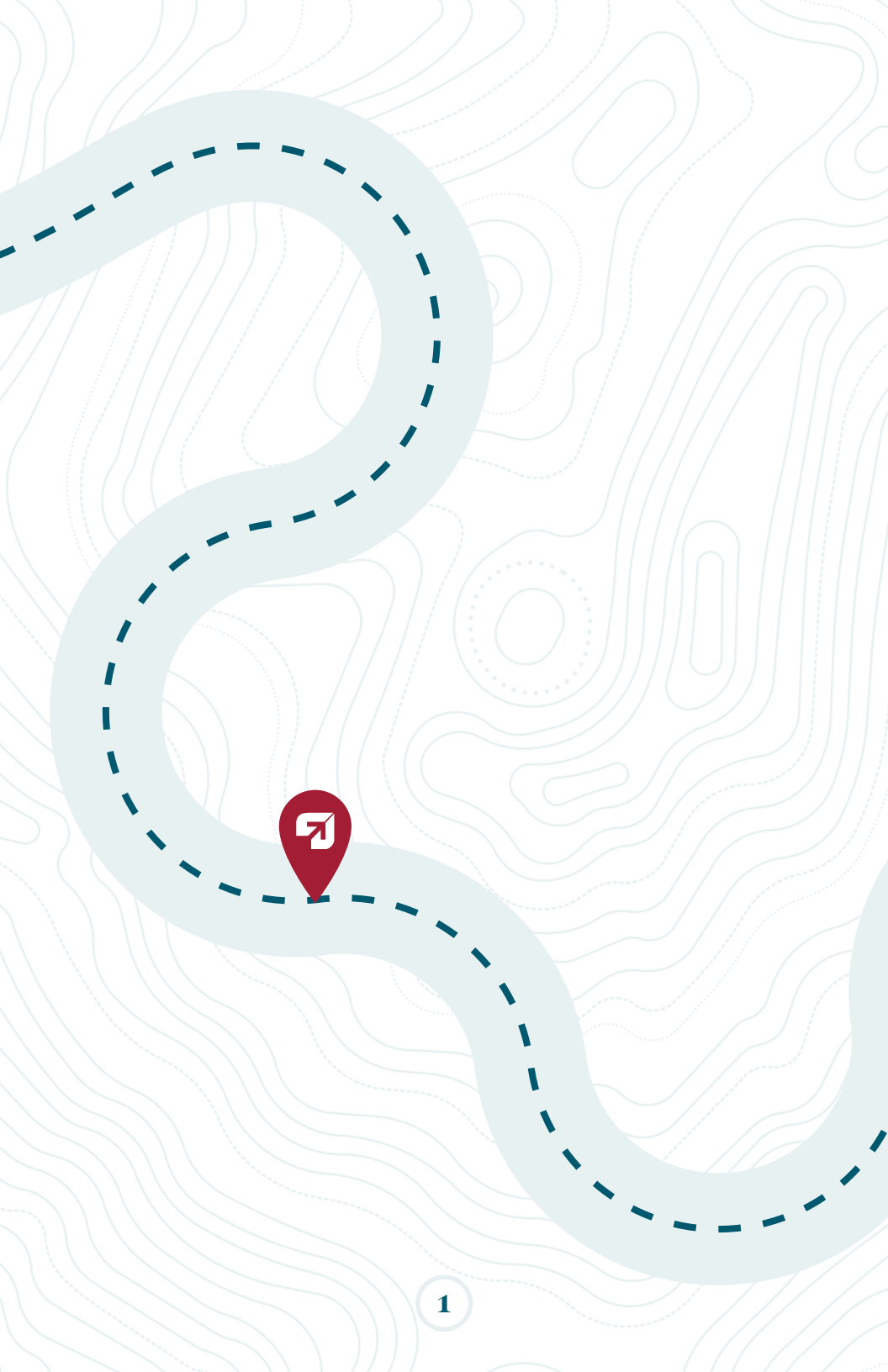


ANNUAL REPORT 2022





Report to the Membership

KNOXVILLE TVA EMPLOYEES CREDIT UNION

PEOPLE HELPING PEOPLE – AN 89-YEAR JOURNEY

Since 1934, the Credit Union and its Members have faced many challenges together. Our journey started in the aftermath of the Great Depression when our founders realized TVA employees needed a safe place to save and borrow money. Using the philosophy of “People Helping People,” they formed the Knoxville TVA Employees Credit Union.

