



**Missoula Federal  
Credit Union**  
2018 Annual Report



**“Most financial institutions  
pursue profit and don’t  
spend enough time thinking  
about the impact of their  
activities. We work in the  
opposite direction.”**

- Jack Lawson, President & CEO

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#### **Board of Directors**

Don Creveling - Chair  
Bill Borrie - Vice Chair  
Tony Boote - Treasurer  
Glenda Bradshaw - Secretary  
Leslie Halligan  
Carl Rummel  
Martha Newell

#### **Supervisory Committee**

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Geoff Badenoch  
Heidi Fanslow  
Shirley Walker



**TOGETHER WE  
OWN  
EMPOWER  
INCLUDE  
MATTER**

# Message from the CEO and Board Chair

*Jack Lawson, President & CEO  
Don Creveling, Board Chair*

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On behalf of the Board of Directors and the staff of Missoula Federal Credit Union (MFCU), we are pleased to share with you our 2018 Annual Report. This past year was a good one for the credit union. It was another year of outstanding economic performance, driven by solid business fundamentals. We grew assets by over \$28 million, made more than \$136 million in new loans to more than 7,000 members, and generated net income of \$6.8 million. We made major infrastructure investments and donated more than \$300,000 to local community organizations. And we did all this while managing costs, maintaining appropriate lending standards, and increasing the overall strength of the credit union.

In 2018, we also made good progress on our strategic goals of growing our market and putting our core values at the center of our operations. In addition to Lake, Missoula, and Ravalli Counties, we now also include Beaverhead, Deer Lodge, Granite, and Silver Bow Counties in our field of membership. This is but the latest in a long history of expansions that allowed MFCU to serve more Montanans. We also continued to develop innovative financial products to serve our members at all stages of their financial lives, from short-term loans for federal employees affected by the government shutdown, to mortgages and retirement accounts. We have centered our business around our four core values—ownership, inclusion, empowerment, and impact—meaning that we are always working to make banking a force for good.





This commitment to our values also means that sometimes we have had to make challenging and difficult decisions. As we've grown to reach more communities outside of Missoula, we've had to ask ourselves whether the name Missoula Federal Credit Union, a name that has served us well for sixty-three years, will continue to serve us in the future. We took our time with this question. We spent a year and a half reaching out to our members, our coworkers, our community, and people in our new field of membership. We weighed our affection for a name that we've been proud to carry against our responsibility to prepare the credit union for the future. And, in the end, our Board of Directors came to the unanimous decision that, with our growth strategies, a new name would be the best course for the credit union.

We know this will be a hard change, and we'll be sad to see our old name go. But growth and change have always been part of our history.

Our commitment to doing the right thing for members has guided us through many changes in the past, and our commitment to our values will guide us through this change as well.

We're introducing our new name in the pages ahead, but we're going to take some time to get ready for the change, time to reflect on the great things we've done as Missoula Federal Credit Union. We want to be sure we take the time to say goodbye to our name, but not to our history. We'll be doing this work over the next several months, and then we plan to make the switch to a new name in September 2019. It will be a big change, and it's one we're excited to get started on. ◆



# MFCU Past, Present, and Future

From a shoe box under a bed, to more than \$500 million in assets, Missoula Federal Credit Union continues to grow.

Herb Roehl had a problem. It was 1956, and Herb had just started his new job with the Missoula Police Department. He was thrilled to finally be a police officer, but his salary barely covered the basics for his young family, and it didn't leave him much room to get ahead. Herb wasn't alone though; some of his fellow police officers were having the same problem. So Herb and seven of his colleagues pooled their savings and made loans to one another, at cheaper rates than they could get at the local banks. They incorporated as Missoula Federal Credit Union (MFCU), and each of the original eight members contributed \$40. That \$320 was the first cooperative capital on the credit union's balance sheet. They kept their records on handwritten cards, and the treasurer held the money in a shoe box under his bed.



Founded by 8 Missoula Police Officers.

1956



First branch and headquarters on West Pine Street.

1969



Total assets exceed \$1 million.

1975



National Credit Union Administration gives "Thrift Honor Award" to MFCU, recognizing it ranks in top ten percent among national credit unions in deposit growth.

1976



Headquarters moves to South Higgins Street.

1976



Merger with University of Montana Credit Union.

1981

The credit union began by making loans to its members for groceries and small appliances. The loans kept coming back, with interest, because no one wanted to let their partners down. New members joined—other city and county employees at first, and then a wider membership as the MFCU charter was expanded to include state employees (in 1963) and public-school employees (in 1965). Fifteen years later, in 1971, the credit union had over 400 members and \$170,000 in assets. It took almost 20 years for the credit union to grow to \$1 million in community assets. But by that time, the credit union had come a long way from a shoe box under a bed. Yet MFCU’s impact in the community was just getting started

Growth picked up throughout the 1980s. In 1981, MFCU merged with the University of Montana Credit Union, bringing its total membership to over 8,500 and total assets to more than \$7 million. That same year, the MFCU charter changed again, this time to a community charter that let MFCU serve anyone who lived or worked in Missoula County or parts of Ravalli County. Changing to a community charter was a watershed moment for MFCU, finally opening credit union membership to anyone in the Missoula area. In 1984, MFCU merged with Missoula Northern Pacific Federal Credit Union, adding 2,000 railroad employees as members.

