

Industry Trends and Updates

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The Credit Union Eco-System of the Future

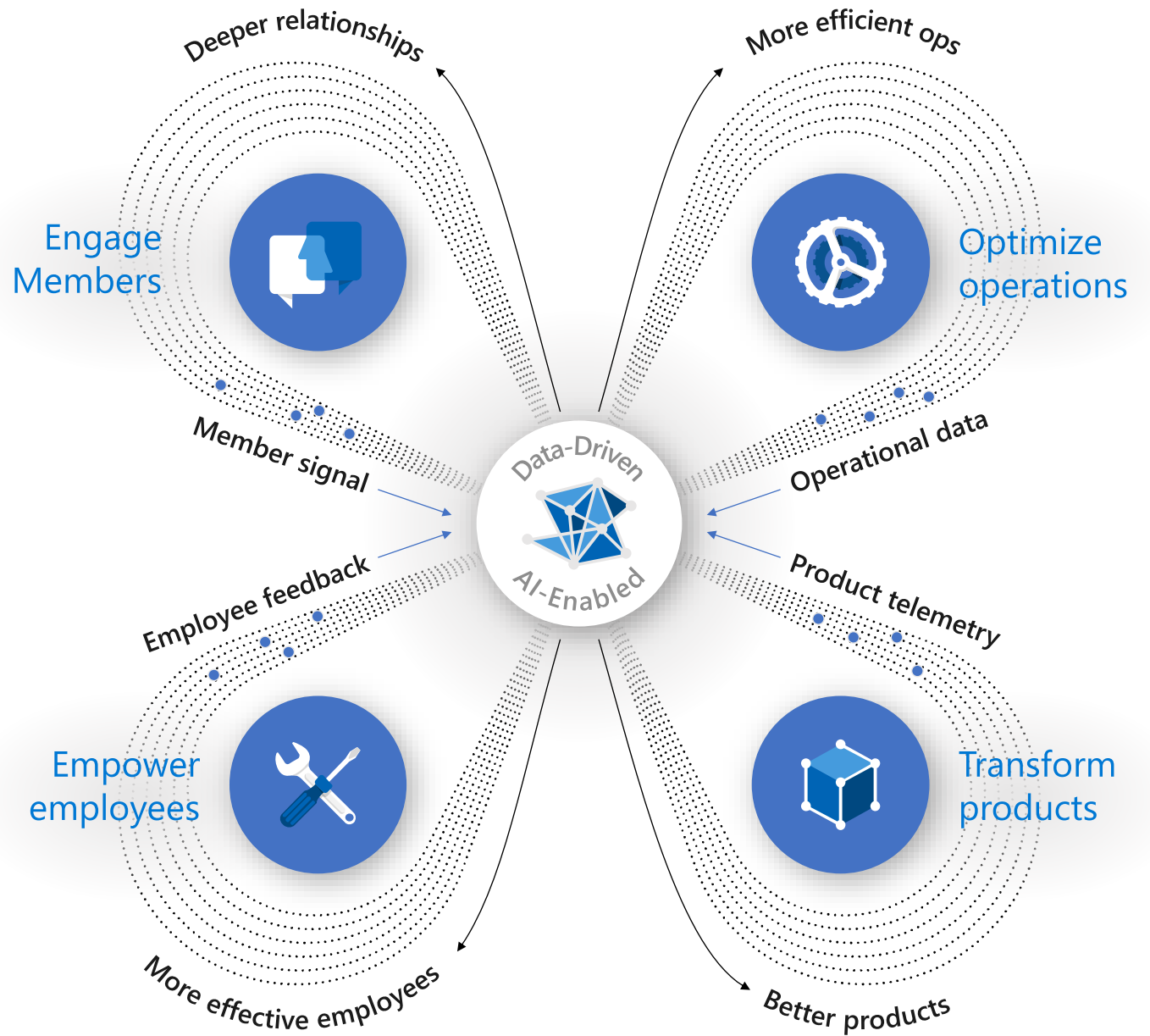
Intelligent - AI moves from pilot to mainstream - driving hyper-personalization and proactive member service (at scale)