At the end of the first year of operation, 300 people joined the Credit Union, allowing the Credit Union to help them begin their journey to financial success and security.

The philosophy of “People Helping People,” which created our Credit Union in 1934, still forms the fundamental principle of our Credit Union's operation today. From that simple operation in 1934, our Credit Union has grown to provide many convenient and trustworthy services to help you and your family grow financially. Over the years, our Credit Union has expanded to a Community Charter where our membership eligibility includes almost everyone within the eight counties of our service area. We now serve the financial needs of over 263,000 Members and their families.

As we entered 2022, we saw the easing effects of the pandemic and supply shortages and an overall improvement in consumer confidence. However, in March, inflation began to take a hardship toll on everyone. Over the year, prices of goods and services skyrocketed, in some cases, to an all-time high. Americans saw the cost of living increase by an average of \$8,000 per year for families. This caused many Members to use their savings to pay bills.

Inflation is another challenge added to the list of challenges everyone has faced over the past three years. As always, the Credit Union is ready to help. Our rates remained very competitive on both saving and borrowing. Programs were available to increase our Members' ability to manage their finances and to improve their lives. We were ready to help when Members experienced a difficult financial situation. In these trying times, we passionately pursue ways to support the communities we serve.

We provided a vital source of credit for our Members in 2022. Our Credit Union granted over \$1.8 billion in home, auto, personal, and credit card loans. Our Credit Union is a safe haven for Members, evidenced by over \$3.25 billion in deposits.

The year ended with over \$3.84 billion in assets, and our Credit Union remained financially strong with a healthy net capital position of 9.16%. Our strong financial position enabled our Credit Union to maintain and improve our service to Members, allowing us to overcome any challenges and seize opportunities.

Ways You Counted On Us in 2022

Deposit Growth: Deposits grew **\$276,936,764**, which is a **9.31%** growth. Members took advantage of the increased rates on certificate accounts.

Loan Growth: Loans grew **\$487,081,602**, which is a **16.97%** growth. Over \$1.8 billion was disbursed in new loans for autos, homes, home improvements, personal loans, and credit cards.

Asset Growth: Assets grew **\$413,389,370**, which is a **12.05%** growth.



11,905,791

In-person transactions
in our branch offices



466,475

Mobile deposits for
\$209,156,955



7,035,616

Online Banking logins

+7.26% Growth!



1,254,062

ATM transactions



4,700,000

Average monthly visits
to our website



43,947,112

Mobile App logins

+1,072,462
Calls to Smart Teller



773,746

Calls to our
Contact Center



\$1,892,295

Redeemed through our
uChoose Rewards® program

Awards Received in 2022

The Credit Union received many awards in 2022. These awards, nominated and voted for by our Members, are very important to us. They reflect the Members' view of the service we provide, how well we provide those services, and the trust Members place in us.



- Best Credit Union**
- Best Place to Work
- Best Broker
- Best Overall Leadership

- Best Mortgage Lending Company**
- Best Financial Planning Services
- Best Eco-Friendly / Green Business



- Gold Award**
- Best Banking Business
- Best Banking Personal
- Best Credit Union
- Best Places to Work



- Silver Award**
- Best Mortgage Company

Best of Bristol
Favorite Credit Union
Bristol Herald Courier

Readers' Choice
Best Credit Union
The Mountain Press
Sevier County

Hometown Favorites
Favorite Credit Union
Grainger County News

Hardin Valley Readers' Choice Awards
Best Credit Union
Farragut Press

People's Choice
Best Credit Union
Citizen Tribune
Hamblen County

Hometown Favorites
Favorite Mortgage Lender
The News-Herald & Connection
Roane County & Loudon County

Best of the Best
Best Credit Union
Standard Banner
Jefferson County

Community Giveback

At Knoxville TVA Employees Credit Union, we believe in being part of something bigger than ourselves. This belief goes beyond the branches as we work to give back locally to schools, community events, and organizations. The Credit Union's Simply Smart Foundation for Education awarded grants to classrooms for special projects in every public high school in our service area. These projects enhance the education experience for many students. Our staff volunteered many hours at events and sponsorships to help improve our communities. We're committed to the lives and communities we serve. Follow us on social media to see what we are doing in the community!

