



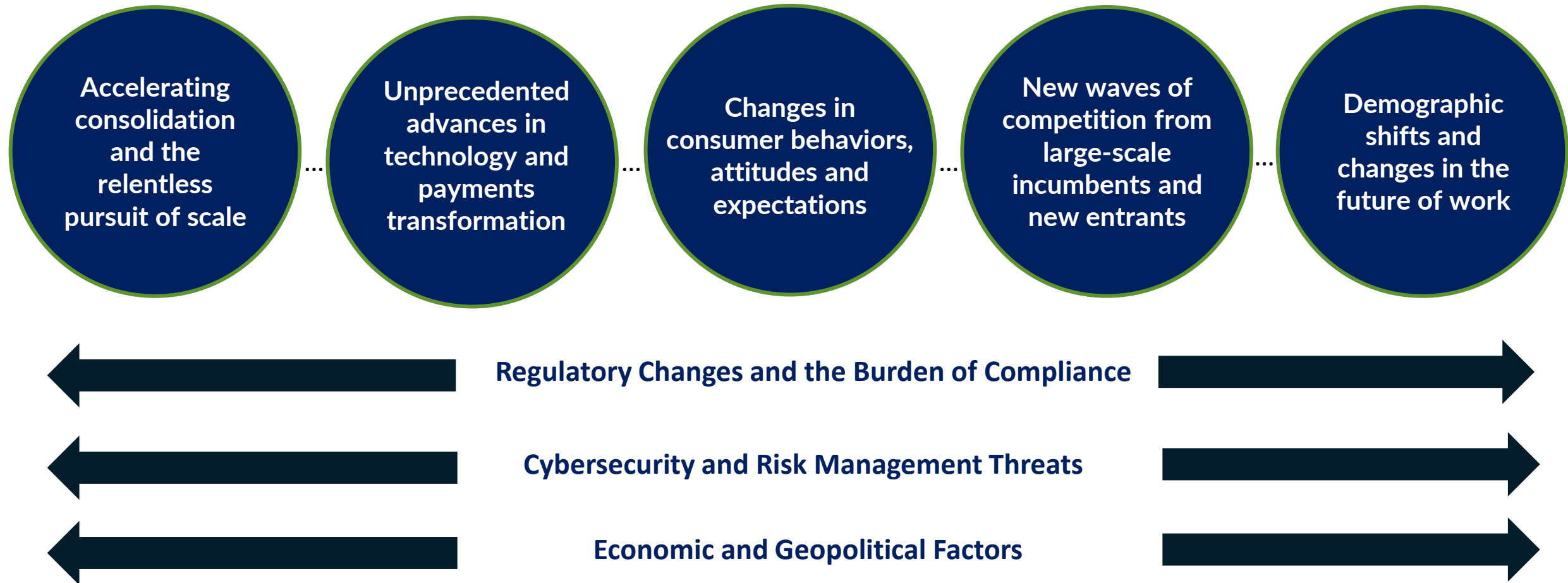
A Whole New World for Credit Unions

Presented by:
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Founder, Sievwright & Associates, an SRM Company,
and Chief Strategy Officer, SRM



November 18, 2025

Recap: Macro Trends Reshaping Financial Services

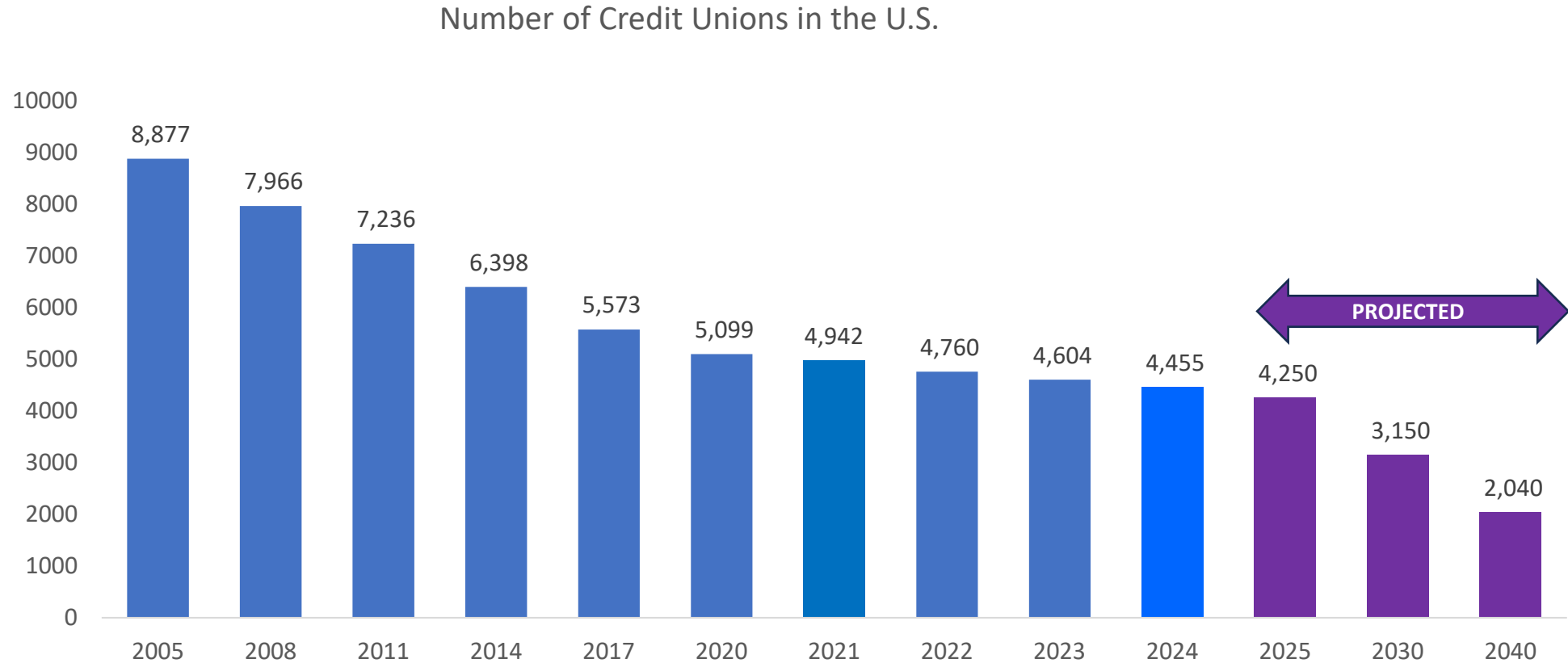


The U.S. Credit Union System Continues to Consolidate

CU Segments (2024)	Number of CUs	Share of CU Assets
>\$10Bn	20	25.0%
\$1Bn - \$10Bn	425	52.0%
\$500M - \$1Bn	283	9.0%
\$100M - \$500M	1,046	10.0%
<\$100M	2,681	4.0%
Totals	4,455	100.0%

Source: NCUA

The Drumbeat of Credit Union Consolidation Continues – *The Relentless Pursuit of Scale*