Intuitive - friction gives way to guided, human-centered service delivery and support; anticipates member intent, explains decisions and builds trust

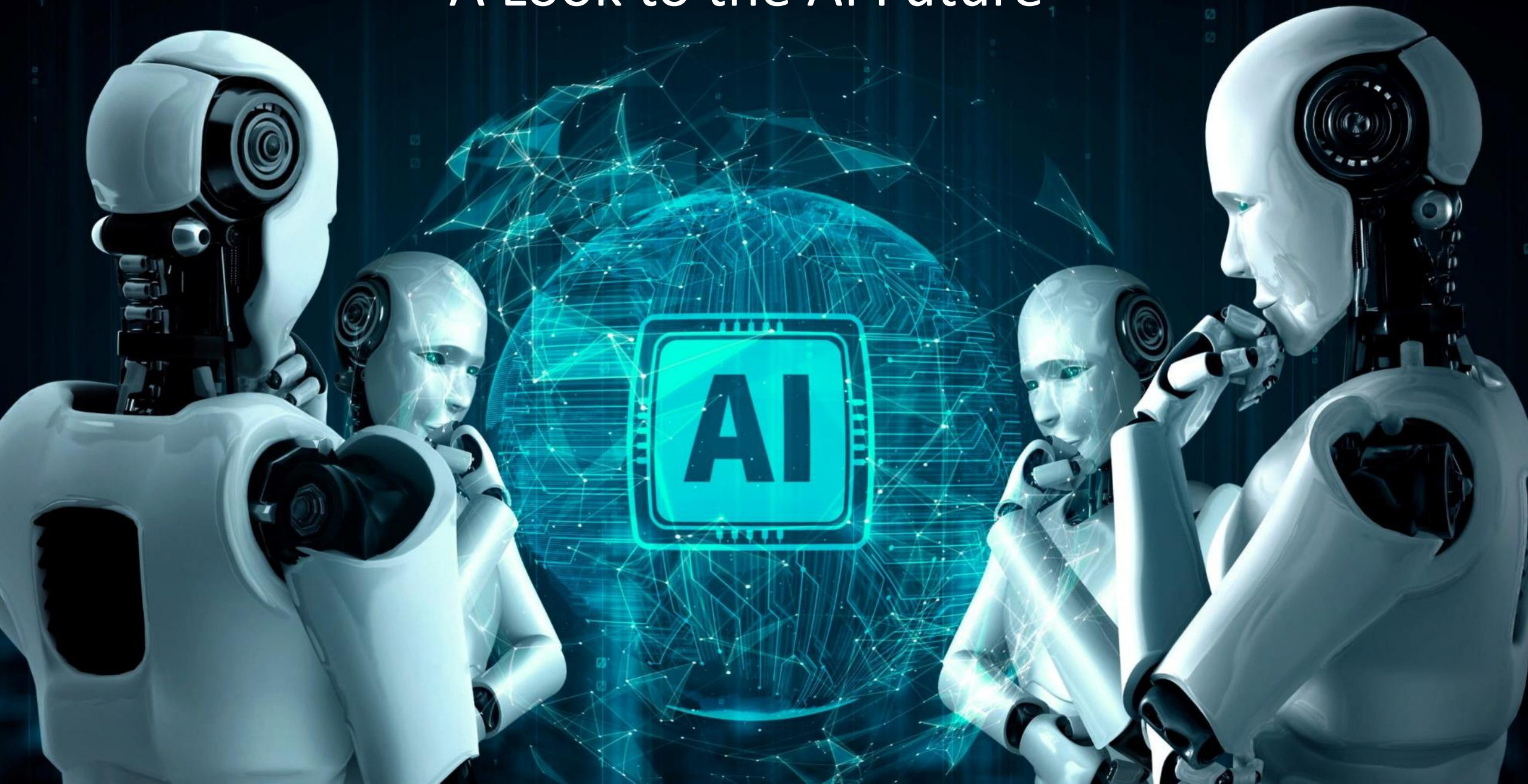
Invisible - banking becomes a series of member journeys, embedded in products, inside Apps, and across technology partner eco-systems

Instant - “always on” money movement, world-class onboarding and support setting new standards for speed, convenience, security and compliance

Credit Unions need to embrace a Data-Driven, AI-Enabled Future.....