By 1990, the credit union had more than 18,000 members and \$35 million in assets. Two years later, the MFCU charter was expanded again to include a portion of Lake County, and MFCU ranked first in the nation for loan growth among credit unions. By the end of the 1990s, the credit union managed more than \$100 million in assets on behalf of over 30,000 members.

Ours is a story of people helping one another—not for profit, but for something more valuable.



Headquarters moves to Brooks Street.

1982



Merger with Missoula Northern Pacific Federal Credit Union.

1984



Total assets exceed \$10 million.

1985



Field of membership expands to include all of Missoula and parts of Ravalli and Lake counties.

1992



Total assets exceed \$100 million.

1997



Field of membership expands to include all of Missoula, Lake, and Ravalli counties

2002



In the new millennium, MFCU continued to grow and expand to serve more members. In 2002, the MFCU charter was expanded to serve anyone who lives, works, worships, attends school, volunteers in, or participates in membership-based organizations headquartered in Missoula, Ravalli, and Lake Counties. MFCU opened a branch in Stevensville in 2006, its first branch outside of Missoula.

In 2018, the credit union was approved to serve four additional counties: Beaverhead, Deer Lodge, Granite, and Silver Bow. Now, in 2019, we have more than 50,000 members, and we manage more than \$500 million in assets.

Missoula Federal Credit Union has seen a lot of changes in the last 63 years. Guiding us through these changes has been our commitment to our members. As we grow to serve more communities, we need a name that ensures everyone knows that they belong here. One that reflects our local roots as well as our commitment to values-based banking. One that speaks to our dedication to being transparent, investing in our communities, and being a force for good. Our values will sustain us. They've sustained us for 63 years. ◆



First branch opens outside Missoula, in Stevensville.

2006



Russell Street branch opens the first LEED-certified building in Missoula. Total assets exceed \$250 million.

2008



MFCU becomes Montana's largest Treasury Department-certified Community Development Financial Institution (CDFI).

2014



MFCU becomes second credit union in the United States invited to join the Global Alliance for Banking on Values (GABV).

2017



Field of membership expands to include Missoula, Lake, Ravalli, Beaverhead, Deer Lodge, Granite, and Silver Bow Counties. Total assets exceed \$500 million.

2018



To better serve all members, MFCU changes its name

2019

# A New Name for MFCU



# clearwater

## CREDIT UNION

### **New Name. Same Values.**

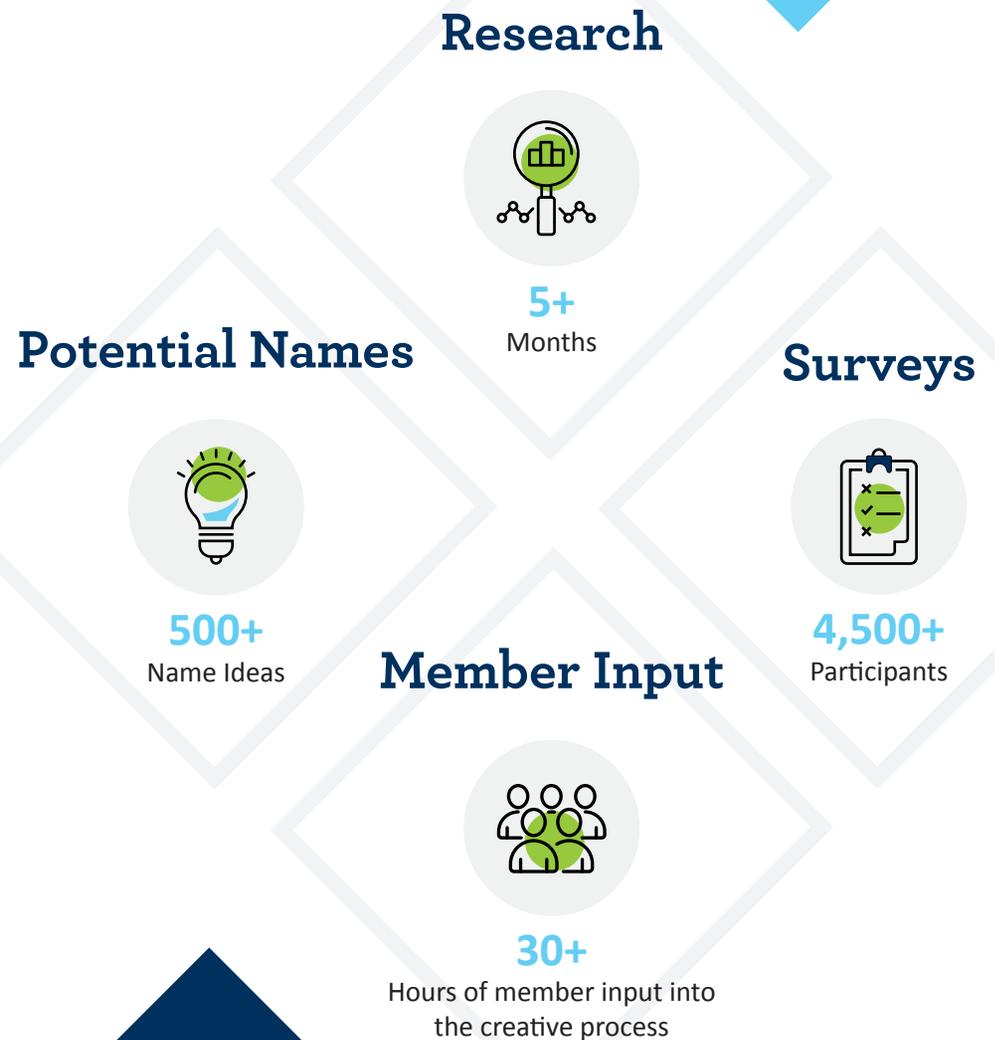
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You're not seeing things—Missoula Federal Credit Union is changing its name to Clearwater Credit Union. Why? As we grow to serve more communities, we need a name that ensures everyone knows that they belong here. One that reflects our local roots as well as our commitment to values-based banking. One that speaks to our dedication to being transparent, investing in our communities, and being a force for good. So while our name is changing, we think you'll see that everything you love about MFCU is exactly the same.

