



# MAX CREDIT UNION 2019 ANNUAL REPORT

Federally insured by NCUA.



SMART MONEY.  
MADE SIMPLE.®





## BOARD OF DIRECTORS

**Chairman**  
Barbara T. Starr

**Director**  
James W. Solze Jr.

**Secretary**  
K. Sue Jackson

**Director**  
Gary A. Tomlin

**Treasurer**  
Bradley L. Sanders

**Director**  
A. Kelli Wise

**Director**  
John E. Averrett

**Director**  
Lloyd Woodman Jr.

## SUPERVISORY COMMITTEE

**Chairman**  
Richard M. Jones

**Member**  
Jerry W. Grant

**Secretary**  
Jeff Baldwin

**Board Representative**  
John E. Averrett

## EXECUTIVE MANAGEMENT COMMITTEE

**President & CEO**  
Martin Head

**Chief Financial Officer**  
Tim Marquardt

**Chief Retail Officer**  
M. Wayne Blackwell

**Chief of Operational Excellence**  
Cheryl Payson

**Chief Information Officer**  
Scott M. Lindley

**Chief Talent Officer**  
Sandra Stenger

**Chief Marketing Officer**  
D.G. Markwell



# FROM THE CHAIRMAN AND PRESIDENT

Since our founding in 1955, MAX Credit Union has built its reputation around strong, stable, and strategic growth. It is more than an investment strategy; it is just good business, especially when our business is with our neighbors and friends.

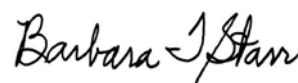
In 2019, we opened our new Chantilly branch, which is one more location where you can receive the exceptional customer service you have come to expect at MAX. Speaking of things you have come to expect from MAX, our financial profile for 2019 has only gotten stronger, thanks to our strategic growth model. We ended the year with nearly \$1.5 billion in total assets, up 7.0% over the prior year.

While growth is important, we also believe in giving back. SmartShares is one of the ways we share our success with our members, and this year, we deposited more than \$1.2 million into member accounts. This program was created as a means to reward you, our loyal MAX members, and we believe we both benefit from it. Rewards are paid to eligible members who have and use a certain number of MAX products and services. Details on SmartShare qualifications can be found at [myMAX.com/SmartShares](http://myMAX.com/SmartShares).

Just as we reward our loyal MAX members through the SmartShares program, we are equally as committed to rewarding our community. We have committed to making a difference by investing in each of the communities we serve. Throughout the year, MAX employees have given of their time and talent to organizations whose missions we believe in. We're at the forefront of community events, as well as financial literacy across the generational spectrum.

Throughout our 64-year history, we've supported hundreds of local non-profit agencies, and 2019 was no different. Among those we contributed to was the Alabama Shakespeare Festival, the Montgomery Museum of Fine Art, the Prattville Field of Dreams, Miracle League of Troy, and Storybook Farm. We believe in the mission of these organizations, and we believe in giving back.

Why? Because an investment in our community is an investment in YOU!



Barbara T. Starr  
Chairman



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 2019, 88 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 2019, the accounting and professional services firm of CliftonLarsonAllen, LLP completed the 2018 audit. In the opinion of this firm, the financial statements present fairly the financial position of MAX Credit Union as of December 31, 2018. This firm is in the process of conducting the 2019 audit and a final report will be issued by April 2020.

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.



Richard M. Jones  
Supervisory Committee Chair



# TREASURER'S REPORT

In 2019, we experienced another strong year financially. We continued to maintain our capital position and financial soundness. Healthy financial results, combined with a strong net worth base, provides us with the ability to continue to deliver superior value to our members.

Total assets increased to nearly \$1.5 billion, or an increase of 7% from 2018 to 2019. Deposits grew to more than \$1.2 billion, increasing by 6.6% from 2018 to 2019. Loans grew to over \$925 million. These numbers reflect our commitment to member service, as well as our continued efforts to offer competitive rates for both deposit and loan products.