A Look to the AI Future



Financial Services - A Look to the (AI) Future

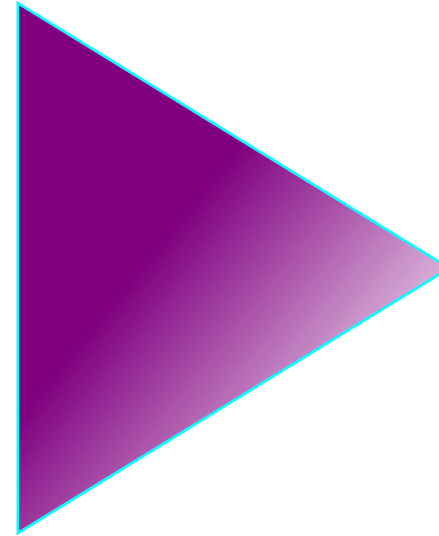
Current State

Digitalization Powering a Shift to Digital-First Experiences

Evolution of Data Management, Data Analytics and AI

Adoption of New Technologies and FinTech Collaboration

Evolution from Traditional Models



Digital Transformation

Future State

Immersive Member Experiences via Fully Integrated Channels

Highly Personalized and Intelligent Information and Marketing

Highly Efficient and Optimized Delivery Eco-System

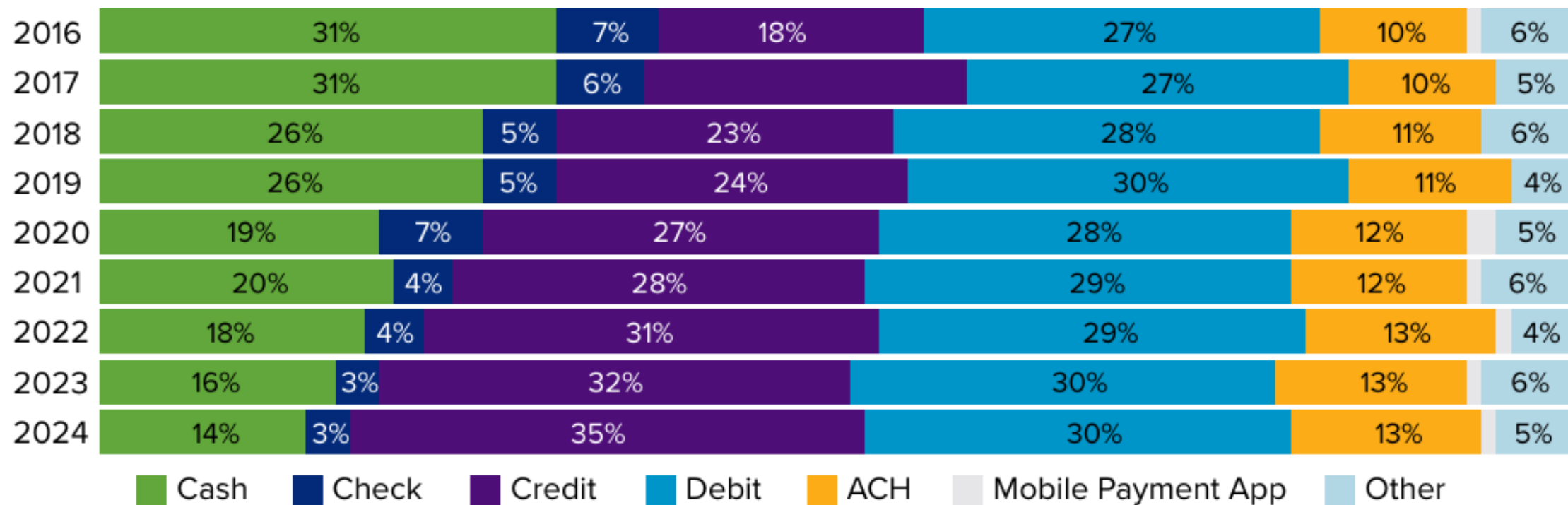
Data-Driven, AI-Enabled

Getting Ready for the Next Evolution in 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)