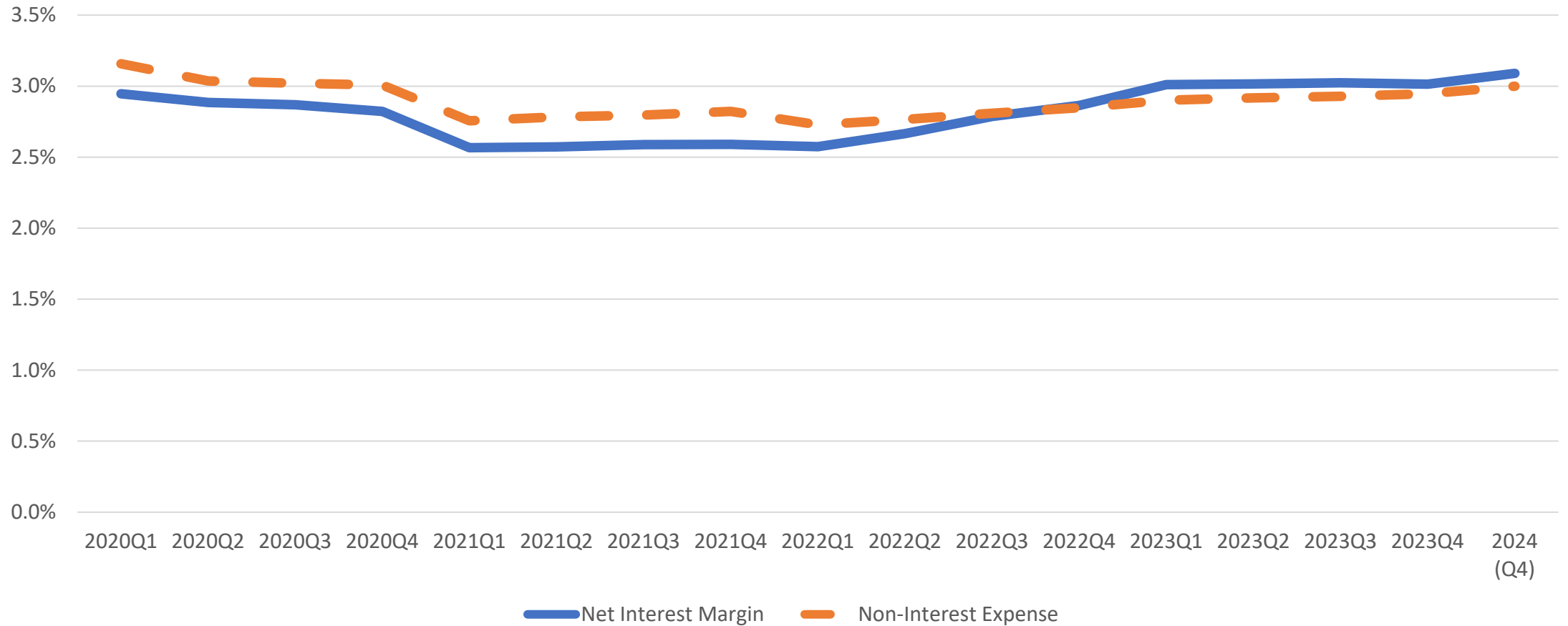
Sources: NCUA; Sievwright & Associates (SRM)

The Importance of Scale is Reaffirmed by the latest Annual U.S. Credit Union Performance Data (End-2024)

Categories & Segments	<\$10M	\$10M - <\$50M	\$50M - <\$100M	\$100M - <\$500M	\$500M - <\$1Bn	\$1Billion+
Credit Unions	865	1,209	607	1,046	283	445
Share of CU Assets	0.2%	1.0%	2.0%	10.0%	9.0%	77.8%
Loan Growth	(10.3%)	(8.0%)	(6.5%)	(3.3%)	(2.2%)	3.6%
Member Growth	(6.6%)	(7.2%)	(6.8%)	(3.7%)	(3.1%)	4.4%
Net Worth Growth	(3.6%)	0.5%	0.6%	2.2%	(1.8%)	6.3%

