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Credit unions grow branch count while banks slash locations



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Theme [Healthcare & Pharmaceuticals](#), [Real Estate](#), [Banking](#), [Fintech](#), [Insurance](#)

Credit unions are adding branches at a time when most banks are closing them amid the increasing digitization of finance.

In 2021, the credit union industry added 46 branches by opening 310 and closing 264 while the banking industry produced a net figure of 2,927 closings, a record high. Banks have accelerated plans to consolidate branches as the COVID-19 pandemic led to greater consumer adoption of mobile channels, and the industry has increased its technology spend to better compete with digital-only banking start-ups that have made market share gains.

But credit unions depend on membership, which could be more tied to retail branches than customer acquisition might be for a bank, said Paul Davis, director of market intelligence for advisory firm Strategic Resource Management. "I think credit unions, on average, are probably under-branched as opposed to banks who are probably over-branched," Davis said in an interview.

Credit union branch growth might also be tied to the branch cuts at banking institutions, said Michael Bell, co-chair of the financial institutions practice group at Honigman LLP. Retail branches act as a marketing tool for depositories, providing a tangible commitment to the local community, Bell said.

"I think some of it has to do with banks shrinking, so when a possible competitor or similar provider is leaving the space, there is a reason [for credit unions] to get going into that space," said in an interview.



Most active branch openers and closers among US credit unions in 2021

Company	City, state	Active branches*	Net openings/closings				Total
			Q4'21	Q3'21	Q2'21	Q1'21	
Net increase							
OnPoint Community CU	Portland, OR	55	0	7	8	4	19
Navy FCU	Vienna, VA	319	1	1	3	0	5
Lake Michigan CU	Grand Rapids, MI	65	0	0	2	2	4
Addition Financial CU	Lake Mary, FL	27	0	1	2	0	3
Alabama One CU	Tuscaloosa, AL	17	2	1	0	0	3
Great River FCU	Saint Cloud, MN	7	2	0	1	0	3
Horizon FCU	Williamsport, PA	7	2	1	0	0	3
Landmark CU	Brookfield, WI	36	1	1	0	1	3
Members 1st FCU	Mechanicsburg, PA	59	1	0	1	1	3
Mountain America FCU	Sandy, UT	101	0	0	1	2	3
Net decrease							
Keesler FCU	Biloxi, MS	33	-1	-2	0	0	-3
Pen Air FCU	Pensacola, FL	11	-2	-1	0	0	-3
Total U.S.		20,209	19	-23	27	23	46

Data compiled Jan. 11, 2022.

Ranking is based on net credit union openings/closings for the year ended Dec. 31, 2021. Limited to credit unions with at least three or more net openings or at least three net closings and to credit union branches that take deposits. Excludes ATMs, mortgage offices, administration, facility and loan production offices.

* Total active branches are current for any branch openings or closings as of Dec. 31, 2021.

Credit union branch openings and closings are collected on a best-efforts basis through publicly available information.

Source: S&P Global Market Intelligence

Portland, Ore.-based OnPoint Community CU led all depositories in net openings last year with 19 branch openings and no closures. Among credit unions, Navy FCU was the next highest with five net openings. For banks, Dollar Mutual Bancorp had the greatest expansion with six branches opened, on net, last year.

OnPoint Community's openings did not represent a significant expansion of the branch's footprint. The credit union opened one branch in a new market, Albany, Ore., a small town within the depository's existing footprint. The credit union also added two branches in the Eugene, Ore., market, bringing its branch count to three in the market.

But most of the openings — 15 of the 19 — came in the same metro area as the depository's headquarters, the Portland-Vancouver-Hillsboro, OR-WA metropolitan statistical area. Those openings gave the credit union 45 branches in the metro area. That eclipses the 32 branches in the metro area from Portland, Ore.-based, \$30 billion Umpqua Holdings Corp.

The credit union has booked significant deposit and member growth through the expansion. As of the 2021 third quarter, the most recent data available, the credit union reported 978,192 total accounts, a 10.0% increase from the year-ago period.

Deposits grew even more, coming in at \$7.82 billion in the third quarter, a 26.3% year-over-year increase. OnPoint's additions pushed the state of Oregon into the No. 1 spot for credit union branches added, followed by Utah and Wisconsin.

Highest credit union branch openings/closings by state in 2021

State (total active branches*)

NET OPENINGS	Q4'21	Q3'21	Q2'21	Q1'21	Total
Oregon (330)	-1	7	5	3	14
Utah (444)	0	2	1	4	7
Wisconsin (561)	3	0	3	0	6
NET CLOSINGS					
Louisiana (409)	0	-3	-3	0	-6
California (1,488)	1	-4	-4	3	-4
Illinois (592)	-2	-3	2	-1	-4

Data compiled Jan. 11, 2022.