Financial Wellness and Education

The Credit Union offers several Financial Wellness programs and educational resources to help Members keep track of expenses and manage their money in a healthy manner. Free programs, offered as one of many Member perks, include Money Desktop to help set a budget and track your spending. Another program is Credit Score, which provides Members with free credit scores and personalized offers to help Members save money. Additionally, free financial wellness counseling and educational information are offered through our long-time partner GreenPath, a national non-profit organization committed to improving people's quality of life through financial wellness. GreenPath helps Members create a personalized plan to build a foundation of financial health. Plus, Members can visit any branch or call the Call Center for assistance and further information.

Service Convenience and Increased Security



Our new Northshore branch opened in early January of this year and provides an additional service location for our Members in the Northshore area.

New services through Online and Mobile Banking expanded online chat to include the ability to chat by video, also known as video chat. Our Quick Balance feature lets Members check balances with a single swipe. New Send Money enhancements, like security text for adding a new payee or sending money above a certain threshold, made it easier to send money to friends, family, and to other Members.

Account security is important to our Members, and it's very important to the Credit Union. The Credit Union added additional security requirements with usernames and passwords, incorporating alpha & numeric characters, along with multi-factor authentication for certain account transactions in Online Banking. Additional security enhancements were added to allow Members to lock their credit and debit cards through Control My Card. This empowered Members to stop all incoming charges, except for recurring transactions, at their fingertips.

A robust language translator app was added to our website, enabling the Credit Union to convert our website into Spanish content for Spanish speakers.

Members enjoy convenient services such as Online Banking, Mobile Banking, debit and credit cards, over 90,000 surcharge-free ATMs, 25 branch locations, and much more. We all appreciate the convenience of our online and mobile services, and we continually work to improve these services with innovation and ideas from our Members and our trusted partners.

89-Year Journey

Our 89 years of success can be attributed to four things:

1. **Members' trust in us to be their financial partner on their financial journey**
2. **Offering products and services to benefit our Members**
3. **Maintaining a safe and sound financial organization**
4. **Our dedicated employees delivering on the Credit Union philosophy of "People Helping People."**

There is one thing that automation and apps cannot deliver - a caring attitude. This is what our employees do each day. Each week we receive multiple comments from Members about how someone from the Credit Union has helped them. From a simple smile and good morning greeting to a complicated workout of a troubled situation, our employees are there to help. I want to say thank you to our employees for their hard work and dedication to serving our Members.

Future

Throughout 2022, the Knoxville TVA Employees Credit Union remained focused on enhancing the financial well-being of our valued Members and their families. As we navigate through the challenges ahead, we are very thankful for the "People Helping People" philosophy that was instilled in our operation by our Credit Union founders.

As we approach the next decade of our journey, we remain committed to helping you and your family grow financially and to working together for the benefit of all. We are honored for the opportunity to serve as a trusted financial partner for our loyal Members in the communities we serve.

Thank you for being a part of our 89-year journey.

Cleston E. Jones
Chairperson of the Board

Glenn W. Siler
President & CEO



Supervisory Committee Report

It is the responsibility of the Supervisory Committee to provide the Membership with an independent appraisal of the overall financial safety and soundness of Knoxville TVA Employees Credit Union and to oversee 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.

In addition to the Internal Audit Department, independent auditors are engaged to assist in meeting Supervisory Committee's responsibilities. Examiners from the National Credit Union Association (NCUA) and the State of Tennessee Department of Financial Institutions also review annual statements and records.

Based on the satisfactory reports of audits performed by internal and external auditors, it is the opinion of the Supervisory Committee that Knoxville TVA Employees Credit Union continues to be a financially strong and well-managed institution with sound policies and procedures.

Members have relied on Knoxville TVA Employees Credit Union for over 89 years. Members can continue to trust the Credit Union to protect their money today and long into the future.

Knoxville TVA Employees Credit Union has always been more than just a financial institution to our Members. We are a trusted guide to our Members as they navigate their journey to achieve financial wellness.

Sherry Vermillion
Chairperson of the Supervisory Committee

Treasurer's Report

Knoxville TVA Employees Credit Union has kept your money safe and secure since 1934. As we weathered the challenges and changes of the past three years, the Credit Union remains a strong and steady place on which Members can rely. Through the effects of the pandemic, the impacts of supply chain shortages, and the daily personal impacts of rising inflation, the Credit Union continues to remain financially sound and continues to grow.

