



MAX CREDIT UNION 2021 ANNUAL REPORT

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Cheryl Payson

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M. Wayne Blackwell

Chief Information Officer
Dale Watkins

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Sandra Stenger Branch

SVP of Growth & Innovation
Lynette Cupps



FROM THE CHAIR AND PRESIDENT

Throughout 2021, MAX Credit Union continued our unwavering commitment to providing exceptional service to our members, and adapted to changes in our communities and financial market. We are grateful of the monumental growth the credit union has seen over the past year due to the trust our members place in us each and every day.

Although we saw a return to more normal operations in 2021, we cannot reflect on the year without acknowledging the impact of the ongoing global pandemic. Our teams remained agile in adjusting to changes brought on by the pandemic, which allowed us to continue serving our members and communities in spite of any challenges presented.

Significant investments in our technology were made to equip our members with solutions and personalized financial guidance. This was done in an effort to provide convenient service, empowering members to reach their financial goals.

With an effective strategic growth model in action, our asset level has grown to over \$2 Billion. In a time when many businesses and individuals have faced hardship, MAX has remained strong in our approach to help our members achieve financial success.

In addition to a focus on providing dependable service and member benefits, we are dedicated to supporting our communities by volunteering our time and donating our resources. During 2021, MAX and the MAX4Kids Foundation donated more than \$216,000 to local non-profits who support our communities with an additional \$30,000 going towards scholarships for six high school seniors in our area. MAX employees regularly give their time to assist local organizations in need of helping hands. These are just a few of the ways we try to give back to the community who has given so much to us.

We look forward to a new year of continued community commitment and member support that builds on our strong foundation. Thank you for choosing MAX!



Barbara T. Starr
Chair



Martin Head
President/CEO

A REPORT FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee, established by law, reviews and evaluates the performance of MAX and makes recommendations for improvement. The Committee reviews policies and procedures; safeguards member assets, and reviews MAX's operations and internal controls. It also ensures MAX is complying with consumer and commercial credit regulations. We serve as the members' representative to Management and the Board of Directors.

The Supervisory Committee employs a full-time internal audit staff that performs audits and monitors operations. These audits include, but are not limited to: internal control review of branch and back office operations; financial statements; new, closed, and dormant accounts; consumer, mortgage, and business loans; Bank Secrecy Act; wire transfers; Automated Clearing House; information technology; and member account verification. In 2021, 85 audits were completed and reported to Management and the Board of Directors.

A primary function of the Supervisory Committee is to ensure an annual audit of MAX is conducted. In March 2022, the accounting and professional services firm of CliftonLarsonAllen, LLP completed the 2021 annual audit. In the opinion of this firm, the financial statements present fairly the financial position of MAX Credit Union as of December 31, 2021.

As the members' representative, the Committee places special emphasis on assisting members with inquiries and resolving complaints. It is our policy to investigate all inquiries thoroughly and respond to the member as quickly as possible. We strive to protect the members' interest and encourage them to contact us should they have any questions or problems.



Jeff Baldwin
Supervisory Committee Chair



TREASURER'S REPORT

2021 was a profitable year for MAX, as we continued on a path of growth while remaining financially secure and maintaining our capital position. This allows us to offer and deliver superior products and services so you, our member, can benefit from the added value you so deserve.

Total Assets increased to more than \$2 billion with a 14.3% increase from 2020 to 2021. Deposits grew to more than \$1.7 billion, increasing by 16.7% from 2020-2021. Loans stayed consistent at over \$930 million. These numbers reflect our strength and stability with a commitment to serve our membership. By offering a variety of savings alternatives and loan options, we have been able to enhance the member experience to better fit their needs. Despite the ongoing global pandemic, we remain strong by exhibiting agility in our processes and services.

With lower, more competitive rates, our Mortgage Services Department was able to process high volumes of 1st mortgages as well as meet an increasing demand for refinances. This not only held true in the mortgage realm, but consumer loans were impacted as member demand increased.

Our income for the year was over \$16.7 million. This resulted in a return of assets of 0.83% allowing us the opportunity to reward our members through programs such as Smart Plus. With the Smart Plus program, we returned more than \$600,000 to members throughout 2021 as rewards for using their debit cards along with other products and services.

