



Silicon Valley Bank and Signature Bank Failure – Q&A Guide

Q: Do we know what happened with Silicon Valley Bank and Signature Bank?

A: While we cannot comment on the specific challenges at these institutions, we assure you our risk practices and industry exposures are in stark contrast to these two institutions.

Q: Will I still have access to my money?

A: Yes, you will continue to have access to your money.

Q: Is my money safe?

A: KTVAECU® prioritizes safe and sound investment practices. We are audited three times a year by external groups: NCUA (National Credit Union Association, TDFI (Tennessee Department of Financial Institutions), and private examiners. Based on the satisfactory reports of audits performed by external. Based on the satisfactory reports of audits performed by external auditors, KTVAECU continues to be a financially strong and well-managed institution with sound policies and procedures.

Q: What measures does KTVAECU have to ensure the safety and soundness of the Credit Union?

A: In addition to our annual external audits from three groups (NCUA, TDIF, and private examiners), the Credit Union's Supervisory Committee is responsible for providing the Membership with an independent appraisal of the overall financial safety and soundness of Knoxville TVA Employees Credit Union and oversees compliance with various financial and regulatory requirements. The Supervisory Committee meets regularly to examine reports to confirm Members' assets are safe and secure. The Supervisory Committee's general responsibilities include ensuring the Board and Credit Union management:

- Meets financial reporting objectives.
- Establishes practices and procedures sufficient to safeguard Members' assets.

A critical component of the Credit Union's internal control is the Internal Audit Department, which reports directly to the Supervisory Committee. Internal auditors meet

bi-monthly with the Supervisory Committee to review internal and external audit reports, risk assessments, and internal control practices.

Q: What is NCUA?

A: Just like banks, credit unions are federally insured; however, credit unions are not insured by the Federal Deposit Insurance Corporation (FDIC). Instead, the National Credit Union Administration (NCUA) is the federal insurer of credit unions, making them just as safe as traditional banks.

Q: What is FDIC?

A: FDIC stands for Federal Deposit Insurance Corporation (FDIC). If your federally insured bank fails, Federal Deposit Insurance Corp. insurance keeps your money safe. The FDIC insures up to \$250,000.00 per depositor, per institution and per ownership category. In the case of SVB and Signature Bank, all deposits were protected, even if the value was greater than \$250,000.00 per depositor. Credit Unions are also federally insured up to \$250,000.00 by the federal insurer National Credit Union Administration (NCUA).

Q: How do I trust you will not fail like the other banks?

A: KTVAECU focuses on PEOPLE, not business. We are a well-capitalized financial institution with a net worth over 9% (benchmark: 7% is considered to be a well-capitalized credit union). KTVAECU has been in operation for 89 years, and we plan to be here for many, many more. We are the 3rd largest credit union in the State of Tennessee, and we have sound policies and procedures to ensure we continue to be a strong and well-managed financial institution.

Q: Does the Credit Union invest in government bonds?

A: Yes, KTVAECU has less than one percent of assets invested in government bonds. These are all short in duration, with an average life of less than two years.

Q: What does the Credit Union invest in?

A: We have a broad and conservative investment portfolio. We do not invest in venture capital or start-up businesses. We have less than one percent of assets invested in government bonds. These are all short in duration, with an average life of less than two years. Likewise, our business loans are a small percentage of our overall loan portfolio, and we typically have long preexisting relationships with the business owners that have their loans with us.

Q: Has the Credit Union ever had to accept a government bailout?

A: No, KTVAECU has not had to accept a government bailout throughout our 89-year history. Additionally, during the Recession of 2008-2009, no Credit Union in America had to accept a government bailout.

Q: Will there be enough cash to cover everyone?

A: The Federal Reserve System has, and will continue to meet, the currency needs of credit union members. Consumers are encouraged to continue to conduct transactions as they normally would. Credit and debit cards and other payment systems will operate as normal.

Q: How can I protect my money?

A: The best way to protect your money is to always place it in an insured institution like a Credit Union (insured by NCUA).

Q: What if I have more than one account at the Credit Union?

A: NCUA insures up to \$250,000.00 per share owner for each account ownership category.

Q: Should I take out my money?

A: Three independent auditors (NCUA, TDFI, and private examiners) in 2022 have accessed KTVAECU to be a well-managed institution with sound policies and procedures. We encourage you to conduct your banking transactions as you normally do.

Q: Should I bring my money to the Credit Union?

A: Yes. Over the past 89 years, we have a proven track record of being a trustworthy, strong, and secure place to save. Our Credit Union is made up of people that live, work, worship, attends school, owns a business, or have eligible families in the eight counties we serve. We are local and thriving. Let us help you on your financial journey.