We expanded our array of savings alternatives in order to enhance member choices and services. Our 2019 deposit growth reflects our initiative to deliver quality products and solutions to our members. Our fastest growing loan categories were direct auto loans and first mortgages. Our specialized business loans and mortgage options helped us grow and gave our members choices in their business and home-buying decisions.

Our net income for the year was \$11.4 million. This resulted in a return of assets of 0.81% and allowed us the opportunity to again reward our members through our SmartShares program. We deposited more than \$1.2 million into our members' accounts at the end of 2019.

MAX will continue to provide high quality, affordable, financial services to our members from a foundation of sound financial management. We remain committed to helping all of our members achieve their financial goals. Thank you for your continued support as we move forward to another exciting and prosperous year in 2020.



Bradley L. Sanders  
Treasurer



# 2019 FINANCIAL STATEMENTS



- 57% Interest on Loans
- 16% Fee Income
- 14% Other Income
- 13% Income from Investments



- 41% Employee Costs
- 26% Occupancy and Operations
- 10% Other Expenses
- 15% Dividends Paid to Members
- 8% Provision for Loan Losses

ASSETS (\$000's)	2019	2018
Loans to Members	925,356	887,584
Allowance for Loan Losses	10,578	10,140
Cash & Investments	455,853	401,637
Other Assets	89,956	85,981
<b>Total</b>	<b>1,460,586</b>	<b>1,365,063</b>

LIABILITIES & CAPITAL (\$000's)	2019	2018
Members' share deposits	1,241,168	1,164,471
Other liabilities	14,645	13,733
Equity	204,773	186,859
<b>Total</b>	<b>1,460,586</b>	<b>1,365,063</b>

INCOME STATEMENT (\$000's)	2019	2018
Interest on Loans	42,447	38,033
Income from Investments	9,493	8,446
Fee Income	11,822	12,596
Other Income	10,984	10,157
<b>Total</b>	<b>74,745</b>	<b>69,232</b>

EXPENSES (\$000's)	2019	2018
Dividends Paid to Members	9,592	6,440
Provision for Loan Losses	4,920	4,489
Employee Costs	25,858	24,993
Occupancy and Operations	16,271	15,664
Other Expenses	6,681	7,042
<b>Total</b>	<b>63,321</b>	<b>58,628</b>
<b>Net Income</b>	<b>11,424</b>	<b>10,604</b>



# INSIDE MAX

At MAX, our associates are our greatest asset. Their dedication to our members, loyalty to our mission, and commitment to the success of MAX shows both inside our walls and outside in the communities we serve. Because of our associates, MAX was voted one of the Best Companies to Work for in Alabama for the sixth year in a row!

As we have invested in our members and our community so, too, have we invested in our associates. Our MAXimizing Health initiative is designed to encourage MAX associates to improve their personal health and wellness efforts. Further, it provides pathways for associates to participate in community walks, 5Ks, and 10Ks that take place throughout the year.

# COMMUNITY MATTERS

## Imagine What We Can Do. Together.

At MAX, we are invested in our community, and we are making a positive impact in the lives of our neighbors and friends. From contributions to a variety of local organizations to our Sidekick Financial Wellness program for school-aged children, there's something special about what we have been able to accomplish together.

In 2019, we donated to nine charitable organizations, which include:

- Alabama Shakespeare Festival
- Alabama Wildlife Federation - Lanark
- BigHouse Foundation
- EAT South
- MANE
- Miracle League of Troy
- Montgomery Museum of Fine Art
- Prattville Field of Dreams
- Storybook Farm

We take pride in selecting organizations that are making a positive difference in the communities we serve.