# The Source of Our New Name

Over a year ago, we began the process of considering whether the name Missoula Federal Credit Union would continue to serve us as we grow. To inform our decision, we spent five months researching and engaging with our members, staff, and fellow Montanans in the surrounding communities. Numerous conversations, focus groups, surveys, and more revealed that even though we are all very fond of the MFCU name, future members from beyond Missoula may not feel the same sense of belonging. We heard a strong desire for a name that honors our local roots and reflects our focus on values-based banking—a shared commitment to making our money do more for ourselves and the communities we call home.

With these findings in mind, and with the support conveyed by our members for our new strategic plan, our Board of Directors decided that a new name would better serve our vision for the future of MFCU. We knew that finding the right name would require not just creativity, but a deep connection to our community and history as well, so we formed an advisory team made up of local members and staff-nominated team members to provide input and guidance throughout the naming process. We explored more than 500 name ideas over the course of 5 months, and Clearwater stood out as the clear choice. Earlier this year, our new name—Clearwater Credit Union—was unanimously approved by our Board of Directors.



## The Logo

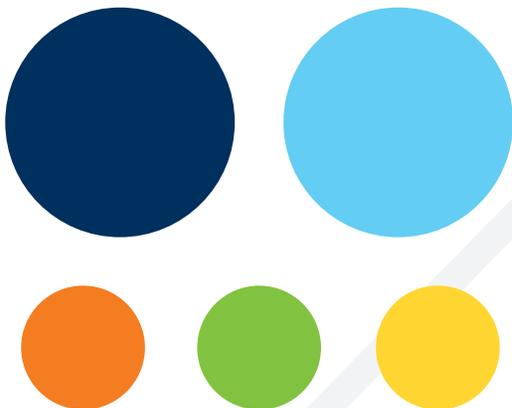
Our new logo conveys transparency with the ability to see the mountains through the water drop, reflects the breathtaking landscape of our region, and even includes a subtle “M” in honor of our rich history in Missoula.



**clearwater**  
CREDIT UNION

## The Colors

Our new colors are inspired by the Montana State flag, reminding us of both the incredible natural environment that surrounds us as well as the people and industry that have shaped this amazing place we call home.



# Why “Clearwater?”

1

## Local

The name celebrates our roots in Missoula County, which is home to both Clearwater River and Clearwater Lake.

2

## Inviting

Water sustains us all, no matter where we're from. The new name is universally appealing and a celebration of Montana's lakes, rivers, and streams.

3

## Values-Based

The name gives us the opportunity to speak to a key element of our core values: transparency.

## We're Dropping “Federal”

While we remain federally chartered and insured, removing “Federal” from our name makes it shorter and more pleasing to say. In doing so, we reduce the tendency to shorten our name to an acronym. Given all our name stands for, we want to be known first and foremost as “Clearwater.” Removing “Federal” from our name also gives us the flexibility to become a state chartered, rather than federally chartered, credit union in the future should we together agree to make that shift.

## What's Next?

We will begin operating as Clearwater Credit Union on September 1, 2019, and we look forward to growing into our new name together. Keep an eye out for details on launch events and opportunities to join us in introducing Clearwater Credit Union to our community.

**“I’ve worked for the city for 32 years.  
When we moved here to Missoula, that’s  
when I joined the credit union. I strongly  
believe in supporting businesses that  
value the community they serve.”**

- Bruce, member of 32 years



**WHAT  
HAPPENED  
IN 2018**





# Volunteering



**3,494**  
Hours

# Financial Counseling



**665**  
Counseling Sessions

# Philanthropy



**\$301,458**  
150 Organizations

# Awards



Western Montana  
FundRaisers Association  
**2018 Outstanding Corporation**

Missoulian  
Top Employers in Western Montana  
**2018 Employer of the Year**

Missoulian  
Missoula's Choice Awards  
**2018 Best Financial Institution - 1<sup>st</sup> Place**  
**2018 Best Green Business - 3<sup>rd</sup> Place**