As we enter 2022, we are excited for our future. We will continue to enhance our level of service, our rewards programs, and our product offerings. Our strong foundation and continued commitment to our members and communities will propel us forward for many years to come. Our mission, people helping people achieve financial success, holds true today, more than ever, and we look forward to serving you.



James W. Solze, Jr.
Treasurer



2021 FINANCIAL STATEMENTS

ASSETS (\$000's)	2021	2020
Loans to Members	932,231	940,691
Allowance for Loan Losses	10,658	14,195
Cash & Investments	1,000,460	721,182
Other Assets	99,673	121,770
Total	2,021,706	1,769,448

LIABILITIES & CAPITAL (\$000's)	2021	2020
Members' share deposits	1,787,175	1,531,625
Other liabilities	16,619	16,217
Equity	217,912	221,607
Total	2,021,706	1,769,448

INCOME STATEMENT (\$000's)	2021	2020
Interest on Loans	41,174	42,877
Income from Investments	7,434	7,881
Fee Income	12,548	12,731
Other Income	15,641	14,694
Total	76,797	78,183

EXPENSES (\$000's)	2021	2020
Dividends Paid to Members	6,830	9,999
Provision for Loan Losses	2,104	7,028
Employee Costs	27,404	26,626
Occupancy and Operations	20,182	17,839
Other Expenses	7,694	5,755
Total	60,006	67,247
Net Income	16,791	10,936



OUR COMMITMENT TO YOU

At MAX, we strive to provide the highest quality experience through products and services, where convenient solutions and expert guidance are available to you anytime, from anywhere.

As a business and financial institution, we continue to adjust to a new way of thinking as societies around the world have been tested. In the true spirit of adaptability, we look for ways to improve service by offering solutions that make sense for our members. Every individual has a different and unique lifestyle which means one size does not fit all. Through technology, we can accomplish many things including the ability to offer a variety of options for conducting transactions. It's all about convenience while keeping your funds safe and secure.

As we look to the future, we would like to say thank you for allowing us to be your trusted financial partner and for choosing MAX in the past and for many years to come.

INSIDE MAX

MAX team members are the heart of our organization and demonstrate our core values of hospitality, integrity, and simplicity each day. Compassion and loyalty to our communities is evident in the many ways we support our non-profit and local partners through both acts of service and monetary donations. Whether working with local organizations to further their initiatives or taking the lead to promote financial wellness and education efforts, MAX associates truly embrace our mission of people helping people.

In 2021, we received recognition as one of the Best Companies to Work for in the State of Alabama for the eighth year in a row. This honor would not be possible without the dedication and commitment of our team members to preserve who we are as an organization.

As a way to give back, team members are encouraged to participate in community runs and walks through the MAXimizing Health program. This health initiative supports individuals in improving their overall fitness and wellness through walks, runs, seminars, and more.



COMMUNITY MATTERS

Without our communities and the people in them, we would not be the organization we are today. We strive to make a difference improving the wellbeing of individuals and organizations in our area.

Financial education initiatives are vital to the success of younger individuals becoming financially responsible and independent. Through SIDEKICK financial education, we regularly visit schools and organizations to support, teach, and provide guidance on the fundamentals of money management.

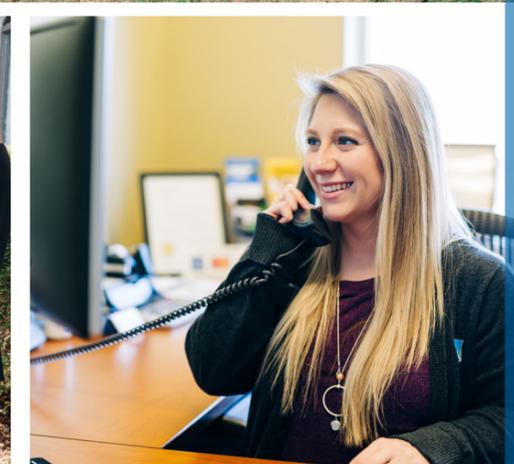
Not only do we offer outreach programs, but we regularly contribute to organizations who are making strides to do good work in the community. These contributions come in the form of monetary donations, service hours, and non-profit board leadership.

