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Our Favorite New Branches! More Innovative Ideas (That You Can Borrow)

Our last issue of *Bancology* shared an innovative branch design from our friends at Security First Bank in South Dakota, in which the bank developed a building for its branch to share with a Starbucks outlet, and crafted an elegant site circulation plan to allow drive-in capacity for both the bank and the restaurant. Check it out *here*.

There are many fascinating branch designs deployed each year, so this quarter we're touting two deployments targeting different audiences but with a common approach. Both Allegiance Credit Union of Oklahoma City and Aloha Pacific Federal Credit Union of Honolulu, Hawaii developed sub-brands to address a specific target market segment.

Allegiance creates Alianza

Allegiance holds total assets of $370M and operates four branches, all in the Oklahoma City metro area. Allegiance maintains a mission of providing equitable financial services to bolster the Oklahoma City community, and carries a strong focus on fulfilling the financial needs of underserved households.

In one of its primary initiatives, Allegiance established a subsidiary brand, Alianza, formed in partnership with a local community development agency to address the needs of the Hispanic/Latino community in Oklahoma City. The brand uses the tagline "Por Allegiance Credit Union" to bind the s ub-brand to the parent brand, with the entire nameplate translating to "Alliance for Allegiance Credit Union."

As the credit union's website notes, "Alianza was designed by the Hispanic community for the Hispanic community, providing services and financial products focused on the importance of cultural and family values. Alianza is committed to serving and empowering Hispanic and immigrant consumers, helping them navigate the U.S. financial system and providing safe, affordable and relevant financial services."

When Allegiance sought to support the Alianza initiative with what would become its fourth branch, the credit union focused its site search on the corridor in the southern part of Oklahoma City, which hosts the market's largest concentration of Hispanic residents.

Allegiance identified a site in the core of this corridor, in a submarket where more than 60% of residents are of Hispanic origin. The credit union originally sought an existing building it could renovate for a quicker launch, but JC Reavis, president and chief executive officer of Allegiance noted, "We struggled to find an existing building in the target Hispanic neighborhood, and we kept circling back to one ideal site. But after eight or nine months of looking at sites, we were ready to get underway, and we had the idea to use a temporary facility while we built the permanent branch."

However, as Mr. Reavis notes, a temporary facility in a modular trailer "doesn't show a lot of permanence, it doesn't show a history." And so the credit union conceived an idea to turn the entire trailer into a banner of Alianza and Allegiance. Since the trailer was leased and would need to be returned in the same condition, they wanted something easier to remove than paint, and decided to place a pre-printed wrap around the facility.



As the image to the left shows, the wrap prominently touts the Alianza brand, but carries the tagline linking Alianza to Allegiance. On the

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right-hand side of the image, the Allegiance name, its tagline of "A Credit Union for All, and the additional note "Since 1963" refutes any doubts about the permanence of the organization that the modular facility might otherwise convey.

As Mr. Reavis describes it, the branch site appears ideal, sitting in the same block as a hospital, a Walmart Neighborhood Market store, and an assortment of local service providers; thus positioned to leverage employment and retail traffic in the core of Oklahoma City's Hispanic community.

Critically, Allegiance considered its long-term plans even as it used the modular format to open the branch quickly. The modular facility provides two drive-in lanes, but is situated to not impede construction, and Alianza / Allegiance will not vacate the modular branch until the permanent structure is completed in mid-2027.

The modular branch opened in April 2025, offering full bilingual staff, marketing collateral, account documents and, of course, signage. The Alianza branch now trails only Allegiance's main office in new-account volumes, confirming the effectiveness of Allegiance's thoughtful sub-branding initiative and the success of the whole-wall-billboard branch model in building awareness of Alianza in the local community.