## Total Members



50,091

## New Members

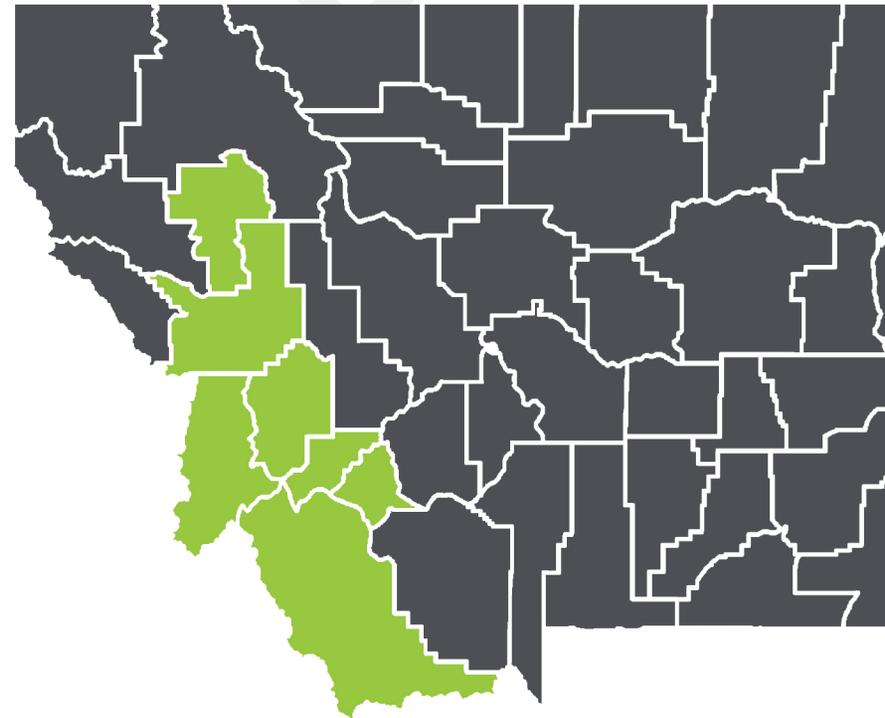


4,954



## Membership By Location

- Missoula: 35,101
- Ravalli: 5,076
- Lake: 1,546
- Beaverhead: 51
- Deer Lodge: 56
- Granite: 130
- Silver Bow: 124
- Other Montana: 2,868
- Out of State: 5,139



# Our Financial Performance

## Continued Growth

Strong balance sheet growth continued through 2018, and we finished the year almost 6% above year-end 2017. Importantly, balance sheet growth was driven by increasing internal member saving, not external borrowing. Total member deposits grew by approximately \$26 million on the year. Loan balance growth was also strong, increasing by almost 22% in 2018. All in all, our total assets increased to \$524 million.

## Asset Quality

Have we sacrificed long-term asset quality in search of short-term earnings? In a word: no. While the size of the total loan portfolio has grown, and while we have developed more impact loan products, we have also been careful to put members into loans appropriate to their circumstances. The credit union's loan loss rate (actual losses) plus its delinquency rate (loans that are paying late) has declined from 1.87% in 2016, to 1.37% in 2017, to 1.03% in 2018.

## Net Earnings

The credit union's net earnings performance continued to be very strong through 2018. Net earnings were \$6.8 million, giving a total return on assets (ROA) of 133 basis points, which is exceptionally high relative to the 83 to 84 basis points of the prior three years. This unusually high return was driven in part by several expected, one-off events, including upward revaluations of our mortgage servicing rights and the resolution of a large impaired loan. During that same period of time, we maintained our operating expense to total asset ratio in the narrow range of 3.41% to 3.46%, and our total assets grew from \$430 million to \$524 million. The combination of a growing balance sheet with steady expense ratios results in solid performance for our members.



## Reserve Protection

There are two main types of reserve protection. The first is the credit union's allowance for loan losses—the money we have set aside to cover loans that default. At the end of 2018, the credit union's allowance for loan losses account stood at \$4.1 million, or 1.55% of total outstanding loan balances. This is significantly larger than the sum of the loan loss rate and the delinquency rate described above, indicating a well-funded allowance for loan loss protection.

The second form of protection is the credit union's net worth position, essentially the difference between total assets and total liabilities. On December 31, 2013, the net worth ratio was 9.13%, and it had been declining for several years due to low and even negative net earnings during the financial crisis. In the years since, we have managed both asset and earnings growth to improve our net worth ratio, and at the end of 2018 the credit union's net worth ratio was a healthy 10.63%. ◆

