



MAX CREDIT UNION 2022 ANNUAL REPORT

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FROM THE CHAIR AND PRESIDENT

Partnerships, community, and people are all words that come to mind when thinking about the core foundation of MAX Credit Union. For over 67 years, we have received unwavering support and have become a leading financial institution in the markets we serve. Trust is a key component and our members do just that by allowing MAX to serve as their financial partner in the past, present, and future.

In recent years, the financial landscape has evolved, largely in part to the pandemic and societal changes where we adapted our service environment to better meet the needs of our members. Using data and member specific solutions, technological advances were made to better suit individual lifestyles.

The fast-paced world we live in will continue to move forward in a way where we must continue making advancements in how we interact with members digitally and in person. Innovation is in constant motion as we continuously work to improve services and make technological advances that are beneficial and readily available to our membership. We want you to have confidence in what we offer while maintaining the integrity you deserve and expect from your financial institution.

In 2022, we made significant leadership investments, putting a team in place where vision, innovation, and operations are at the forefront. We are committed to providing the best service through knowledgeable team members who have a clear understanding of what we offer and how to put you in a better financial situation. Our team members are financial educators and are eager to help, teach, and learn.

Although the overall marketplace was volatile this past year, our assets remained strong ending the year with almost \$2 billion in assets. We have an unwavering commitment to our communities and serving those in need and are providing opportunities to give back based on our stability as a financial institution. Through our community giving program and the MAX4Kids Foundation, we donated over \$149,000 to organizations in the areas we serve with \$35,000 going towards scholarships for high school seniors.

2023 is a new year full of promise where we are committed to those we serve and want to 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 2022, 95 internal 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 April 2023, the accounting and professional services firm of CliftonLarsonAllen, LLP completed the 2022 annual audit. In the opinion of this firm, the financial statements present fairly the financial position of MAX Credit Union as of December 31, 2022.

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' interests and encourage them to contact us should they have any questions or problems.



Jeff Baldwin
Supervisory Committee Chair



TREASURER'S REPORT

With market volatility at an all-time high, MAX remained strong in 2022. Our security and strength in the financial sector allowed us to continue on a path where we make significant investments for the future. Through these investments, we can strategically align ourselves to better serve our membership, providing superior banking services to meet the needs and wants of individuals in the communities we serve.

Although total assets decreased slightly, we remained strong financially closing out 2022 with over \$1.9 billion. Total deposits increased to just over \$1.7 billion showing member trust in the stability of MAX as their financial institution of choice. We began the year with rates at an all-time low, which led the way to an increase in loan volume from \$930 million to over \$1 billion in 2022. Throughout the year, we experienced a market full of volatility and heightened rate fluctuations which allowed us to capitalize on the environment, thereby increasing revenue generation from both investments and interest on loans.

Total net income increased from just over \$76 million to over \$81 million showing positive profitability and a healthy corporate assessment. Through profitability, we were able to offer new programs where members received more from MAX. Our Member Rewards and Referral programs have taken off and we are excited to give back to members who place their trust in us.

As we look to the future, 2023 brings excitement for new opportunities to help our members meet their financial goals. We are committed to our mission of "people helping people" and strive to make a difference in the financial lives of our members. Thank you for choosing MAX and placing your trust in us!

James W. Solze Jr

James W. Solze, Jr.
Treasurer





2022 FINANCIAL STATEMENTS

Balance Sheet

(\$000's)

ASSETS	2022	2021
Loans to Members	1,016,809	932,231
Allowance for Loan Losses	(9,805)	(10,658)
Cash & Investments	850,454	1,000,460
Other Assets	101,441	99,673
Total	1,958,898	2,021,706
LIABILITIES & CAPITAL	2022	2021
Members' share deposits	1,796,905	1,787,175
Other liabilities	21,852	16,619
Equity	140,140	217,912
Total	1,958,898	2,021,706

Income Statement

(\$000's)