Source: NCUA

The Importance of Non-Interest Income for Credit Unions



Source: NCUA Call Report Data

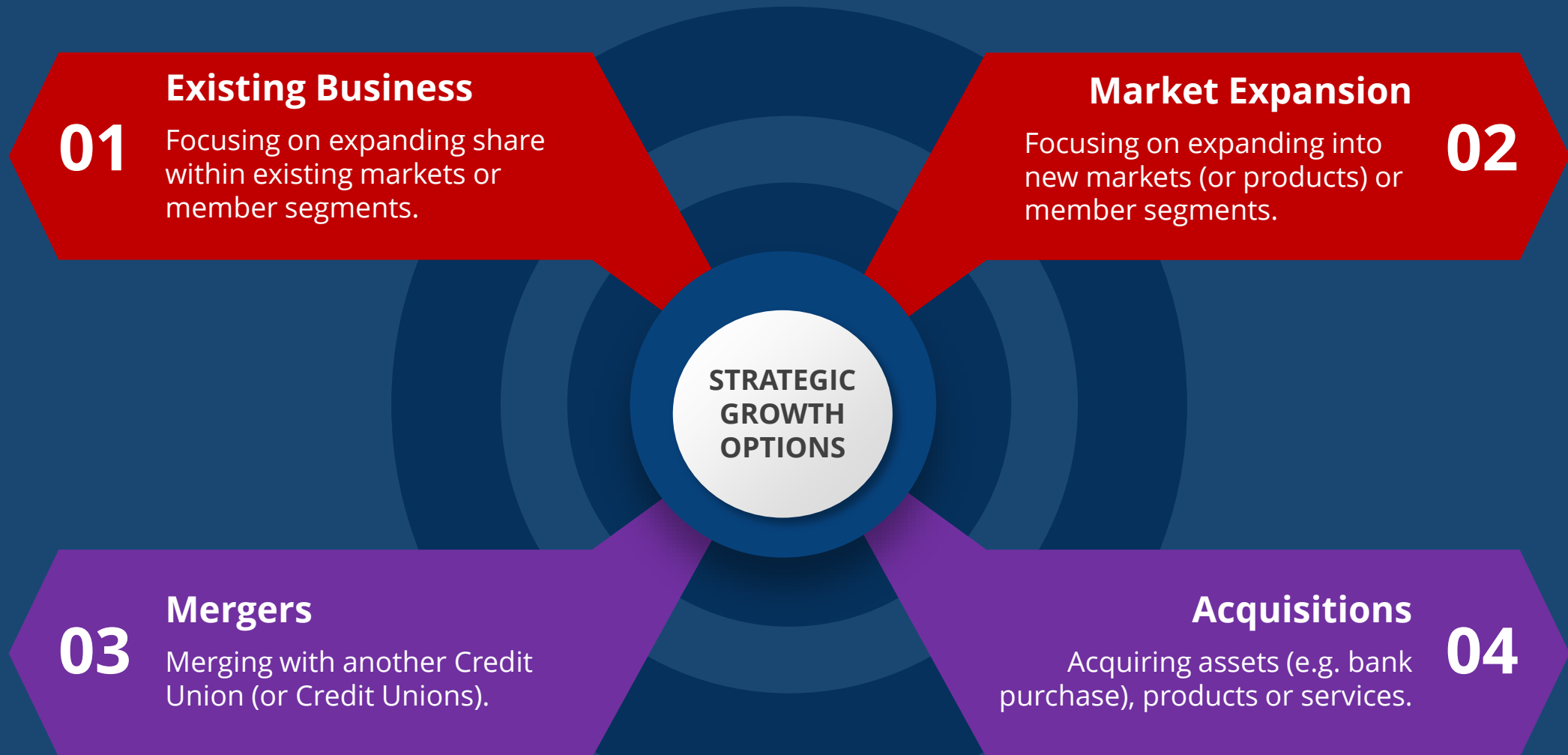
Renewed Pressure on Non-Interest Income



Sources of Future Growth

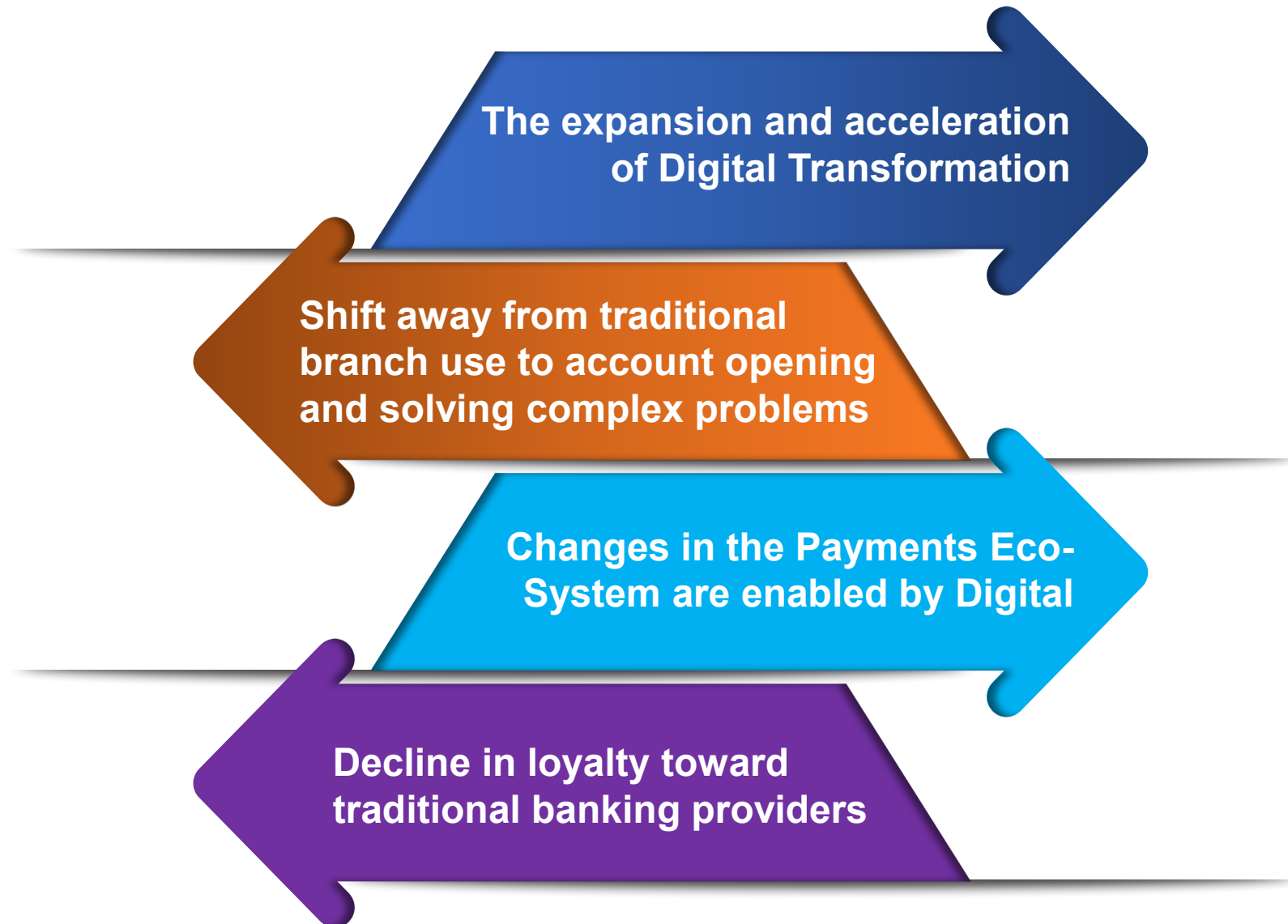


Driving Strategic and Sustainable Growth



How do we keep pace and capitalize on unprecedented advances in technology?

The Digitalization of Financial Services is Accelerating, Globally.....



While consumers are demanding increased access to information and more self-service, the branch continues to play a pivotal role in the delivery channel eco-system.

82%

Of consumers have become more comfortable with self-service than prior to the pandemic



- Account Balance
- PIN Activation & Replacement
- Update Personal Details
- Credit & Debit Card Activities
- Money Transfers
- Mobile Payments
- Periodic Check of Transactions
- Loan Applications
- Search for Local Branch
- Open New Account