Aloha Pacific creates Rebels CU

Turning to a larger institution and a different market, Aloha Pacific Federal Credit Union operates 10 branches in Hawaii. In 2010, Aloha entered the Las Vegas, Nevada market, which Hawaiians have colloquially nicknamed the "Ninth Island" of Hawaii because it hosts one of the largest communities of Native Hawaiians and Pacific Islanders outside of the home state.

Confirming that moniker, recent census data indicate more than 50,000 people in Clark County (the core county of the Las Vegas metro area) identify as Native Hawaiian or Pacific Islander. And Las Vegas receives about 300,000 visitors from Hawaii each year.

In 2023, the University of Nevada, Las Vegas (UNLV) established its Institute for Financial Literacy & Wellness. Per its website, "The Institute aims to improve the lives of individuals and families by empowering them through financial literacy to achieve short- and long-term financial well-being. By providing high-quality, relevant, and timely financial education that meets learners where they are, the Institute for Financial Literacy & Wellness equips campus and community members with knowledge and resources to help them achieve their financial goals through different life stages."

When Aloha Pacific learned of UNLV's venture, the credit union proposed establishing a branch within the institute, to support the university's objectives in a tangible way and further its own goals of recruiting younger members. Not only could Aloha Pacific provide subject matter expertise to the Institute's various financial wellness seminars and educational content, it also could provide the banking services that would allow attendees to utilize the financial tools discussed therein.

UNLV's Institute for Financial Literacy & Wellness is located in one of the campus' student services buildings, in the shadow of the fabled Thomas and Mack Center housing the school's legendary college basketball program (see the map on the next page). But whereas the Aloha Pacific brand might resonate in a residential neighborhood with a large contingent of Hawaiian transplants, what relevance could the brand carry with students who arrive from across the state at Nevada's largest university?

Accordingly, Aloha Pacific created the sub-brand "Rebels CU," acknowledging the school's nickname for its athletic teams (even if the storied basketball program continues to use the "Runnin' Rebels" moniker). Similar to the Allegiance case, Aloha Pacific uses the tagline "A Division of Aloha Pacific Credit Union" to tie in its parent brand, which reminds members of all the product capabilities the larger institution offers.

But this effort presented a design challenge in addition to its branding challenge. Aloha Pacific would be a tenant within the Institute's building, and was confined to a space of 950 square feet. To the positive, Aloha Pacific had experience in smaller spaces, with most of its Hawaii network utilizing storefront models. Still, that space, smaller than most of the credit union's current branches, demanded an innovative and efficient design.

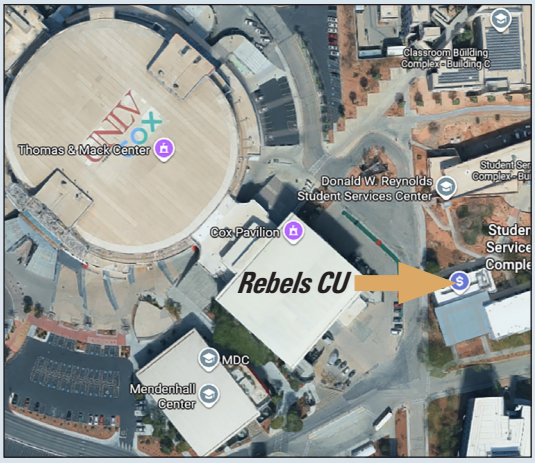
To address this challenge, Vince Otsuka, president and chief executive officer of Aloha Pacific,

explained, "We partnered with Financial Supermarkets, Inc. (FSI), a recognized leader in branch growth strategy and retail banking solutions. Through FSI's comprehensive approach, we gained a single strategic partner capable of managing the entire process, from branch planning and design to architecture, permitting, manufacturing and installation. Their proven speed-to-market approach eliminated the burden of coordinating multiple vendors, allowing our team to focus on serving our members while FSI handled the complexities of bringing the branch to life. Despite having only 950 square feet to work with, FSI delivered a highly functional, modern branch featuring two financial services workstations, a two-person teller pod, a manager's office and flexible hoteling spaces. The result was an efficient branch designed to maximize every square foot, streamline operations, and create a welcoming member experience, all while simplifying the expansion process for our credit union."

