S&P Global

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Transforming Credit Unions: Key M&A and Technology Trends in U.S. and Canadian Markets

By **Patricia Medina**

On June 16, S&P Global Market Intelligence hosted a live **webinar** on the forces reshaping credit unions in the U.S. and Canada. The session featured Patricia Medina from our Data & Research team as moderator and speaker, joined by Charley McQueen, President & CEO of McQueen Financial Advisors, and Sabena Sandhu, Manager of Policy at the Canadian Credit Union Association (CCUA).

Together, they explored the macroeconomic backdrop, the accelerating pace of consolidation, cross-sector bank acquisitions, and emerging technology and regulatory changes in Canada and U.S.

For credit union executives, analysts, and strategic advisors, access to accurate, up-to-date financial data is critical for anticipating member demand, tracking competitors, and stress-testing loan portfolios. Below are the key highlights.

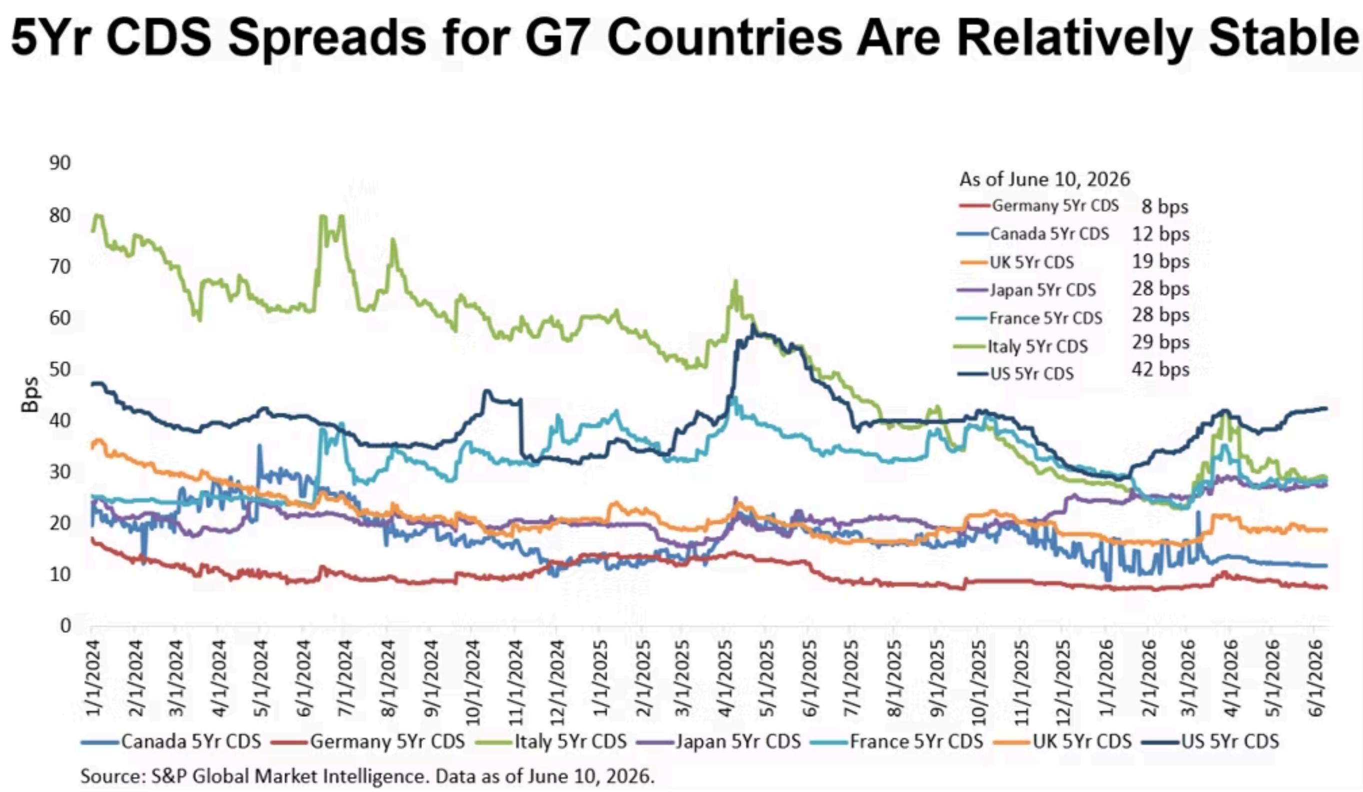
Macroeconomic and fixed income outlook: caution with upside

Patricia Medina opened with the global macroeconomic and fixed income environment. Among G7 nations, real GDP growth remains modest, yet the U.S. and Canada stand out as relative outperformers in 2026 and 2027. Their economic paths are closely tied by oil prices, trade diversification, and demand.