## Consumer Banking

Consumer Loans  
Granted



**\$123,319,170**

23,743 Loans

## Mortgage Banking

Mortgage Loans  
Granted



**\$56,516,654**

588 Loans



## Business Banking

Business Loans  
Granted



**\$31,576,143**

489 Loans

## Mortgage Servicing

Mortgage Loans  
Serviced



**\$266,893,539**

2,006 Loans

# BALANCE SHEET

<b>Assets</b>	<b>2017</b>	<b>2018</b>	<b>% Change</b>
Loans (Net of Allowance for Loan Losses)	214,468,897	260,861,864	22%
Cash	4,326,982	3,685,655	-15%
Investments	250,304,692	233,030,742	-7%
Land & Buildings	17,205,635	15,953,303	-7%
Other Fixed Assets	927,072	1,139,471	23%
All Other Assets	8,425,901	9,653,490	15%
<b>TOTAL ASSETS</b>	<b>495,659,179</b>	<b>524,324,525</b>	<b>6%</b>
<b>Liabilities</b>			
Notes Payable	7,634,498	6,217,872	-19%
Dividends Payable	74,098	76,209	3%
Other Liabilities	5,071,691	5,197,360	3%
<b>Total Liabilities</b>	<b>12,780,287</b>	<b>11,491,441</b>	<b>-10%</b>
<b>Deposits</b>			
Regular Savings	204,243,008	215,472,700	5%
Checking	136,205,515	149,854,110	10%
IRAs	13,438,639	12,975,467	-3%
Certificates	31,012,736	30,847,583	-1%
Money Market	48,944,268	50,280,135	3%
Other Deposits	3,453	36,982	971%
<b>Total Deposits</b>	<b>433,847,619</b>	<b>459,466,977</b>	<b>10%</b>
<b>Equity</b>			
Regular Reserves & Undivided Earnings	48,987,013	55,746,350	14%
Unrealized Gain (Loss) on Investments	44,260	(2,380,243)	-5,478%
<b>Total Equity</b>	<b>49,031,273</b>	<b>53,366,107</b>	<b>9%</b>
<b>TOTAL LIABILITIES, DEPOSITS, &amp; EQUITY</b>	<b>495,659,179</b>	<b>524,324,525</b>	<b>6%</b>

# INCOME STATEMENT

<b>Interest Income</b>	<b>2017</b>	<b>2018</b>	<b>% Change</b>
Interest on Loans	10,628,449	12,119,546	14%
Investment Income	5,520,504	5,986,553	8%
<b>Total Interest Income</b>	<b>16,148,953</b>	<b>18,106,099</b>	<b>12%</b>
<b>Interest Expense</b>			
Dividends	1,056,747	1,079,654	2%
Interest on Borrowed Funds	241,655	262,561	9%
<b>Total Interest Expense</b>	<b>1,298,402</b>	<b>1,342,215</b>	<b>3%</b>
<b>Net Interest Income</b>			
	<b>14,850,551</b>	<b>16,763,885</b>	<b>13%</b>
Provision for Loan Losses	2,537,010	592,443	-77%
Net Interest Income (after provision for loan losses)	12,313,541	16,171,442	31%
Other Operating Income	8,000,112	8,685,646	9%
<b>Total Operating Income</b>	<b>20,313,653</b>	<b>24,857,088</b>	<b>22%</b>
<b>Operating Expenses</b>			
Compensation & Benefits	8,527,794	9,053,968	6%
Travel & Conferences	164,571	240,822	46%
Association Dues	117,778	126,501	7%
Office Occupancy	1,259,283	1,301,849	3%
Office Operations	1,919,242	2,170,860	13%
Educational/Promotional	833,377	549,948	-34%
Loan Servicing	520,220	523,782	1%
Professional Services	2,511,260	2,972,588	18%
NCUA Operating Fee	106,187	130,935	23%
Other Expenses	397,875	493,807	24%
<b>Total Operating Expenses</b>	<b>16,357,587</b>	<b>17,565,060</b>	<b>7%</b>
Non-Operating Income	102,961	-532,691	-617%
<b>NET INCOME</b>	<b>4,059,027</b>	<b>6,759,337</b>	<b>66%</b>



# Owning Their Future

The affordable housing crisis prompts MFCU to finance Kalispell ROC to provide security to mobile home owners.

One of the most important things we can do for our members is help them secure safe and affordable housing. As home prices continue to rise across much of Montana, manufactured housing, including mobile homes, is an increasingly important source of affordable home ownership. However, due to lending regulations, these homes generally do not qualify for traditional mortgages, and financing for them is excessively expensive if it is even available at all.

In 2017, Missoula Federal Credit Union launched a loan specifically tailored to provide affordable financing for manufactured homes. But owning the home is only one half of the problem. Most mobile homes sit on rented land, and what happens if the landlord decides to sell?

“It is a terrible limbo to be in when you own your home but not the land on which it sits,” says David Rook, Senior Vice President of Business Banking at Missoula Federal Credit Union. “To not have that peace of mind and to feel that your home can be pulled out from under you, that is scary.” That’s where Resident-Owned Communities, commonly referred to as ROCs, come in.

A ROC is a cooperative of mobile home park residents who purchase and collectively manage their park. ROCs are a way for home owners to own, and democratically manage, their community. A national group, ROC USA, was established in 2008 to assist homeowners in forming communities, which now number more than 235 ROCs with 15,000 homes nationwide. NeighborWorks Montana is a certified ROC USA Technical Assistance Provider, working to bring ROCs to Montana.

**MFCU was amazing. They matched the level of financing we usually receive from ROC USA. There was no other lender that was going to do that.**

- Danielle Maiden  
ROC Program Manager,  
NeighborWorks Montana



When a property goes up for sale, NeighborWorks Montana reaches out to the residents to see if they are interested in forming a cooperative and buying it. NeighborWorks provides education and walks residents through the process of forming a ROC, including establishing a board, determining lot rents and management plans, and securing financing. “It’s a very grassroots process,” says NeighborWorks Montana ROC Program Manager Danielle Maiden.

However, NeighborWorks Montana’s typical partner, ROC USA Capital, only finances projects with 25 or more units. This poses a problem for smaller parks like Country Court, an 11-unit mobile home park in Kalispell, Montana. That is where Missoula Federal Credit Union came in.

Working with his business lending team, Rook set out to determine how to make the ROC model work for a park of 10-12 units—half the size of a typical ROC project in Montana. The team put together a proposal that made sense for both the credit union and park residents. The Country Court ROC transaction closed on June 29, 2018, making it the first “small” ROC formed in the state of Montana.