Chase to Open Over 100 Branches in Low-Income Neighborhoods

Bank of America to Open More Than 165 Financial Centers by End of 2026

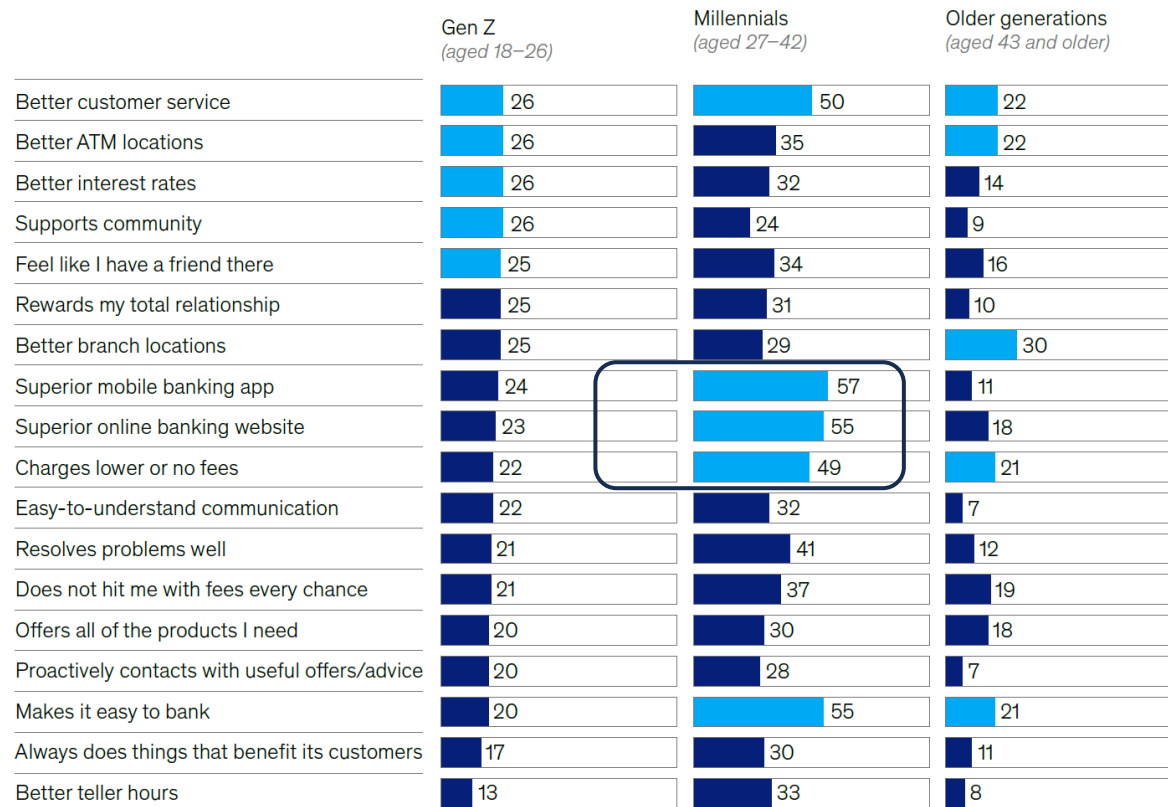

JPMorgan's increased tech spending (\$17 billion) will let it advance digital at high speed

Members Increasingly Value Digital-First Experiences

Drivers of choice in switching financial institution, by age, 2023,¹

% of respondents who have recently switched financial institutions

■ Top 5 driver

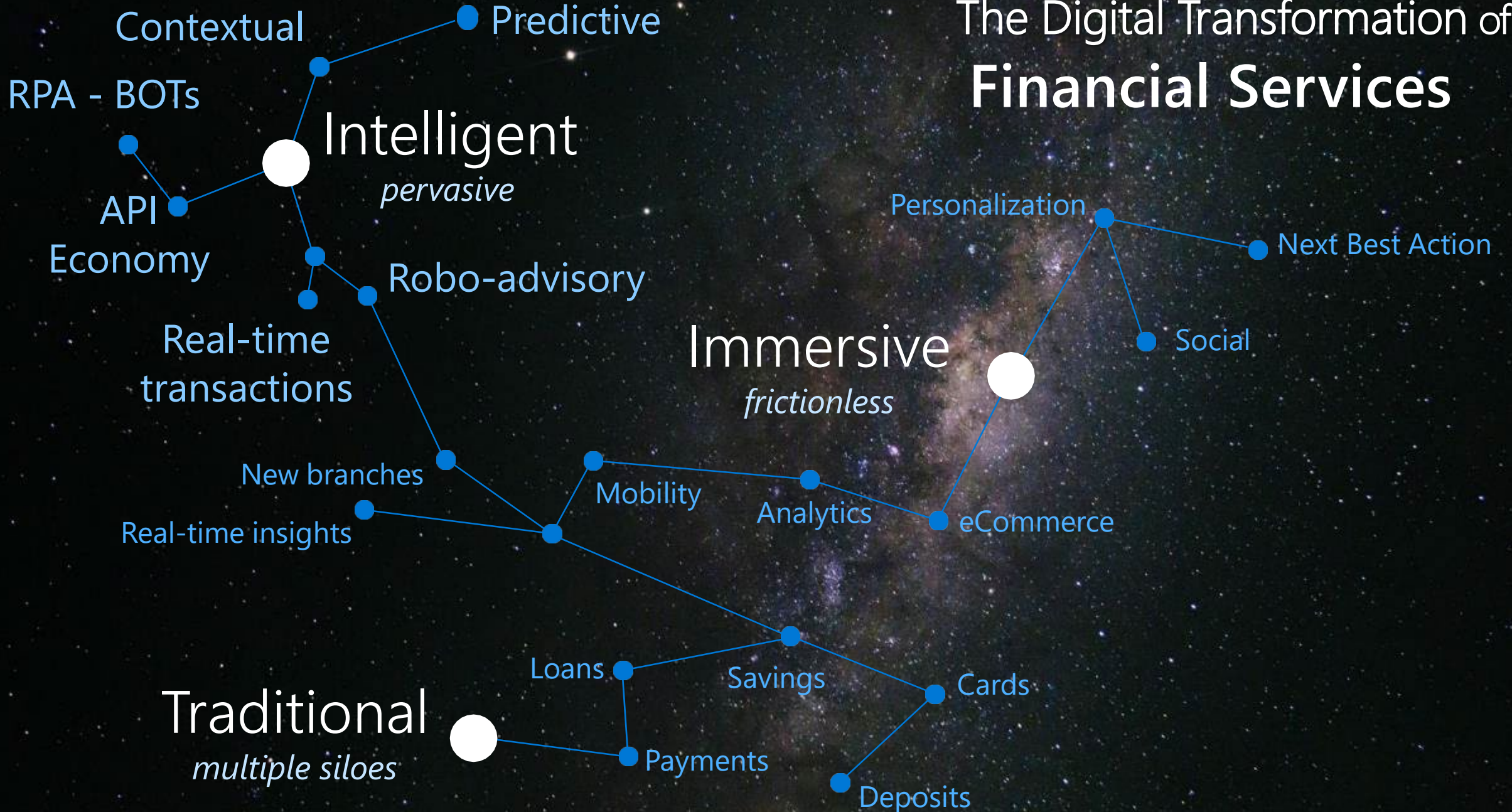
42%

Of consumers say they prefer to use their mobile app over an in-person experience at a branch