Inflation is the swing factor. U.S. and Canadian inflation metrics are testing the upper ends of target ranges, influenced by energy volatility and lingering trade pressures. As a result, both the Federal Reserve and the Bank of Canada appear likely to hold policy rates steady in the second half of 2026, a view shared by a clear majority of webinar attendees in live polling.

S&P Global Market Intelligence's enhanced fixed income data shows Canada's 5-year yield and the CDS spreads of G7 nations stabilizing after a volatile period, even as 2-year curves retain a hawkish tone.

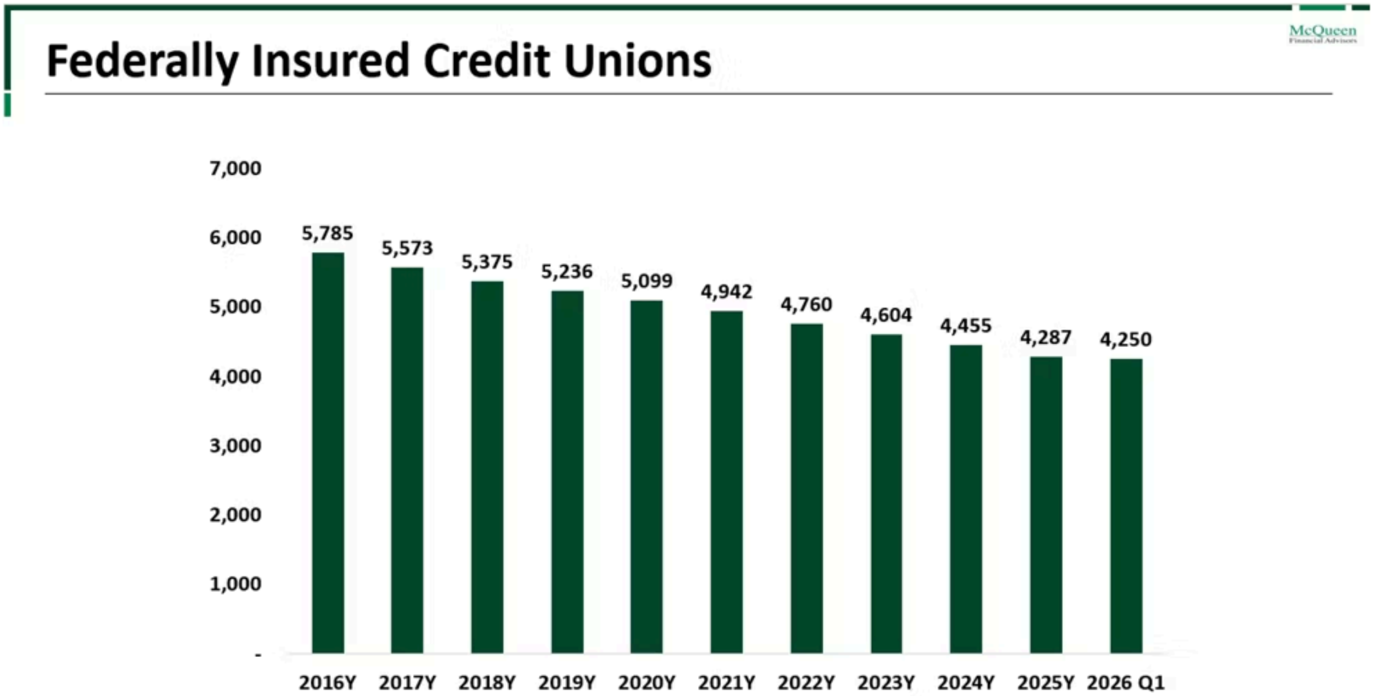
For credit unions, a higher-for-longer rate environment means that both sides of the balance sheet may be impacted. Floating-rate loan portfolios may benefit in the near term, but funding costs remain elevated and competition for deposits is intense. Tracking yield curves, inflation indicators, and central bank signals with timely data can help treasury and risk teams price deposits competitively and position portfolios with greater confidence.