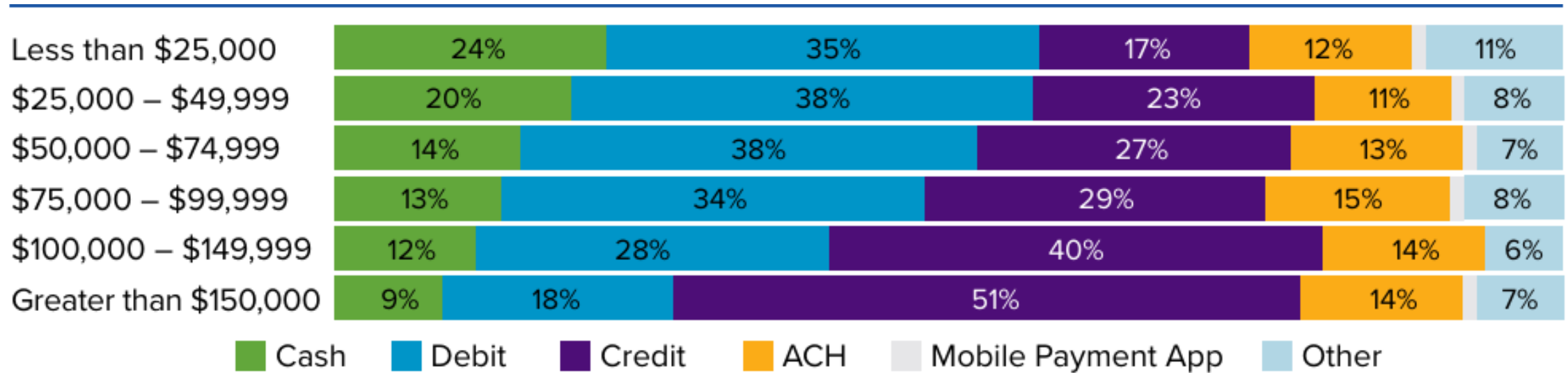
Share of Payment Instrument Use (Consumer Payments)



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)



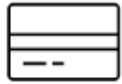
Source: Survey and Diary of Consumer Payment Choice.

Why Stablecoin and Digital Assets Matter



Deposit Migration Risk

- Stablecoins introduce a digital instrument with **full reserve certainty and instant mobility**. During periods of stress, funds could rapidly migrate from fractional reserve deposits to fully backed digital dollars. U.S. Treasury analysis suggests **\$6.6 trillion of bank deposits may be exposed**.



Payment Rail Disruption

- Stablecoins settle in seconds, 24/7, without card networks or ACH infrastructure. As digital wallets increasingly become the primary financial interface, banks risk losing the **customer relationship, transaction visibility, and fee economics**.