Aloha Pacific fully embraced the essence of the sub-brand, utilizing the university's red, black and charcoal gray colors in the branch's design, merchandising and signage; and employing UNLV students among the branch's staff, with an eye toward developing those students as future leaders in the financial services industry.

Mr. Otsuka states that the Institute's mission of financial health as essential to overall well-being aligns directly with Aloha Pacific's philosophy. "Students need support learning the basics, from checking accounts and saving money to understanding credit and making informed financial decisions. Many don't realize how sophisticated financial fraud has become or how quickly scams, identity theft, hidden fees, and buy-now-pay-later programs can impact their financial future. As financial products and fraud schemes continue to evolve, financial education is more important than ever. Financial literacy may not be the most exciting subject, but it's one of the most important skills students can develop to protect themselves and build a strong foundation for long-term success."





Has your institution recently added a branch with an innovative design or other distinctive features you'd like to share? If so, drop a note to info@bancography.com and we'll give a call to learn more.

Rebels CU opened in January 2026, just in time for the spring semester, and is primarily operated by students. The branch currently employs eight part-time student team members, each with specific responsibilities in key areas such as marketing, human resources, financial literacy and daily branch operations. Through their hands-on involvement, these students gain firsthand experience in managing and operating a credit union – developing valuable leadership, financial services and business skills while serving the campus community.

Want to check out the floor plan showing how the branch fit into 950 square feet? *Click here.*

Two institutions. Two different target market segments. But one common approach: craft a sub-brand specifically addressing the target segment, and support with branding and design choices reflecting the institution's commitment to the segment.

Both examples illustrate distinctive and creative branching strategies. Many thanks to Mr. Reavis and Mr. Otsuka for their willingness to share these projects!

Branch Equilibrium and the Grieving Pundits: Initial Evidence from the FDIC's 2026 Summary of Deposits

In our *Winter 2026 issue* of *Bancology*, we posited that the nation had reached branch equilibrium – a state where, after years of decline, the count of branches nationwide had stabilized, with new-branch opens roughly offsetting branch closures.

We hypothesized that bankers had exhausted the easy, low-risk consolidation opportunities: the stock of geographic overlaps (for example, the merger of SunTrust and BB&T brought numerous closures where the two banks each had branches within one mile of the other); declining rural markets; and misplaced unprofitable locations.

The trends supported this hypothesis, as net branch contractions declined by a lesser level in the FDIC / NCUA reporting year ending in June 2025 – the fourth consecutive year of declining branch contractions.

Now, the FDIC's recently released *2026 Summary of Deposits* report provides initial data confirming the nation has reached branch equilibrium. The 2026 report showed a net decrease of only 200 branches from the 2025 report, equating to a scant 0.3% reduction

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"Wait, I'm supposed to take you seriously now after you've been loud wrong for over a decade?"

Industry consultant, to the branch-is-dead crowd

on a base of 76,000 branches nationwide (essentially level from the prior year).

A few caveats apply. The FDIC data reflect only the bank side of the industry and do not include the credit union side of the industry. And these are initial counts, direct from the FDIC. Bancography has not yet completed the adjustments we perform each year to refine the counts. (For example, eliminating non-branch records such as a wealth-management office, or cases where a bank reports two distinct legal branch entities at the same address). We will share those more precise statistics, including the credit union side of the industry, in our next edition of *Bancology*.

Still, the initial findings are telling. Within the net decline of 200 branches year over year, 12 states saw increased total branch counts, led by Texas and Florida, two of the three most-populous states in the nation. The median state saw a net decline of just four branches. Only four states showed net declines of more than 1% in branch counts: Washington, Maryland, Vermont and New Hampshire – the first two much larger in absolute numbers and reflecting in-market mergers with significant franchise overlaps. However, California and New York still showed net declines of nearly 40 branches each.