“MFCU was amazing,” says Maiden. “They matched the level of financing we usually receive from ROC USA. There was no other lender that was going to do that. We were surprised and impressed with what David and his team were willing to do for us.” ◆



# How Hard Times Became the Right Time for Community Investment

**As Montana developers withdrew during the recession, MFCU ventured into uncharted waters to keep the dream of affordable housing alive in Ravalli County.**

The year 2011 was a tough year for real estate in Montana. In the wake of the financial crisis, homebuyers, developers, and financial institutions were all confronted with difficult choices. Many housing developers walked away from projects, scaled back operations, or closed their doors entirely. That was how MFCU came to be the owner of the largest planned subdivision in Stevensville at the time, a project called “Twin Creeks.”

Banks and credit unions don’t like to find themselves owning unfinished housing subdivisions, especially during a national real estate market decline. When that does happen, they typically sell fast and cheap, and move on. But that’s not the MFCU way of doing business.

“When the economy took a downturn, it hurt everyone,” says Robin Goodman, Loan Support Services Manager at MFCU. MFCU saw its job as minimizing the pain where it could, not just walking away from it. The credit union also saw an opportunity.



The opportunity was to complete the development in a responsible manner, and to use some of the land to support affordable housing in Ravalli County, which has one of the highest discrepancies between median income and median home price in Montana.

“Knowing that the economy would eventually improve and that there was going to be even more need for affordable housing, we decided to work with the community to finish Twin Creeks,” says Goodman. “Choosing to not walk away from the project was the right thing to do by our membership, and it reflects our values by placing the needs of the community first.”

MFCU contracted with a local engineering firm to complete the lengthy process required for subdivision development. The credit union then hired a local architect to render model home drawings with an eye for quality construction, an attainable price point, and the growth of a cohesive community of homes. These drawings were then offered to builders and homeowners at no cost in an effort to spark interest and construction.

“Choosing to not walk away from the project was the right thing to do by our membership, and it reflects our values by placing the needs of the community first.”

- Robin Goodman, MFCU Loan Support Services Manager

MFCU also partnered with Habitat for Humanity of Ravalli County and provided three lots at below market value. When construction started on the first house in Twin Creeks, it was a Habitat for Humanity house. The Montana Society of American Foresters, the Montana Department of Natural Resources and Conservation, the University of Montana carpentry program, and MFCU all participated in the build.

At the time of this writing, there is only one lot remaining in MFCU ownership. Completion of the subdivision will mean that 53 families will have a place to call their own in the town they call their home—proof positive that MFCU’s decision to invest in the long-term well-being of the communities we serve was the right choice. ◆

# Cultivating Curiosity, Compassion, and Creativity

A unique leadership program aims to change banking by transforming industry leaders into change agents.

What do mindfulness, empathy, curiosity, and listening have to do with changing the status quo in banking? Everything, according to three recent graduates of the Leadership Academy of the Global Alliance for Banking on Values (GABV).

The GABV was founded in 2009 as a coalition of financial institutions united around a common mission: to transform the current banking system by using finance to address issues of social and economic inequality, environmental sustainability, and healthy community growth. To change the banking system, they decided to start by changing those leading the movement. Partnering with the Community Innovators Lab at Massachusetts Institute of Technology and the Presencing Institute, the GABV Leadership Academy launched in 2015 with the purpose of bringing together mid-career leaders from values-based financial institutions to connect, learn, and innovate.

“After learning about the program at a GABV Regional Meeting, I was really excited,” recalls Robert Farmer, MFCU Senior Vice President of People Solutions. “Everyone I talked to who had gone through the program described it as life changing. I remember leaving that meeting thinking that we absolutely had to send people to this.” The credit union decided to nominate three co-workers to attend the academy.



**If we foster curiosity, compassion, and courage in our leaders—that’s when change happens.**

- Meagan Kraft  
MFCU Project Manager

92%



of MFCU employees understand how their role contributes to our strategy & helps achieve our vision and mission.

94%



of employees are likely to recommend MFCU as a place to work.

In early 2018, Farmer, along with John De Groot (VP of Accounting and Treasury), and Meagan Kraft (Project Manager), joined a diverse cohort of 23 people from 13 countries and embarked on a year-long adventure of personal and professional growth, beginning with the Annual GABV Summit in Arequipa, Peru. What followed was a flurry of digital meetings, one-on-one coaching calls, personal and group projects, and two additional in-person workshops with their colleagues from around the world.

“When my supervisor at the time approached me about participating, I was humbled, surprised, and curious about the program,” recalls Kraft. “I was curious about what I would learn, what skills I would gain that I could bring back and apply to my work at MFCU.”

De Groot set out to learn as much as he could about the academy prior to starting. “When you sign up for an academy, you expect everything will be structured a certain way—very left-brain oriented and from the neck up. Linear, logical, objective, etc. That’s what I anticipated,” says De Groot. “A lot of our experiences in this program were the exact opposite. We focused on engaging our creative side, on the feel of the entire body, and how we relate to others in the spaces we occupy.”

A former United States Marine, De Groot admits the leadership concepts explored were unlike any he’d ever encountered. “Had I known beforehand what to expect, I probably would have been a bit skeptical. But I found the entire experience incredibly impactful. It forced me to really challenge myself and step outside my comfort zone. By getting out of the carefully constructed box I had put myself in, I was able to start seeing things from a different point of view.”