Through our community giving initiative, we donated to 13 organizations in 2021:

- Storybook Farm
- Prattville Field of Dreams
- Exceptional Foundation of East Alabama
- Boys and Girls Club of Lee County
- Family Sunshine Center
- Pike County DHR
- Montgomery Area Council on Aging
- Alabama Shakespeare Festival
- Montgomery Museum of Fine Arts
- Montgomery Area Non-Traditional Equestrians (MANE)
- Boys and Girls Club of Troy
- Common Ground, Troy
- Alabama Wildlife Federation

On Giving Tuesday, we announced plans to donate an additional \$115,000 to 23 organizations making a positive impact in our area. These organizations were selected based on focus and include those with initiatives around food and housing insecurities, education and arts, child advocacy groups, and animal shelters.

- Children's Center Adult Program
- Child Protect
- Mid-Alabama Coalition for the Homeless
- Easter Seals of Alabama
- Montgomery Humane Shelter
- Hands on River Region Christmas Clearing House
- Girl Scouts of Southern Alabama
- The Arts Council of Montgomery
- Butterfly Bridge
- Service Dogs of Alabama
- Elmore Humane Shelter
- Elmore County Board of Education (Project Lead the Way)
- Autauga Education Foundation
- Autauga Humane Shelter
- Montgomery Area Food Bank
- Family Support Center



- Our House, Auburn
- Lee County Humane Shelter
- Food Bank of East Alabama Community Market
- BIG House, Auburn
- Johnson Center for the Arts, Troy
- Troy Animal Rescue Project
- House of Hope

Combined donations from our community giving initiative, the MAX4Kids Foundation, and Giving Tuesday totaled over \$250,000 for the year.

MAX recognized Mercy House as our annual Community Achievement recipient. Mercy House was chosen based on their contribution to the Washington Park Community in Montgomery where they focus on eliminating socio-economic barriers that have plagued citizens in this area. Through their desire to make an impact, Mercy House creates and facilitates programs focused on food insecurity, clothing and hygiene needs, career and education, youth, and care coordination.

We made a monetary donation of \$10,000, and MAX team members volunteered time serving lunches. Additionally, an employee driven clothing drive was planned for early 2022 by MAX team members to support individuals in need.

As a way to increase financial education initiatives, MAX launched the SIDEKICK tool in the mobile app. Through use of SIDEKICK, parents are able to help their teens learn healthy financial habits from an early age. This has proven to be an extremely useful tool and is a great addition to Banzai, our online financial education platform. Through resources provided, we are able to increase the chances of a healthy financial journey for members of all ages.

MAX4KIDS FOUNDATION

The MAX4Kids Foundation is a non-profit organization created by MAX team members in 2001 as a way to give back to the community. Since its founding, MAX4Kids has contributed over \$1.4 million to local children's charities and the MAX4Kids Scholarship Program in Central and East Alabama. Fundraisers are held throughout the year, providing a means to give back to the communities who mean so much to us. Fundraising events include the MAX4Kids Charity Golf Tournament and the Charity Clay Shoot. Team members also show their support through an annual payroll drive. In 2021 MAX team members contributed over \$26,000.

MAX4Kids donated over \$31,000 to multiple organizations this year with an additional \$30,000 going towards scholarships for six high school seniors in our area.

We are committed to making an impact in the communities we serve and take pride in our efforts to make a difference by serving those in need for generations to come.



CONTACT

MAX Mobile Banking App

Available in the iTunes Store and
Google Play Store

MAX Online Branch

myMAX.com

MAX Telephone Service Center

334.260.2600 / 800.776.6776

MAX Telephone Banking

334.270.1111 / 800.366.7777

Mailing Address

P.O. Box 244040
Montgomery, Alabama 36124-4040



LOCATIONS

Auburn

Auburn Downtown 336 North Gay Street

Millbrook

Magnolia Ridge 3441 US Highway 14

Montgomery

Chantilly 11020 Chantilly Parkway
Downtown 401 Monroe Street
Eastdale 400 Eastdale Circle
Gunter Annex 100 South Turner Boulevard
Maxwell AFB 10 East Selfridge Street
Taylor Road 3401 Malcolm Drive
Vaughn Road 5245 Vaughn Road
West Montgomery 4705 Mobile Highway
Zelda Road 2785 Zelda Road

Opelika

Frederick Road 3021 Frederick Road

Prattville

Cobbs Ford Road 2309 Cobbs Ford Road
Main Street 752 East Main Street

Tallassee

Hwy 229 1415 Gilmer Avenue

Troy

Hwy 231 1207 US Hwy 231 South

Wetumpka

Hwy 231 94 Captain Crommelin Road