The nationwide statistics refute years of punditry predicting the demise of branch banking, and the reaction from the pundit class has been almost comical. One industry technology vendor predicted in 2016 that branches would fade away within five years. When that didn't happen, the same firm predicted all branches would disappear by 2026. We're in 2026…they were off by about 95,000 branches. At a recent conference an executive at the same firm predicted, you guessed it, that branches would go away by 2030.

Another firm, a self-described "fintech" platform, predicted in 2021 that there would be fewer than 40,000 branches in the U.S. by 2027, and all branches would close by 2034. Then in 2024, the same firm revised its prediction, indicating all branches nationwide would close by 2041.

We won't name these firms, presumably they feel somewhat sheepish already. But as to their revised predictions that the end of the branch is still arriving, just a bit later than in their initial proclamations, perhaps we should admire the firms' tenacity to lean into the bit. As an industry colleague summarized bluntly but accurately, "Wait, I'm supposed to take you seriously now after you've been loud wrong for over a decade?"

In holding to those predictions but on a deferred timeline, it appears some of our industry's pundit class are walking through the often-cited five stages of grief; in this case grieving for their ill-fated predictions. It seems we're somewhere in the bargaining stage, but nowhere near the acceptance stage yet.

This is particularly evident in reactions to the branch-building spree of the nation's largest bank, Chase. We received an invitation from a fellow consulting firm to a webinar that would reveal "the real reason Chase is building all those branches;" as if the simple premise of "to attract customers" was somehow an insufficient explanation for Chase's efforts. At a conference, another consultant opined that "once they acquire a customer base in a market, Chase will close half those branches, probably within five years."

Meanwhile, banks and credit unions of all sizes continue to employ branches, not for the simple task of cashing your check or taking your deposit – functions that rightfully can be offloaded to less expensive channels – but to engage consumers and small business owners in critical conversations about their financial needs, and to provide guidance as to how the institution can fulfill those needs.

Our next edition of *Bancology* will provide more detail on branching trends, including a full discussion of the 2026 statistics, with the credit union side of the industry included, too. But even the initial, high-level FDIC branch-count data confirm an industry distribution platform near equilibrium (i.e., a stable count of outlets nationwide); and a time for those predicting rampant closures to reach the acceptance phase of the grieving process for the demise of those predictions.

Fun Fact

The Federal Reserve Board recently released the findings from its *2025 Survey of Consumer Finances,* the Fed's triennial, comprehensive study of how American households save, borrow and invest. The study is filled with interesting data, and we will share more findings in the months ahead. Here are two interesting exhibits, relative to the survey question of "where do you obtain information for decisions about borrowing or saving / investing?"

The graph below shows the responses to the saving and investing side of the question over the past 10 iterations of the study, a period spanning nearly 30 years. The *Internet* has increased sharply as a primary information source over the years, at the expense of *media, calling around* and *material in the mail* – all of which have decreased over the years.

Interestingly, even as use of the *Internet* increased for financial-decision research, so did *friends and relatives* and *lawyers, accountants and advisors*. Perhaps this is because consumers are turning to trusted friends and advisors to confirm information obtained online that is perceived as suspect quality unless corroborated elsewhere.

Finally, the *bankers and brokers* category remained stable, still a key information source for more than 30% of savings and investment decisions.

The next graph shows the responses to the same question of "where do you obtain information for financial decisions" and compares the responses from the 2025 survey for borrowing versus savings and investment decisions.

The *Internet* remains a primary source for both types of decisions, but is used even more for borrowing, by 60% of consumers compared to 52% for savings decisions. *Calling around* and *material in the mail* are also cited more frequently for borrowing than for savings decisions; whereas *lawyers, accountants, advisors* is cited more frequently in saving and investment than in borrowing decisions.

Sources of Information for Banking Decisions