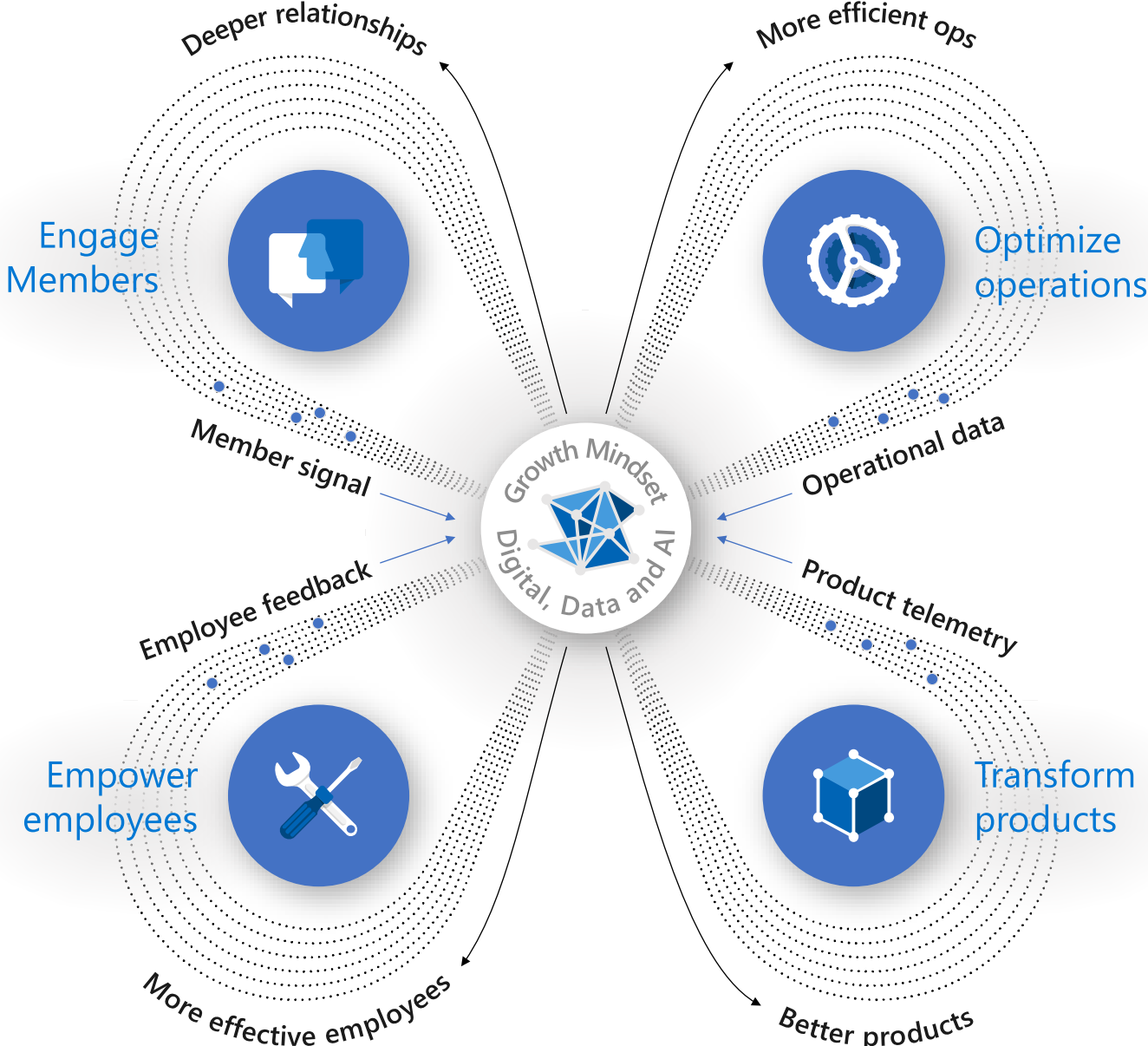


¹Question: If you recently switched financial institutions, how is your new one superior to the one you left? Respondents were able to choose as many answers as applicable.
Source: McKinsey Consumer Financial Life Survey 2023 (n = 5,039)