REVENUE	2022	2021
Interest on Loans	43,210	41,174
Income from Investments	13,514	7,434
Fee Income	10,305	12,548
Other Income	14,239	15,641
Total	81,267	76,797
EXPENSES	2022	2021
Dividends Paid to Members	6,496	6,830
Employee Costs	28,254	27,404
Occupancy and Operations	19,387	20,182
Other Expenses	9,590	7,694
Total	63,727	62,110
Provision for Loan Losses	(772)	(2,104)
Net Income	18,312	16,791



MAX GIVES

At MAX, we give back in a multitude of ways. Through our insistent need to do more, create more, simplify more, and meet more member needs, we are dedicated to giving members accessibility to what they want, when they want it. We want to empower members to take charge of their finances through a simplistic lens where we offer technological advances and financial tools to make this possible. It's about removing barriers and creating a unique experience dedicated to the end user. In 2022, we increased our technological capacity not only internally, but from a member-facing standpoint. We launched a NEW website offering easier navigation for individuals who wish to utilize our online onboarding process or simply browse products and services. Updates were made to the Online and Mobile Banking interface allowing for a more user-friendly experience.

We established and implemented two programs: Member Rewards Program and Referral Program. Using these programs, members earn more based on usage, services, and whom they refer to MAX.



MAX associates are dedicated and always search for ways to better serve our members. In times of financial uncertainty, team members serve as guides offering solutions that make sense for each unique lifestyle and welcome the opportunity to work and build partnerships with our membership.

In the spirit of partnerships, Process Improvement has become a staple, and through the eyes of our team members, we are able to identify and improve actions affecting members and team members alike.

Not only are we committed to our members, but we are committed to the communities we serve. In 2022, we had a combined total of over 1,300 volunteer hours where our team committed to serving the needs of others. Through partnerships with local organizations and individuals, employees served in a variety of capacities ranging from financial literacy to family-friendly community events.



COMMUNITY GIVING

Community giving is a vital component to assist in our efforts of helping local organizations make a true impact. At MAX, we strive to do our part by supporting non-profits not only through volunteerism, but through monetary donations as well. With a philanthropic view focused on the needs of children, MAX and the MAX4Kids Foundation gave over \$149,000 to organizations and high school seniors in our footprint who offer services geared mainly towards youth.

Through our community giving initiative, we donated to 18 organizations in 2022:

- Alabama Shakespeare Festival
- Alabama Wildlife Federation
- Big House Foundation
- Children's Hospital of Alabama
- Common Ground, Montgomery
- Common Ground, Troy
- Prattville YMCA Field of Dreams
- Henry Tellis Foundation
- Kid One Transport
- Mercy House
- Miracle League Pike County
- Montgomery Museum of Fine Arts
- Montgomery Area Council on Aging
- S.T.E.P. Foundation
- Storybook Farm
- The Curtis House
- The Exceptional Foundation
- Valiant Cross Academy



COMMUNITY ACHIEVEMENT

The Alabama Shakespeare Festival (ASF) was chosen as our 2022 Community Achievement recipient receiving a \$10,000 donation as well as volunteer assistance from MAX team members. ASF is a leader in arts and entertainment, providing superior theatrical performances for over 50 years. ASF also serves as a local source of arts education to all ages by offering community programs, acting camps for youth where they gain confidence in a creative atmosphere, and Schoolfest Matinees where students from across Alabama are transported into a world of imagination while gaining life lessons.

MAX RECEIVES HONORS

This past year, MAX received two very distinct honors where we were recognized by American Banker as one of the 2022 Best Credit Unions to Work For in the Country and by Best Company Group and Business Alabama as one of the 2022 Best Companies to Work For in Alabama, for the ninth year in a row. These honors would not be possible without the dedication of our team members and serve as a reminder of the commitment of our team members and their dedication to MAX.



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 725 East Main Street

Tallassee

Hwy 229 1415 Gilmer Avenue

Troy

Hwy 231 1207 US Hwy 231 South

Wetumpka

Hwy 231 94 Captain Crommelin Road