Seattle Credit Union’s Growth Journey

Richard Romero
President/CEO
• Serving Seattle WA since 1933.
• 850 Million in Assets.
• Formerly a City Employee Credit Union – Serving the State of Washington since the 1990s.
• Rebranded focused on “Seattle’s Partner in Growth & Prosperity”.
• Received Juntos Avanzamos, LID and CDFI certifications.
• Growth of over 300 million in 6 years.
Reasons for Growth

• As a 500 million credit in a hyper competitive market - needed to find a “Blue Ocean”.

• Decided to go back to its Cooperative Roots and focus on the underserved and underbanked as well as the general membership.

• Most financial institutions, in Seattle, are focused on the tech and high income markets and the income disparity keeps growing – SCU is focused on making “Everyone Prosper”.
Avenues of Growth

• Focus growth plan on low-income segments.
• Focus growth on general membership.
• Created MBL program and grew portfolio about 80 million in one year through CRE Loans.
• Made up for loan growth challenges through loan pool purchases.
Community Partnerships

• Many underserved communities have been financially abused and distrust banks.
• In order to access growth in underserved markets, you need to create community partnerships.
• Community partnerships are key for growth as they give you credibility in a market where trust is scarce.
• Reciprocating relationships are key.
• Compliment programs by provided the financial element.
Regulatory Implications/Expectations

- Risk – How do you anticipate risk?
- ALM / Interest Rate Risk and modeling.
- Heavy scrutiny over pricing and growth.
- Mission and Vision are critical but do not make up for poor financial performance.
- A clear strategy with an aligned board and management team is crucial.
Profitability & Focus

• Determine your membership segments so that you clearly understand growth that supports your financial model.
• Understand product profitability so that growth occurs in the right areas.
• Use product profitability to focus strategy on growth.
• Throttle growth in segments to support healthy financial metrics.
Lessons Learned

• You must have a clear understanding about profitability and costs.
• Understanding your market segments allows you to balance your business model in order to meet financial goals and serve your community.
• Having a Net Worth Adequacy Plan and focusing on creating a safety and soundness financial plan helps keep finances from dictating your mission and vision.
• Gaining trust of communities takes great effort, time and patience.