The Digital Transformation of Financial Services

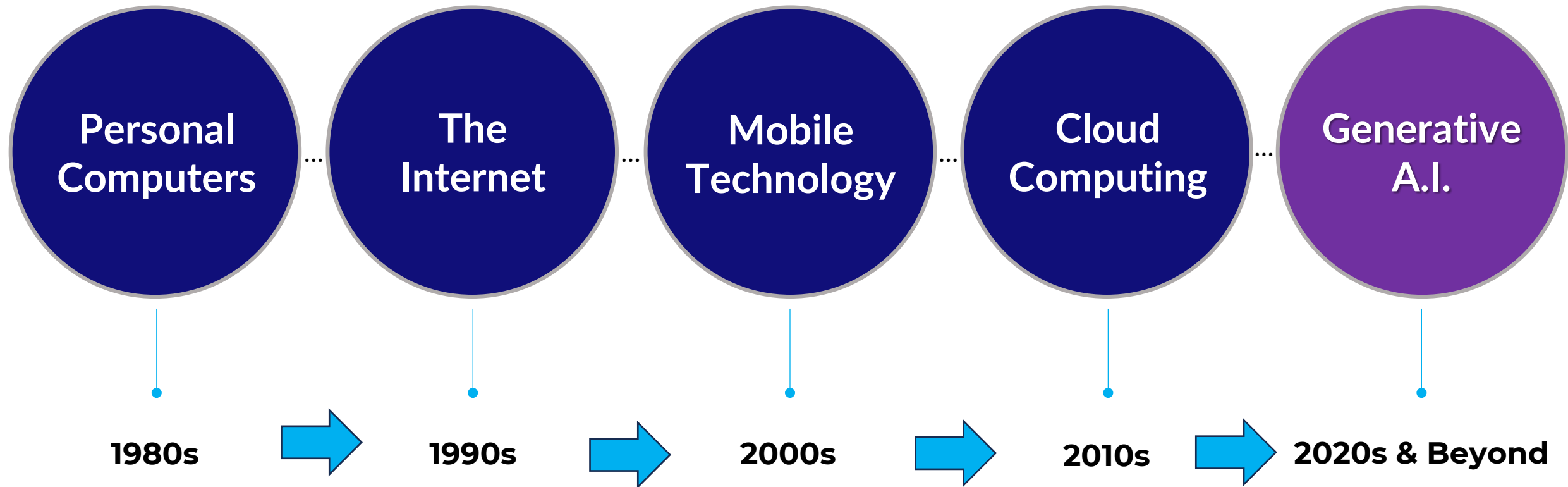


Digital Transformation is Mission Critical to Future Success

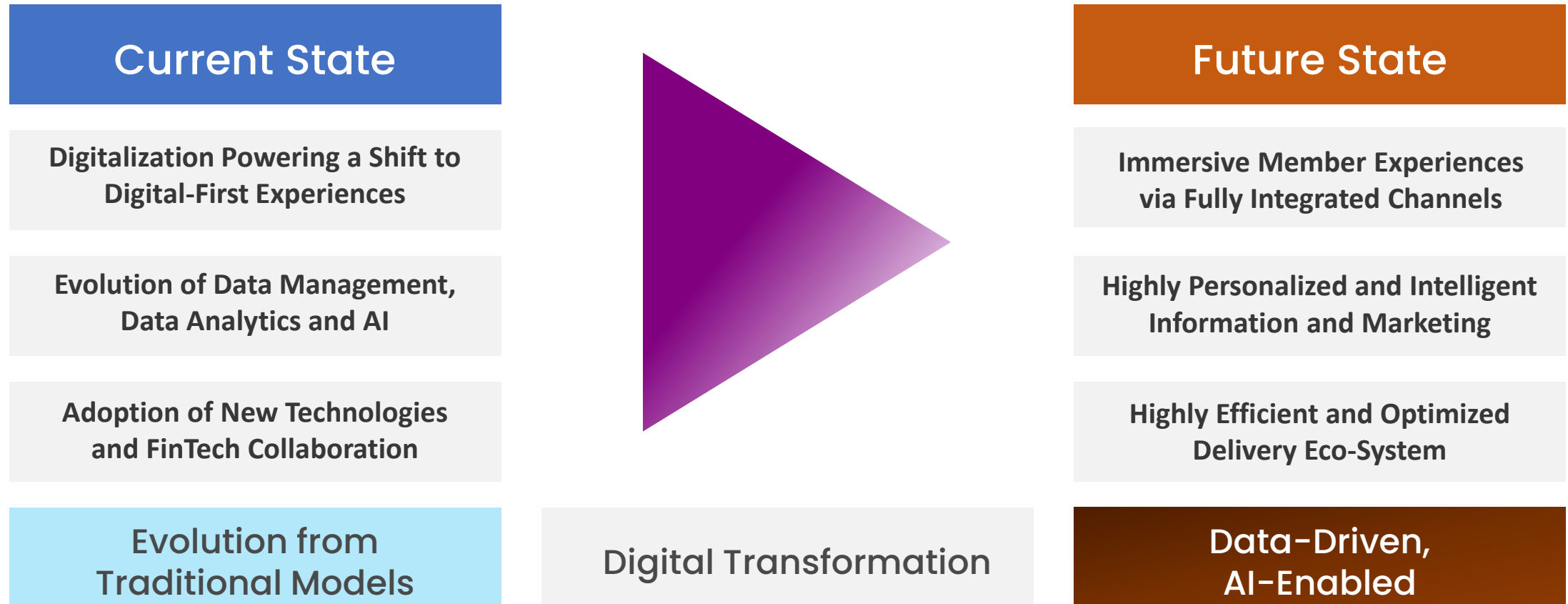


Five Decades of Paradigm Shifts in Financial Services Technology

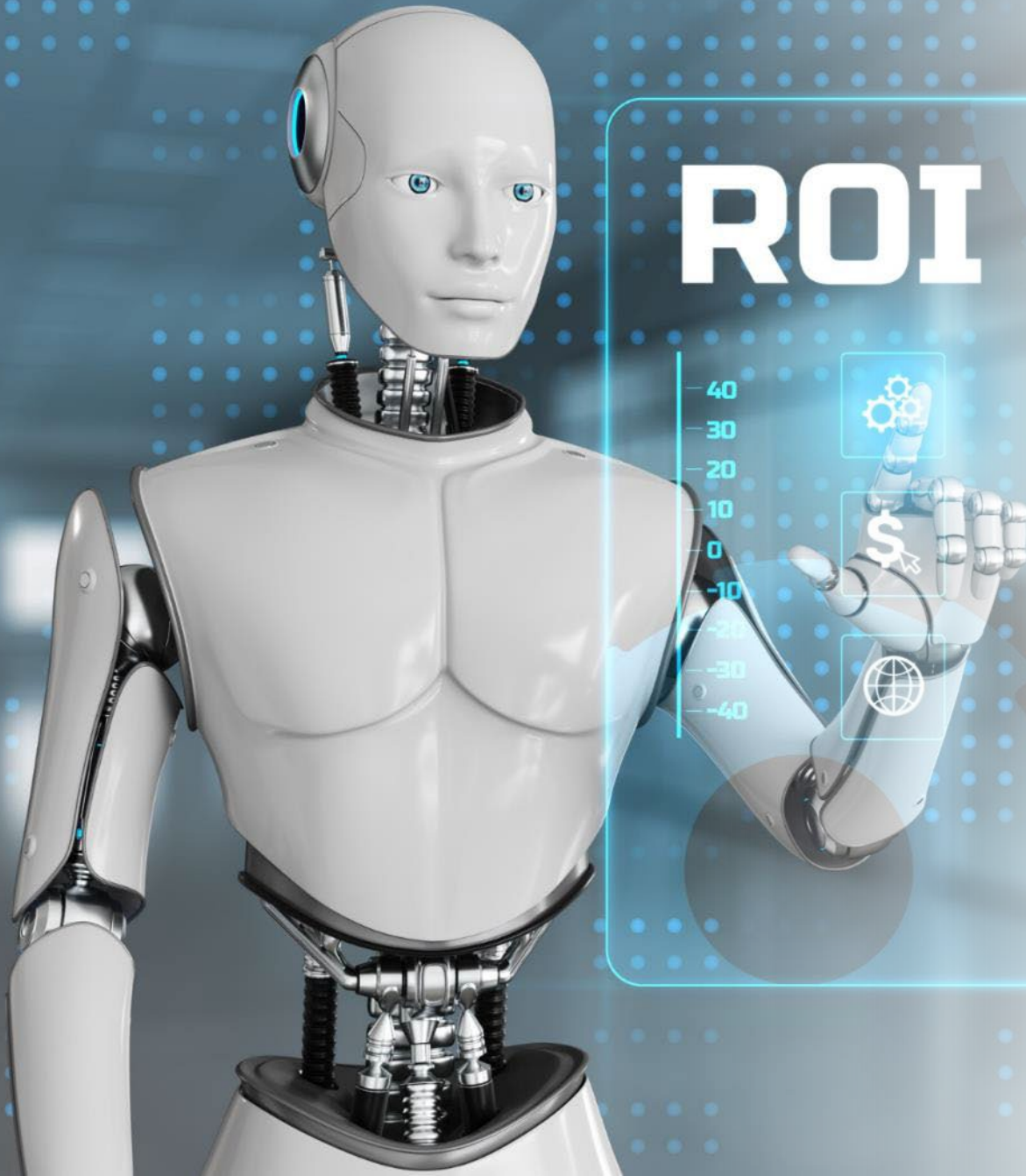
- AI is the Technology of our Lifetime!



Financial Services – A Look to the (AI) Future



AI and Financial Services



- A quantum leap in productivity
- Substantial improvements in Member service experiences
- Opportunities for significant innovation
- Low barriers-to-entry could create a new breed of “AI-first” competitors
- The combination of AI and Analytics can enable credit unions to become (truly) data-driven organizations