U.S. credit unions: consolidation accelerates, deals get bigger

Charley McQueen provided a detailed view of U.S. credit union M&A, drawing on National Credit Union Administration (NCUA) data and our transaction database.

The number of federally insured credit unions fell to 4,250 by the first quarter of 2026, down from 5,785 a decade earlier. Yet the system has grown in scale: total assets reached $2.43 trillion at year-end 2025, a record level and a 5.4% increase over the prior year. Membership rose to 144.7 million, about one-third of the U.S. population.



Source: McQueen Financial Advisors, National Credit Union Administration. Data as of Q1 2026.

The NCUA approved 157 credit union mergers in 2025, and the average merged-in asset size climbed to $263 million, nearly triple the $90 million average in 2024. More transactions now involve mid-sized institutions with sound balance sheets combining proactively to gain scale in digital infrastructure, cybersecurity, and compliance. Pennsylvania led the nation with 69 mergers over the past five years, followed by Illinois, Ohio, and New York.

U.S. credit unions continue to acquire banks, though volumes have eased from recent highs. Sixteen credit union–bank merger transactions closed in 2025, down from a record 22 in 2024. Michigan leads all states with 10 cross-sector deals over five years. One example is ELGA Credit Union's acquisition of Marine Bank, a Michigan-based community development financial institution (CDFI) that extends ELGA's footprint into Florida's Space Coast. These transactions show credit unions using bank acquisitions to access new markets and product capabilities they may not build as efficiently on their own.

Canadian credit unions: consolidation and Consumer-Driven Banking

Patricia Medina and Sabena Sandhu then turned to the Canadian landscape, where consolidation and regulatory change are reshaping the sector.

Canada's roughly 360 credit unions—down from about 1,500 in the mid-1980s—hold $764 billion in assets and serve 11.4 million members. In many communities, credit unions ranked alongside or ahead of major banks as members' primary financial institution as of 2022, according to the Canadian Federation of Independent Business.

Recent transactions highlight the consolidation trend and the drive to fund digital banking while keeping profits local. On Jan. 1, 2026, Conexus Credit Union 2006, Cornerstone Credit Union Financial Group, and Synergy Credit Union amalgamated in Province of Saskatchewan and continued under the provincial regulator. On April 1, 2026, Innovation Federal Credit Union and ABCU Credit Union Limited completed the first combination of a federal and a provincial (Alberta) credit union, remaining one of Canada's federally regulated credit unions.

Canada's Consumer-Driven Banking (CDB) framework is a pivotal regulatory development. It received Royal Assent in March 2026, with the Bank of Canada named overseer and an Advisory Committee established in May 2026. After the webinar, on June 26, the government released draft regulations for a 60-day consultation.

Canada's Consumer-Driven Banking Framework

- Current status: Legislation has passed and received Royal Assent; regulations expecting to be released soon for consultation.
- Prohibition on screen scraping
- Scope will include consumers and businesses
- Derived data is not in scope.
- Largest FIs will be required to participate; opt-in model for remaining FIs.
- Tiered accreditation.
- Supervising body changed from FCAC to Bank of Canada.
- Minister of Finance can designate a province to supervise PCUs in its jurisdiction.

Source: Canadian Credit Union Association. Data as of June 16, 2026

Under the framework, consumers will be able to share their financial data securely with third-party providers (TPPs) via APIs, replacing screen scraping. The regime includes three tiers: Read-Access (data sharing for tools such as budgeting apps), Write-Access (allowing TPPs to initiate payments), and Move-Access (enabling account opening or provider switching on a consumer's behalf). Canada's largest financial institutions will be required to participate; other institutions, including most credit unions, can opt in.

For credit unions, CDB creates opportunities to deepen member relationships with data-driven services, attract new members through TPP referrals, and compete more effectively for lending opportunities by leveraging a broader view of prospective borrowers' finances. It also introduces challenges, including heightened competition from fintechs, increased technology and compliance investment, cybersecurity risks, and the complexity of operating across federal and provincial regimes. Parallel initiatives include Canada's real-time payments modernization, targeting implementation in late 2026, and stablecoin legislation enacted in spring 2025.

Webinar replay

The full 60-minute **webinar replay** is available now and includes detailed charts, transaction data, and research, plus the live Q&A and polling responses to help you gauge current market sentiment.

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