



March 14, 2023

Dear Valued Members:

Our team here at United Credit Union has been fielding calls from concerned members regarding the California-based Silicon Valley Bank and New York-based Signature Bank failures, over this past weekend. While the situation is fluid, we want to make sure we remain transparent in what the current situation is and how it has/will affect our credit union.

The collapse of Silicon Valley Bank on March 10<sup>th</sup>, 2023 stands as the second-largest bank failure in U.S. history. The bank faced a deposit run and capital crisis late last week and was quickly put under the control of the FDIC. As a result of these bank failures, the last few days have caused uncertainty in the financial markets. As part of our ongoing commitment to being your financial partner, we recognize the importance of ensuring that United Credit Union is a financially strong and stable place to hold your loans and deposits.

To that end, we employ sound business practices, avoiding the excessive leverage that adversely affected many banks and credit unions during the financial crisis more than a decade ago. As made evident then, and by the recent failure of Silicon Valley Bank and Signature Bank, absolute size is not an indication of financial strength.

At United Credit Union, we believe it is important to have balance and strength in our capital, liquidity, and operations. With respect to these measures:

- 1. Well-Capitalized Financial Position.** As a result of prudent financial management, United Credit Union remains financially strong with \$292 Million in total assets and over \$23 Million in Regulatory Capital (Net Worth) which is well above the federal regulatory level required to be well capitalized. This position of financial strength affords our members the opportunity to move external funds into United Credit Union to further invest in competitive savings products and certificates, which are providing added benefit due to the rebounding interest rate environment while also offering peace of mind in contrast to the potential volatility of the equities market.
- 2. Market Strength Due to Diversification.** For 93 years, our credit union has remained focused on meeting the financial needs of individuals, not corporations or select specialized industries. As a result, United Credit Union’s membership base of over 20,000 persons is diverse and not concentrated within or reliant upon any one industry or segment of the market. Our greater Chicagoland area markets served are significantly diverse, and our members are employed by and associated with a wide breadth of private and public-sector employers across our communities.

Recent news reports have noted isolated bank challenges related to an institution’s primary reliance upon and concentration within select industries such as cryptocurrency, the tech sector and start-up companies, which ultimately resulted in their instability. We are pleased to confirm that United Credit Union has no involvement in or reliance upon the cryptocurrency market, and no investment or deposit concentration, or a particular reliance upon the tech sector or start-up companies.

- 3. Our Focus is on Helping Members and Our Communities.** United Credit Union’s focus remains on meeting the financial needs of those who work and live in the local areas that we serve. We pride ourselves on providing competitive products and services to help our members achieve their overall financial goals and objectives

### MEMBER SERVICE CENTERS

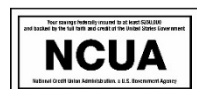
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along with the educational tools needed to promote financial literacy and well-being. In addition to free educational offerings related to budgeting, home ownership and personal investing, we are especially proud of our efforts to help protect members from online scams specific to personal relationships, fraudulent cryptocurrency investments and other scams. These devious acts by bad actors nefariously deplete consumers of their hard-earned savings using coercion and deceptive tactics and are unfortunately becoming more and more common.

- 4. **Our Commitment to You.** On behalf of our hard-working team here at United Credit Union – we remain committed to providing exceptional service to you, thank you for your continued trust and support of our credit union and rest assured, prudent financial management will continue to remain a core value and focus in all we do for years to come.

Our conservative approach has helped United Credit Union achieve sound and prudent results since 1931, over 92 years of both good and difficult times. The end result is a credit union that is well positioned to continue the steadfast principle of being “Your Financial Partner for Life.”

Thank you for your continued trust and for allowing us to assist you in pursuing your financial goals.

Sincerely,

Mario Aguirre  
President and CEO

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