AI and (Sample) Use Cases in Financial Services

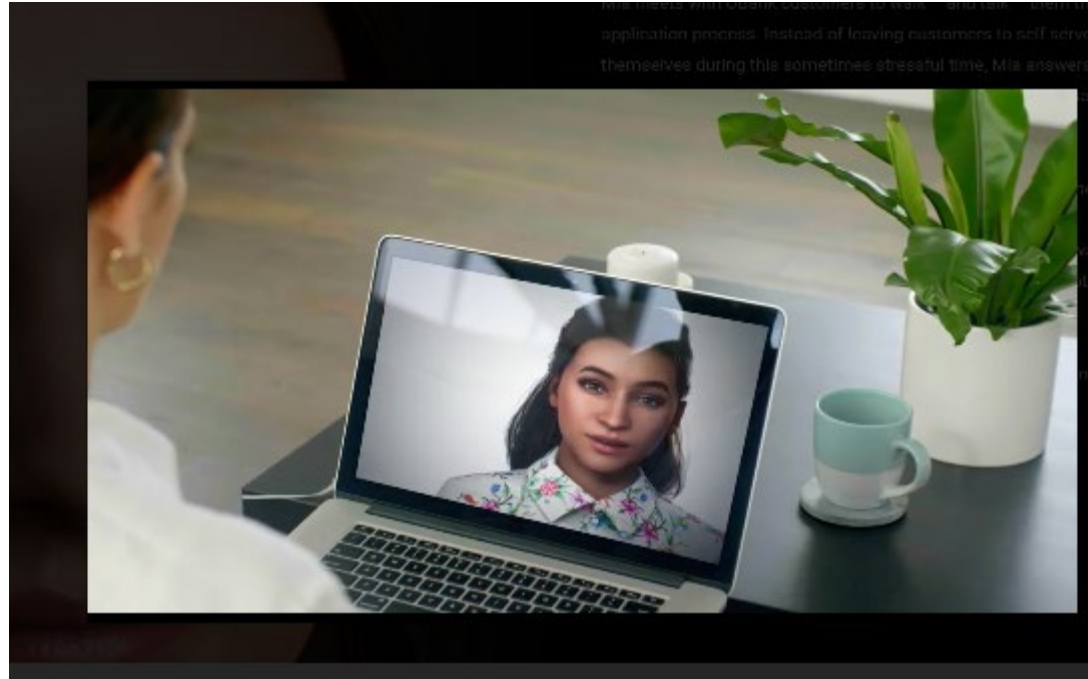
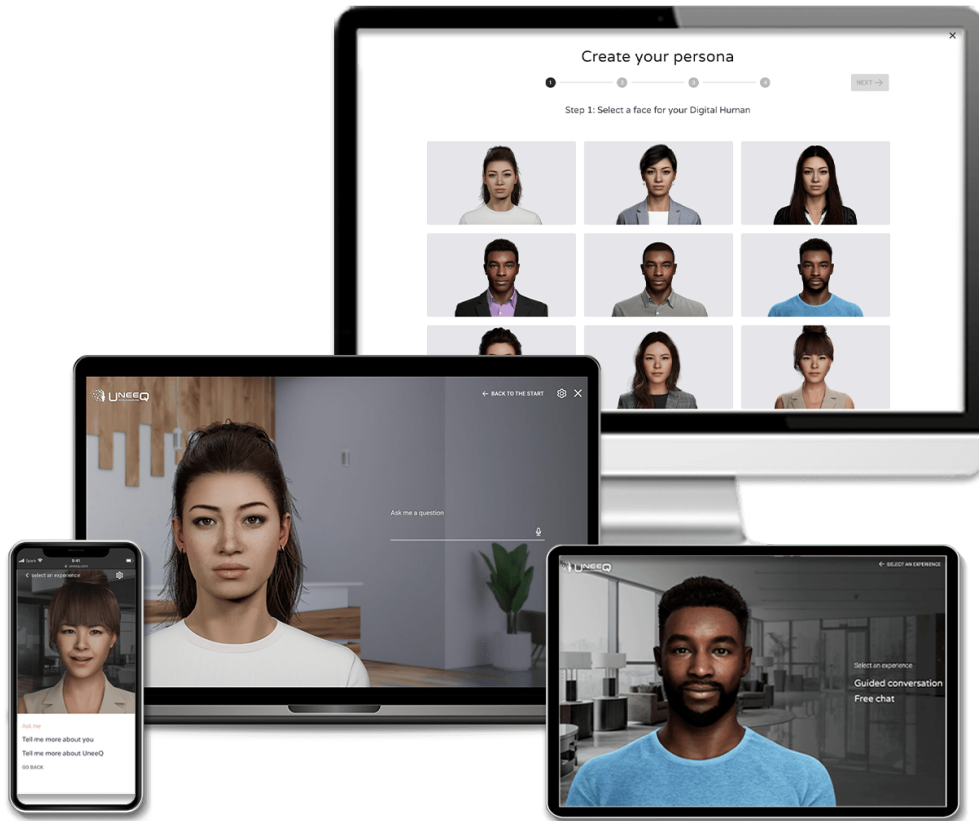
- Member Service Tools
- Loan Underwriting
- Call Center Transcripts (Analysis)
- Compliance Monitoring
- Data Analytics (Enhancement)
- Document Categorization and Extraction
- Financial Advisory Services
- Helpdesk Automation
- Marketing Copy Generation
- Virtual Assistants (Internal)



Will Artificial Intelligence allow us to humanize technology?



Humanizing the Digital Member Experience



How do we deal with intensifying competition?



Credit Unions Operate in an Intensely Competitive Environment

- The U.S. financial services market is **the most competitive in history** and it is imperative that Credit Unions strive to remain relevant through market differentiation, advancing their digital capabilities and improving (significantly) the levels of service provided to members
- The largest banks in the U.S. continue to invest billions of dollars in advancing their **digital and data capabilities**
- **FinTechs continue to gain market share**, globally, disrupting traditional “banking” business models through product innovation and enhanced consumer experiences
- Competitive intensity is also a key driver of the “**War for Talent**” that is at unprecedented levels today
- Additionally, the largest U.S. banks (JP Morgan Chase, Bank of America and Wells Fargo) are adopting **financial well-being strategies** and related services with positive results