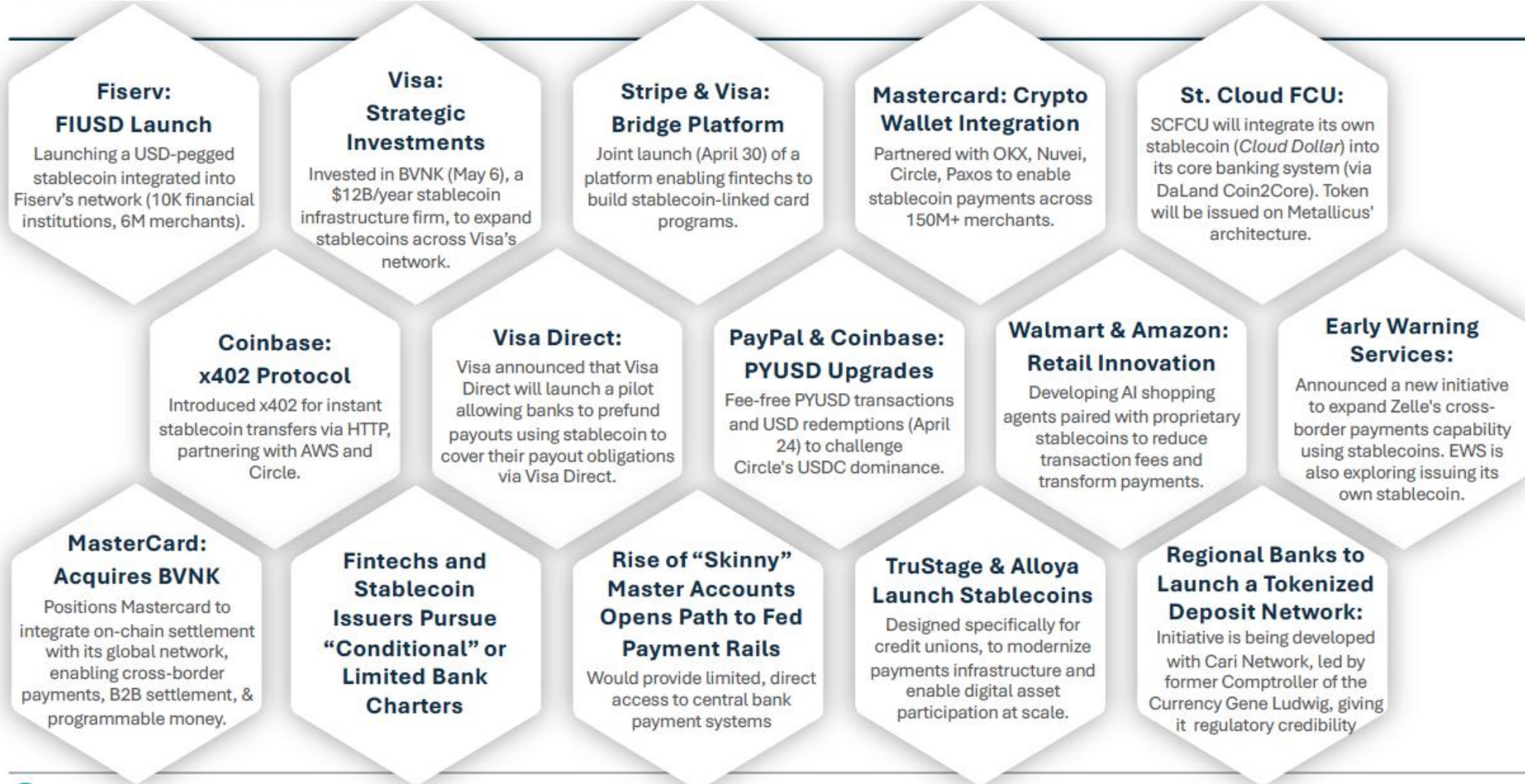


Lending Disintermediation

- Programmable assets enable lending and collateralization directly on digital platforms. The decentralized lending market is projected to grow from **~\$100B to \$770B within five years**, embedding credit directly into payment ecosystems.

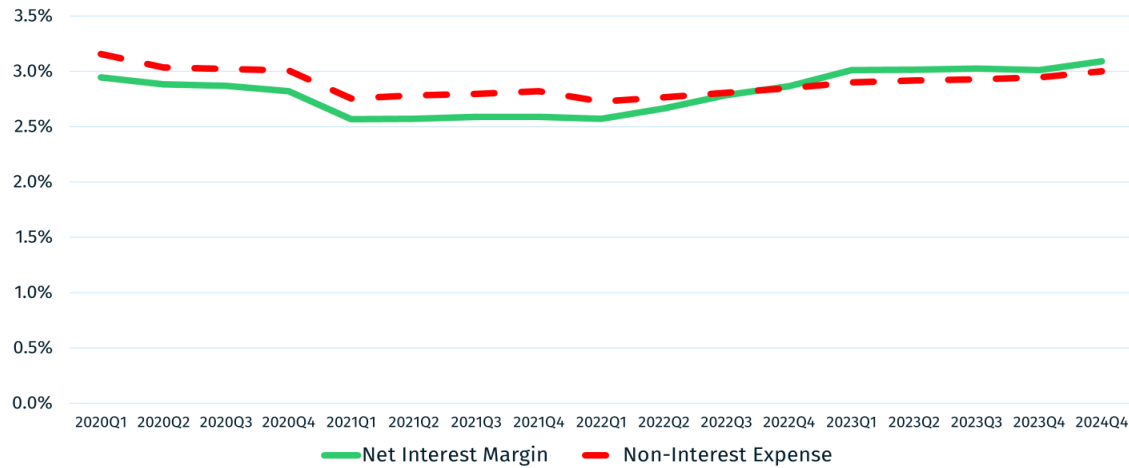
The Strategic Question: If digital dollars become the dominant settlement asset, will credit unions **issue them, enable them, or be displaced by them?**

