integration challenges

7% Cost concerns

7% Lack of acceptance by federal liquidity channels

4. Strategic pledging practices

Pledging is emerging as a key liquidity strategy:



This shift indicates growing awareness of pledging as a strategic tool for liquidity management.

60%

→ 60 percent of respondents are not currently pledging CRE/MF/Ag RE loans

59%

→ However, **59 percent of non-pledgers** plan to begin pledging within the next 24 months

8%

→ Among current pledgers, the **Federal Reserve Bank (8 percent)** is the most utilized institution

5. Implications and recommendations

The survey underscores a clear trajectory toward digital transformation and strategic collateral management. However, several challenges remain:



Education is critical to help institutions understand the ROI of digital lending tools



Federal liquidity channel alignment must be addressed to support broader eAsset adoption

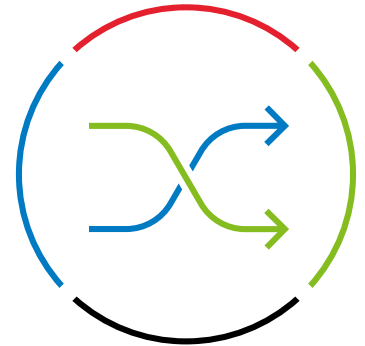


Technology integration support can accelerate adoption and reduce friction

Community banks that embrace these changes will be better positioned to compete with faster-moving lenders and meet evolving customer expectations.

Conclusion

The 2025 Wolters Kluwer Community Banking Survey reveals a sector in transition. With strong interest in digital tools and pledging strategies, institutions must now focus on overcoming barriers and aligning with liquidity channels to fully realize the benefits of modernization.



About Wolters Kluwer Financial & Corporate Compliance

Wolters Kluwer (EURONEXT: WKL) is a global leader in information solutions, software and services for professionals in healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2024 annual revenues of €5.9 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,600 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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