The emphasis on mindfulness and self-care struck a chord with the other MFCU participants as well. “It changed me more as a person, which as a result, has ultimately changed me as a professional,” notes Farmer of his program experience. After starting the program, Farmer quickly adopted a daily meditation practice and credits the mindfulness exercises along with the listening skills he acquired as having a lasting impact on how he approaches his role at MFCU. “One concept discussed was the power of storytelling. Initially, this was not something comfortable for me. But, as we began practicing telling our story, I realized that it made me a much better listener. I think that if we all told our story a little bit more, the world would be a better place because we would understand where everyone is coming from.”

Reflecting on the past year, participants say the peer-to-peer learning not only helped them build deep, lasting friendships—it also helped them be better team members by finding space to be vulnerable. “Prior to the academy, I had it deeply rooted in me that vulnerability in a leader was a weakness. Coming out of this program, I feel the complete opposite,” says Kraft. “I think if we allow ourselves to be vulnerable, it actually strengthens our ability to lead.” Kraft believes that by creating an environment that embraces openness as a strength, the values-based banking movement will flourish. “If we foster greater curiosity, compassion, and courage in our leaders—that is when change happens.”

By stepping back and looking inward, Meagan Kraft, Robert Farmer, and John De Groot found that they were able to move towards their highest potential as leaders. Since graduating, they’ve applied what they learned by introducing new leadership approaches at internal trainings, sharing ideas and best practices from other financial institutions, and exploring how MFCU can better meet community needs through products and services. Their shared experience in the GABV Leadership Academy proved to be not only life changing, but game changing for MFCU. “The only problem with this kind of learning journey,” says the credit union’s CEO, Jack Lawson, “is that the participants come home with more good ideas and energy than we are able to keep up with. But that’s not a bad challenge to have to face.” ◆



## global alliance for banking on values



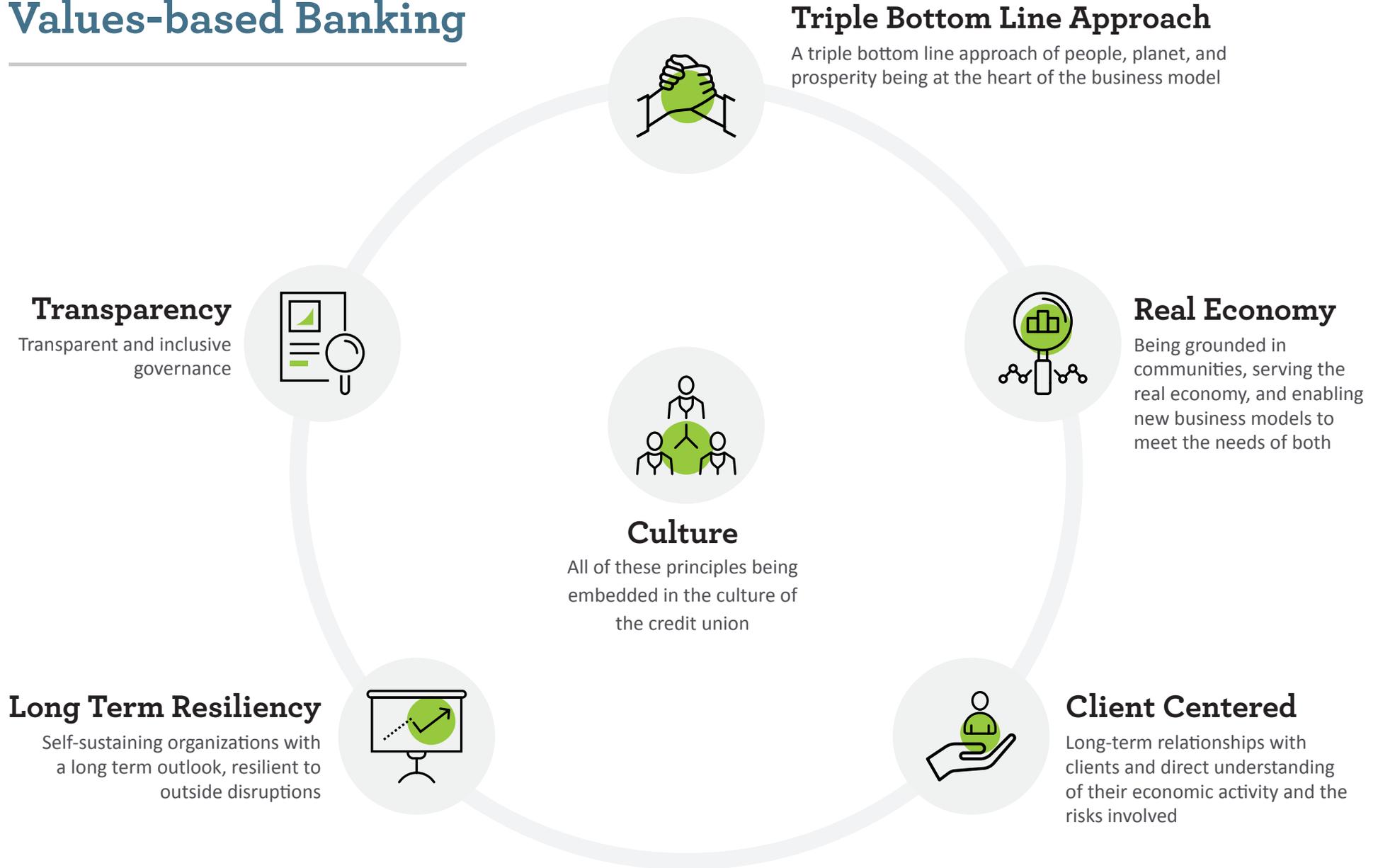
The Global Alliance for Banking on Values is comprised of 54 financial institutions and seven strategic partners operating in countries across Asia, Africa, Australia, Latin America, North America, and Europe.