Payment Networks, Processors and FIs - and Stablecoin Innovation



Payment System Risks

Payments and the Importance of Non-Interest Income (Credit Union System Data)



Source: NCUA Call Report Data



A diverse group of people of various ages and ethnicities smiling. The group includes young adults, middle-aged individuals, and seniors, representing a wide range of demographics. They are arranged in several rows, with some individuals in the front row and others in the back. The overall mood is positive and inclusive.

Changes in Consumer Attitudes, Behaviors and Expectations

Changing Behaviors and Expectations of Consumers

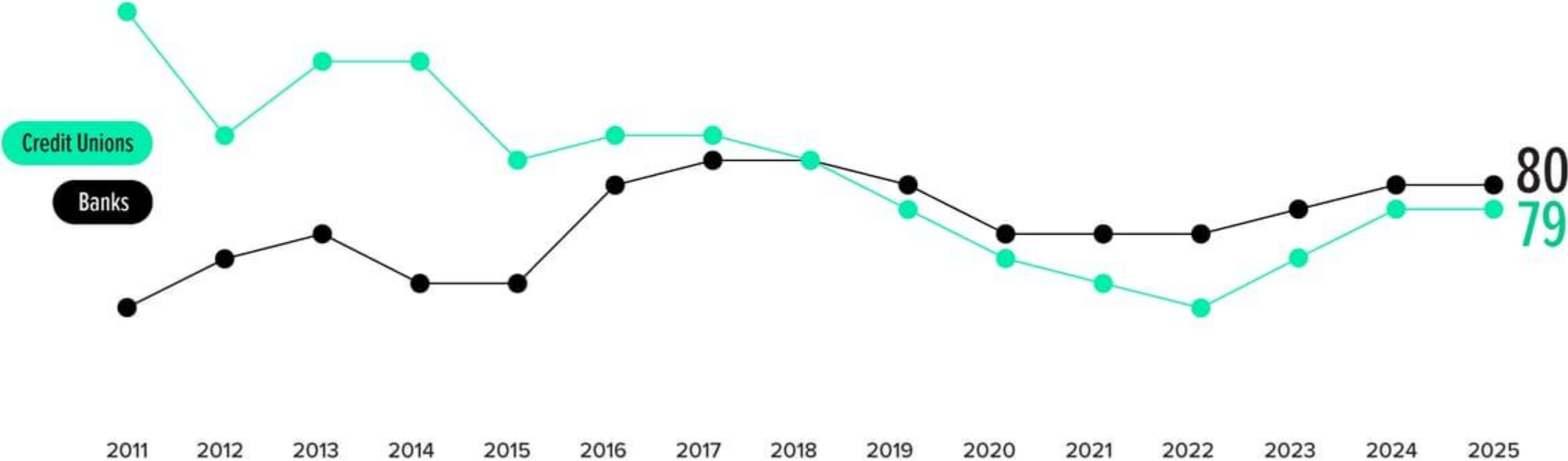
Today's consumers don't compare one credit union or bank to another. They compare their financial experience to Amazon, Apple, and the “tap-and-go” simplicity of everyday life.

Digital convenience is now assumed: instant account opening, fast answers, intuitive mobile tools, and seamless self-service. But convenience alone isn't enough.

Members want experiences that feel tailored to them: relevant products, timely financial guidance, and communication that respects their preferences.

Tracking Member Service versus Customer Service

CUSTOMER SATISFACTION IN FINANCIAL SERVICES – CREDIT UNIONS VS. BANKS (ACSI 2025)



Strategic Considerations



Strategic Considerations.....