Inflation took its toll on Members and their families in 2022. The effects of the increasing price of gas, food, housing, goods, and services have impacted everyone's financial well-being. Many families across the country are struggling with these rising costs; many are tapping into savings to pay everyday bills and expenses. Like all tough times before, the Credit Union is here to help and continues to offer Members a solution to difficult financial situations with various programs and services.

Despite these challenges, Members have continued to contribute to the Credit Union's assets. At year-end, assets stood at \$3,843,283,171, which is a 12.05% growth. The gauge of our soundness is our Net Worth position which grew to 9.16%. A strong Net Worth provides the Credit Union with the cushion needed to address challenges, and it allows the Credit Union to maintain and increase our service to Members and deliver more solutions.

Deposits increased over \$276 million to \$3,250,885,176, a 9.31% increase. Many Members continued to build their savings accounts, even during these uncertain times.

Along with the increase in deposits, the demand for loans remained very strong, with a 16.97% increase to \$3,356,755,642. Members purchased new autos, boats, RVs, new homes, home improvements, and personal items using Credit Union loan products. Over \$1.81 billion in loans was disbursed for 2022. Along with the increases in loans, delinquency rates remained remarkably low at 0.14%, indicating our Membership's financial strength and how the Credit Union strives to work with Members if they experience loan concerns.

Membership increased by 6.62% to 263,254 as more people realized the advantages of being a Member, and Members shared the tradition of Credit Union membership with family, friends, and neighbors.

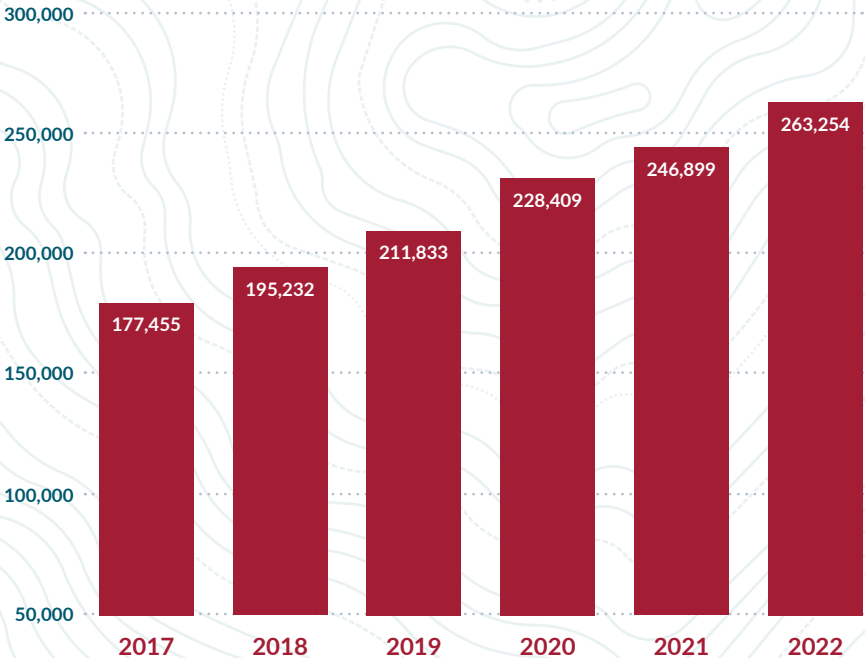


The Credit Union has faced many economic challenges since its initial charter in 1934. Each challenge has prepared us for the next and helped us position the Credit Union to continue serving Members' financial needs regardless of the nation's economic conditions. The Credit Union has not wavered from its original purpose: to be the trusted financial services provider to our Members, to enhance their financial well-being, and to help Members grow financially. The philosophy of "People Helping People," instilled by our founders, continues to guide our operations. The results of this philosophy have helped both Members and the Credit Union grow.