Bank of America Continues to Advance Life Plan

BANK OF AMERICA

Life Plan® Engagement at a Glance



10M+

Clients Using
Life Plan®



\$55B

Increase in
Account Balances

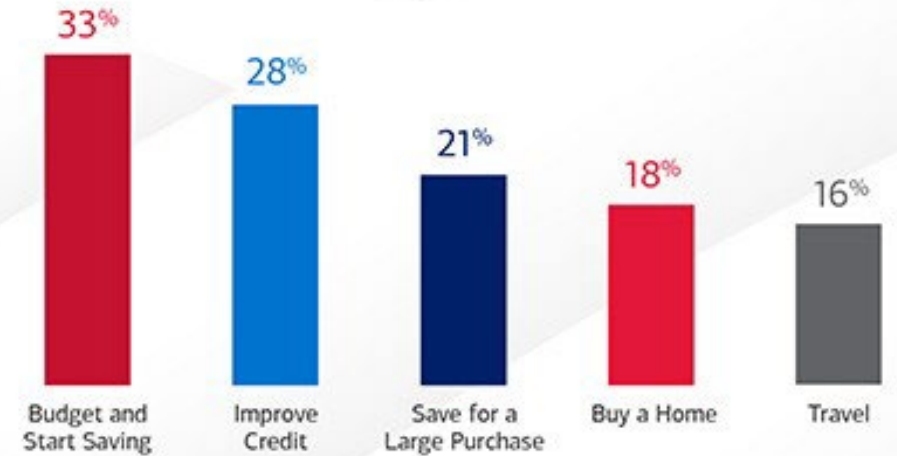


63%

Created by
Millennials and Gen Z

BANK OF AMERICA 

Top 5 Life Plan® Goals



BANK OF AMERICA 

Chase Commits to Branches in Low-Income Communities

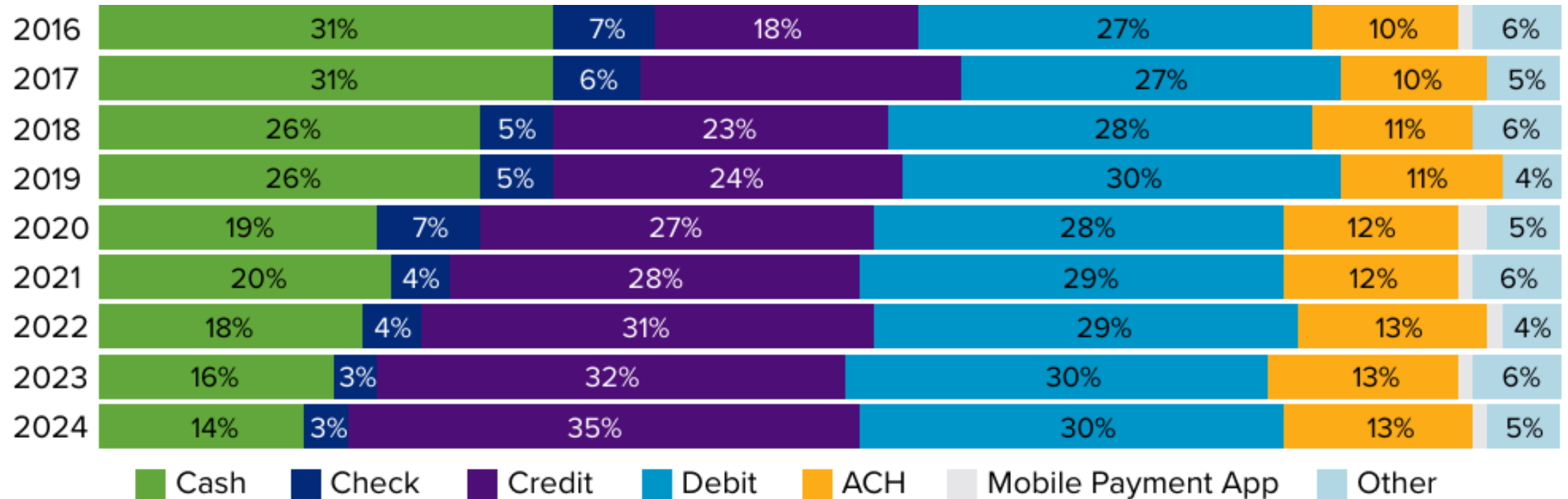


How can we win the “War on Payments”?

Trends and Insights on U.S. Consumer Payments

- Contactless and remote payment methods are growing fast
- Cash and check use is declining, though cash is still used by specific demographics
- Younger generations favor Apps; App usage is growing across other demographics
- Loyalty and rewards programs have become common place and are highly competitive
- Rewards, speed, convenience and security are key consumer priorities at the checkout
- Retailers increasingly embed payments into mobile Apps for speed and loyalty
- Stablecoin development and innovation will be boosted by new legislation (GENIUS Act)

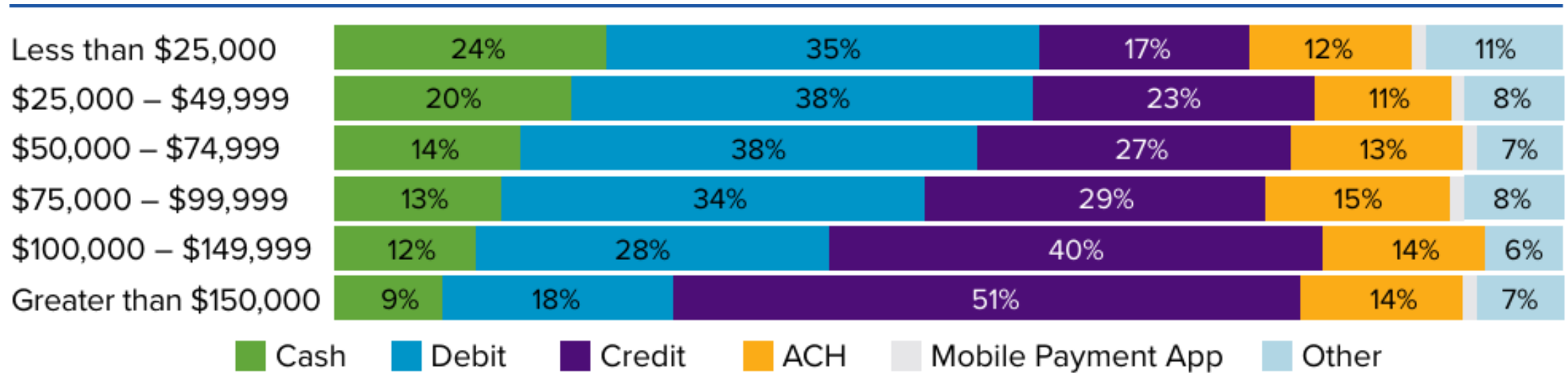
Share of Payment Instrument Use (Consumer Payments)



Note: All payments, including bills, purchases and person-to-person (P2P) payments.

Source: Survey and Diary of Consumer Payment Choice.

Share of Consumer Payment Instrument Use (by Household Income)

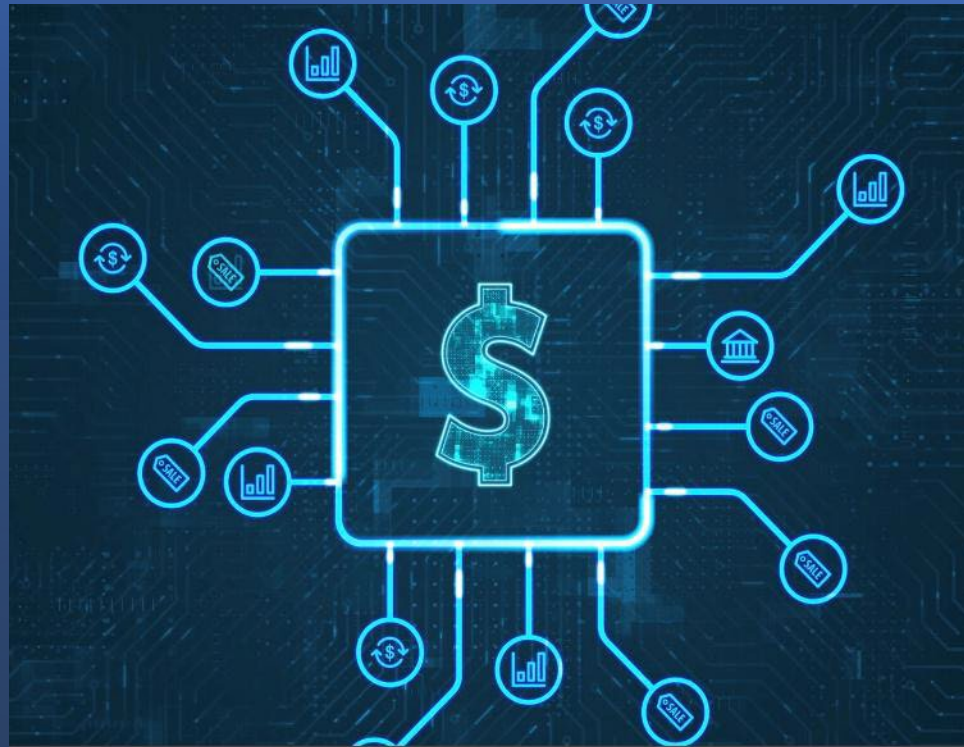


Source: Survey and Diary of Consumer Payment Choice.

What's next in the World of Payments?







 **Perspectives**

**Embracing the Future of Payments:
Strategic Considerations for Banks
and Credit Unions in the Age of
Stablecoins and Tokenized Deposits**

How do we deal with a rapidly changing regulatory environment (and potential resultant income pressures)?

The Credit Union Regulatory Environment

- Credit Union Taxation?
- Interchange?
- CFPB?
- NCUA?
- Consolidation of Regulatory Agencies?



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