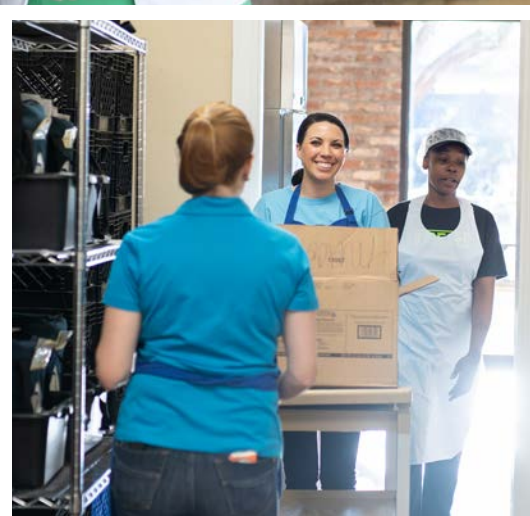
We are also invested in supporting a number of community events throughout the year. In 2019, we sponsored the 11th MAX Capital City Classic, the MAX Stingfest, the MAX Burger Bash, Taco Libre, annual shred drives, Cityfests, and various city and chambers of commerce events.

Earlier this year, MAX had its 16th MAX Community Reception. This annual event brings together business, political, and community leaders to celebrate community successes and recognize organizations and individuals who have made a significant difference in the quality of life in Central and East Alabama. MAX honored Baptist Health for its efforts in contributing to a better, healthier River Region Community. Baptist Health is committed to providing exceptional healthcare to Montgomery residents, as well as to neighbors in the surrounding areas. The organization has done great work teaching the community, including local businesses, how to stay healthy and reduce the risk of illnesses and diseases, all while teaching them to live healthier lives. Through these efforts, they have become Central Alabama's healthcare leader.

As you know, our associates are also part of our commitment to community. This year, they contributed \$27,893.75 to the MAX4Kids Foundation through our annual payroll drive. They have volunteered their time to local organizations throughout the communities we serve, including MACOA Meal Makers, Meals on Wheels, and Habitat for Humanity.

Sometimes, our efforts are the result of natural disasters that take place in the communities we serve. In February, we took action in order to assist with disaster relief efforts for those who were affected by the devastating tornadoes in Elmore County. In addition to a donation of \$5,000 to the Central Alabama Community Foundation, we also held a supply drive for the Elmore County Food Pantry. On March 3, disaster struck again; this time, in Lee County. After tornadoes ravaged part of the area, MAX made a donation to the Community Foundation of East Alabama, and our associates were among the volunteers who helped rebuild houses in





Beauregard in the wake of the destructive storms.

Our Sidekick Financial Wellness program, just entering its third year in 2020, has provided numerous workshops to local schools and organizations throughout Central and East Alabama. In addition to workshops, MAX offers financial wellness coaches to help members reach their financial goals and maintain good habits. We have a variety of online tools and resources for members to access as part of their financial journey.



One organization we take a great deal of pride in is the MAX4Kids Foundation. It is a non-profit organization created by MAX associates in 2001, and, since its founding, has contributed more than \$1.3 million to local children's charities and the MAX4Kids Scholarship Program in Central and East Alabama. Through various fundraisers that take place throughout the year, including the MAX4Kids Charity Golf Tournament, Charity Clay Shoot, and candy bar sales, MAX is able to make a positive impact and give back to our communities in a very real and special way. Each year, the MAX4Kids Foundation has a scholarship reception to honor our scholarship recipients. In 2019, 10 students from Central and East Alabama were awarded a \$5,000 MAX4Kids Scholarship in order to further their education. As the foundation enters its 19th year, we anticipate even more engagement with the MAX4Kids program.

It is clear that MAX is a part of the communities we serve in a variety of ways and through a multitude of organizations, including our own. Our investments in the community have the potential to benefit our region for generations to come.

**Just imagine what we can do. Together.**



SMART MONEY.  
MADE SIMPLE.®

## CONTACT

---

### MAX Mobile Banking App

Available in the iTunes Store and  
Google Play Store

### MAX Online Branch

[myMAX.com](http://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

Baptist South 2055 East South Boulevard  
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 Highway 231 South

### Wetumpka

Hwy 231 94 Captain Crommelin Road