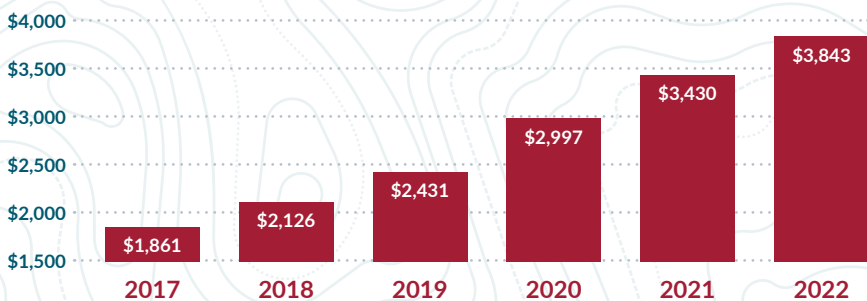
Whatever challenges we face in the future, our focus will be on continuing to look for additional ways to enhance Members' lives and continuing our journey of success for all. Together we will continue to build a strong financial future.

Andrea Brackett
Treasurer

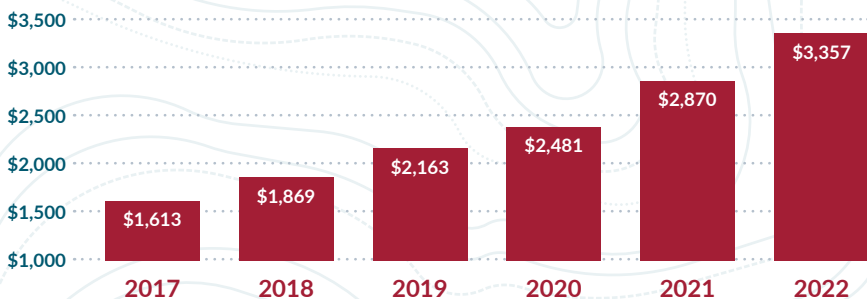
Membership Growth



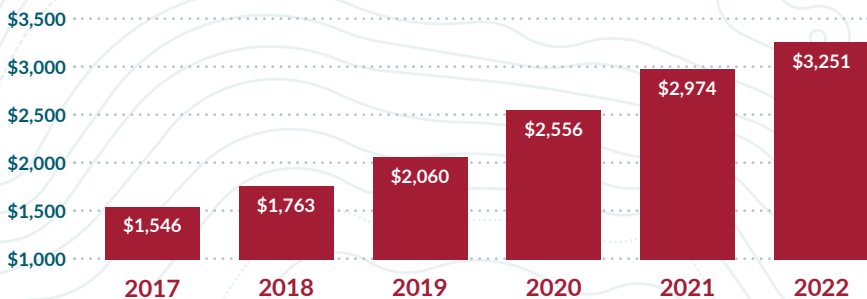
Assets in Millions



Loans in Millions



Savings in Millions



Statement of Operations

INCOME	2021	2022
Income From Loans	\$104,003,010.53	\$118,345,199.91
Other Operating Income	\$38,659,866.35	\$26,822,274.93
Investment Income	\$1,178,694.52	\$4,901,332.51
Fee Income	\$16,105,967.57	\$21,156,619.85
Gross Income	\$159,947,538.97	\$171,225,427.20
OPERATING EXPENSES		
Compensation	\$30,599,778.66	\$34,133,550.65
Employee Benefits	\$15,524,443.81	\$16,857,113.52
Travel & Conference	\$107,968.80	\$218,792.32
Association Dues	\$186,469.12	\$206,975.47
Office Occupancy Expenses	3,969,630.70	\$3,695,587.78
Office Operation Expenses	\$23,214,859.01	\$23,670,078.32
Educational & Promotional	\$2,624,553.95	\$2,777,343.86
Loan Service Expenses	\$3,227,670.20	\$3,569,007.56
Loan Loss Expense	\$3,836,221.57	\$4,464,729.74
Professional & Outside Service	\$4,255,023.65	\$6,013,410.44
Data Processing	\$434,537.17	\$393,975.66
ATM Expenses	\$272,861.61	\$641,762.54
Member Insurance	\$0.00	\$6,051.37
State Supervision Fees	\$402,801.53	\$478,982.19
Cash Over & Short	\$6,549.24	(\$25,495.05)
Operating Losses	\$571,788.35	\$913,196.81
Interest On Borrowed Money	\$2,729,572.02	\$2,492,233.59
Annual Meeting Expenses	\$25,102.11	\$64,387.27
Miscellaneous Operating Expenses	\$248,096.71	\$257,271.46
Total Operating Expense	\$92,237,928.21	\$100,828,955.50
NON-OPERATING EXPENSES		
Other Non-Operating Inc/Exp	\$940,909.92	\$243,816.68
Gain/Loss on Investments	\$0.00	\$0.00
Gain/Loss on Disposal of Fixed Assets	(\$3,145,917.38)	\$4,516.63
Dividend Expense-Certificates	\$10,131,627.59	\$10,056,112.71
Dividend Expense-Other Share Accounts	\$7,637,337.24	\$8,146,711.48
Dividend Expense-Regular Shares	\$1,140,762.85	\$1,322,670.66
Total Non-Operating Expense	\$16,704,720.22	\$19,773,828.16
Total Expense	\$108,942,648.43	\$120,602,783.66
Net Income	\$51,004,890.54	\$50,622,643.54