Ranking is based on credit union net branch openings/closings for the year ended Dec. 31, 2021.

Limited to states with at least six or more total net openings or at least four or more total net closings and to credit union branches that take deposits. Excludes ATMs, mortgage offices, administrative, facility and loan production offices.

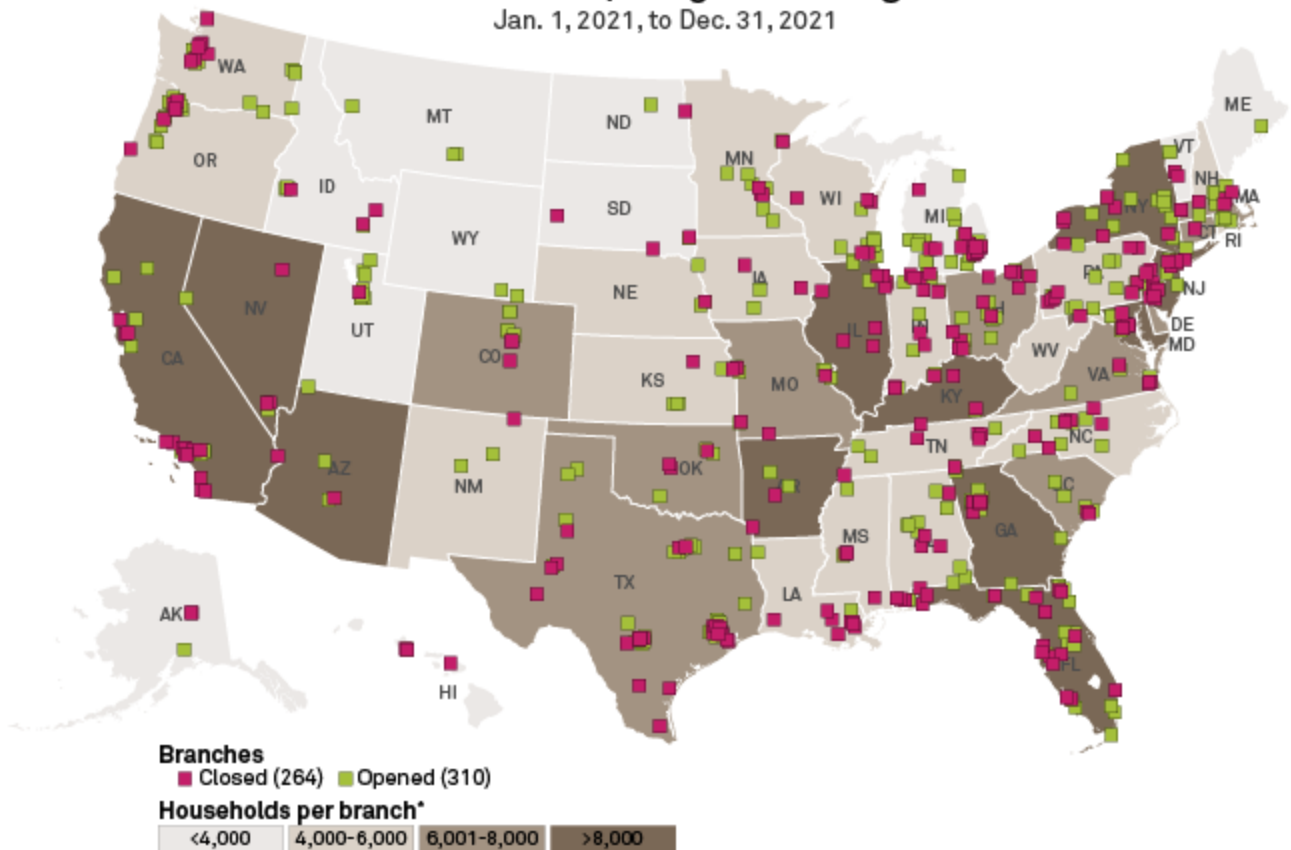
* Total active branches are current for any branch openings or closings as of Dec. 31, 2021.

Credit union branch openings and closings are collected on a best-efforts basis through publicly available information.

Source: S&P Global Market Intelligence

Credit union branch openings and closings for 2021

Jan. 1, 2021, to Dec. 31, 2021



Data compiled Jan. 11, 2022.

* Represents households per branch. Households data is based on 2022 data provided by Claritas.

Limited to credit union branches that take deposits. Excludes ATMs, mortgage offices, administrative, facility and loan production offices.

Credit union branch openings and closings are collected on a best-efforts basis through publicly available information.

Map credit: Joe Felizadio

Sources: S&P Global Market Intelligence; Claritas Pop-Facts 2022

S&P Global
Market Intelligence