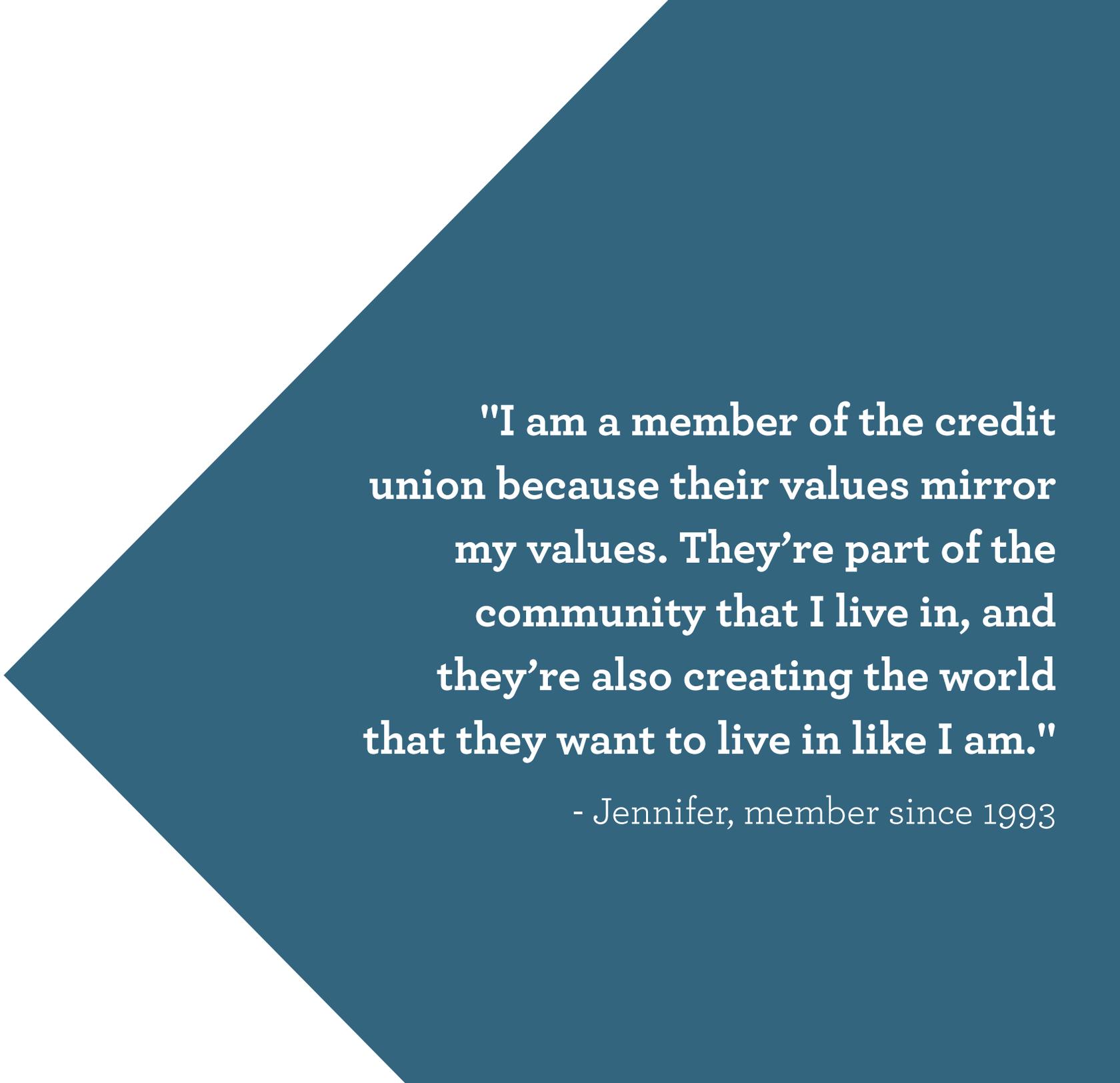
Members have one thing in common: a shared mission to use finance to deliver sustainable economic, social, and environmental development, with a focus on helping individuals fulfill their potential and build stronger communities.

In 2017, MFCU was invited to become the second credit union in the United States to join the GABV.

# Principles of Values-based Banking

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**"I am a member of the credit union because their values mirror my values. They're part of the community that I live in, and they're also creating the world that they want to live in like I am."**

- Jennifer, member since 1993



## Mission

To be a force for good in banking,  
in the communities we serve, and  
in the lives of our members.

## Vision

By living our values, we will redefine  
the role financial institutions  
play in building thriving,  
sustainable communities.



[missoulafcu.org](http://missoulafcu.org)