Statement of Financial Conditions

ASSETS

LOANS

	2021	2022
Loans To Members	\$2,796,875,835.86	\$3,270,987,501.38
Credit Cards	\$72,798,743.73	\$85,768,140.34
Total Loans	\$2,869,674,579.59	\$3,356,755,641.72
Allowance For Loan Losses	(\$7,625,977.27)	(\$7,500,720.34)
Net Loans Outstanding	\$2,862,048,602.32	\$3,349,254,921.38

CASH

Cash	\$48,851,830.97	\$54,651,147.49
Total Cash	\$48,851,830.97	\$54,651,147.49

INVESTMENTS

U.S. Government Obligations	\$0.00	\$0.00
Federal Agency Securities	\$0.00	\$13,495,480.05
Corp Deposit	\$87,651,028.10	\$128,794,723.99
Other Investments	\$276,673,801.28	\$158,556,014.14
Insurance Fund Deposit	\$26,041,201.50	\$29,461,918.24
Mutual Funds	\$25,215,500.17	\$0.00
Total Investments	\$415,581,531.05	\$330,308,136.42
Allowance For Investment Losses	\$0.00	\$0.00
Net Investments	\$415,581,531.05	\$330,308,136.42

OTHER ASSETS

Land & Buildings	\$82,091,452.67	\$85,544,427.21
Furniture, Fixtures & Equipment (Net)	\$6,656,196.85	\$5,674,701.49
Other Assets	\$14,664,187.37	\$17,849,836.88
Total Other Assets	\$103,411,836.89	\$109,068,965.58
Total Assets	\$3,429,893,801.23	\$3,843,283,170.87



Statement of Financial Conditions

CONTINUED

LIABILITIES & EQUITY

LIABILITIES / NET WORTH

2021

2022

Notes Payable	\$133,155,627.07	\$203,768,256.80
Accounts Payable	\$27,536,729.56	\$24,302,303.36
Dividends Payable	\$0.00	\$0.00
Unapplied Data Processing Exceptions	\$10,014,019.82	\$21,365,411.21
Other Liabilities	\$646,751.23	\$706,067.28
Total Liabilities	\$171,353,127.68	\$250,142,038.65

DEPOSITS

Regular Shares	\$773,406,296.79	\$824,621,769.31
Share Drafts	\$851,780,694.85	\$884,056,844.17
IRA's	\$73,483,686.60	\$76,533,839.01
Investment Certificates	\$492,063,181.78	\$736,127,202.70
Other Shares	\$783,214,551.67	\$729,545,520.58
Total Savings	\$2,973,948,411.69	\$3,250,885,175.77

RESERVES

Regular Reserves	\$143,483,729.08	\$167,837,782.08
Other Comprehensive Income	(\$16,776,821.00)	(\$9,231,250.00)
Other Reserves	\$0.00	\$0.00
Accumulated Gain/Loss AFS	\$0.00	(\$504,519.95)
Undivided Earnings	\$106,880,463.24	\$133,531,300.78
Total Reserves	\$233,587,371.32	\$291,633,312.91
Total Equity	\$3,207,535,783.01	\$3,542,518,488.68
Net Income	\$51,004,890.54	\$50,622,643.54
Required Reserves	\$0.00	\$0.00
Net Income YTD	\$51,004,890.54	\$50,622,643.54
Total Liabilities and Equity	\$3,429,893,801.23	\$3,843,283,170.87

*Thank
You!*



KNOXVILLE



**EMPLOYEES
CREDIT UNION™**



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Members
Helping
Members.

**AN 89-YEAR
JOURNEY.**

Notes

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**ANNUAL
REPORT
2022**

