Financial Center FAQ's

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1. **How is the Financial Center strategy different from SVB?**
The majority of SVB's investments were held as "Held to Maturity," meaning that changes in their valuation did not appear on the bank's financial statement but were hidden until the bank was forced to start selling investments prior to their scheduled maturity in order to increase liquidity. Over 95% of Financial Center's investments are held as "Available for Sale" which means that market changes in the valuation of the investments are all reflected on our balance sheet. There are no "hidden losses" that Financial Center is carrying.

2. **How is Financial Center's member-base different from SVB?**
SVB's customer base is a relatively small number of tech businesses with extremely large deposits. 96% of deposits at SVB were over the $250,000 cap for FDIC insurance. This also means that it took only a few key depositors to move their funds to create a "run on the bank" for SVB. Financial Center has much more diversity in our member deposits. In addition, Financial Center offers insurance from both NCUSIF (National Credit Union Share Insurance Fund) and ESI (Excess Share Insurance), which in total insure member deposits up to $500,000.

3. **How does Financial Center assure it is able to meet liquidity demands?**
Financial Center holds a large amount of cash in overnight funds to ensure members have access to needed funds. Additionally, we have alternative liquidity sources available in case of an emergency.

4. **Is Financial Center financially strong?**
Yes, Financial Center is very well capitalized at 10.24% (regulatory minimum is 7%). This means that to protect Financial Center's $833 million in assets, which includes our loans made to members, investments, and physical assets, Financial Center maintains $50 million in reserves to protect the credit union and our members from fluctuations in the economy and an additional $175 million in lines of credit and other reserves.