

A Stronger Future Together:

What the MAC + CUI merger **means for you.**



For more than 70 years, MAC has been proudly serving Alaskans. Through both successes and challenges, our focus has remained unchanged: serving our members and strengthening our community.

In recent years, we have faced significant challenges, including \$5.4 million in losses since 2023, leadership transitions, and regulatory concerns. Rather than waiting for outside intervention, your Board chose to act decisively to protect the credit union and its members.

After careful consideration, we have proposed a merger with Credit Union 1, an Alaskan partner that shares our values and has the financial strength to support our future.

This decision, guided by what is best for our members, followed months of financial review, operational analysis, and consultation with outside experts. This merger is not about letting go of MAC Federal Credit Union. It is about safeguarding its legacy, ensuring stability, and providing our members with greater opportunities and services for years to come.

We are sharing this booklet to provide you with insight into this decision and its impact on you as the proposed merger moves through regulatory review. If approved, members will have the opportunity to vote, and we want you to feel informed and confident when that time comes.

Jeremy Fillipi

Board Chair

MAC Federal Credit Union



Why We're Merging

HOW WE GOT HERE

In recent years, MAC has faced substantial challenges:



Negative Net Income

Since 2023, MAC has faced losses of \$5.4 million.



Leadership Transition

The departure of our long-term CEO in 2024 created uncertainty.



Regulatory Oversight

Increased oversight due to weakness in internal controls and audits.

Taken together, these circumstances made it clear that we needed to act decisively and proactively to preserve what MAC stands for and to continue serving you well into the future.

DUE DILIGENCE

The Board initiated a formal due diligence process, engaging a CEO search firm and independent experts to assess MAC's financial and operational position. **That process identified three paths forward:**

1. Do nothing and accept the risk of federal intervention or a forced merger without member input.
2. Shrink significantly, cutting branches, reducing staff, and scaling back services.
3. **Act now by pursuing a strategic merger with the right partner.**

The Board chose the third option. Not because we had to, but because it allows us to **preserve our values and improve what we offer our members.**

Why Credit Union 1?

PARTNER ANALYSIS

Once we knew a merger was the right path, the next question was: with who? The Board hired a third-party firm to evaluate potential Alaska-based merger partners for financial strength, operational compatibility, and cultural alignment.

One institution stood out: Credit Union 1.

They are financially strong enough to take on MAC's financial challenges, retain our employees, and keep our branches open. They are large enough to offer better tools, more branches, stronger technology, and higher loan limits. But they're still small enough to be 100% focused on Alaska.

100% ALASKAN

Both CUI and MAC were founded in 1952 and built to serve Alaskans.

COMMUNITY COMMITMENT

We share a legacy of financial access, education and community impact.

SHARED VALUES

Together, we can do more for our members, employees and Alaska.

EXPANDED SERVICE

Merging strengthens our reach, expands services and increases member value.

Financial and Operational Strength

	MAC	CUI
ASSETS	\$175 MILLION	\$1.5 BILLION
PROFITABILITY (2023-2025)	\$5.4 MILLION IN NET LOSSES	\$39 MILLION IN NET PROFIT
MEMBER EQUITY (2023-2025)	23% REDUCTION	36% INCREASE
REGULATORY COMPLIANCE	INCREASED OVERSIGHT	STRONG COMPLIANCE RECORD
BRANCH NETWORK	4 BRANCHES (FAIRBANKS + MAT-SU)	15 (SOON TO BE 16) BRANCHES ACROSS AK
MEMBER BASE	20,000+ MEMBERS	95,000+ MEMBERS
EMPLOYEES	60+ EMPLOYEES	400+ EMPLOYEES

What Stays the Same

Even after the merger, you'll continue to experience **the MAC you know and trust.**

- **All MAC staff retained:** Your familiar, friendly faces will still be here. NO layoffs.
- **All existing MAC branches remain open:** Visit your branch just as you always have.
- **Personalized service continues:** The care and attention you expect won't change.
- **Fairbanks and Mat-Su remain a priority:** Our community focus stays the same.
- **Deposits remain NCUA insured:** Your money stays protected.

What Gets Better

With CUI joining MAC, members gain access to new tools, services, and opportunities while **preserving the MAC experience you value.**

- **More products and services:** Expanded options to meet your financial needs.
- **Higher lending limits:** Borrow more for homes, cars, and other goals.
- **Better digital banking and mobile tools:** Modern apps to make banking easier.
- **More ATMs and branches statewide:** Convenience wherever you are in Alaska.
- **ITMs coming to MAC branches:** Interactive teller machines for faster, flexible service.
- **Expanded community giving through CUI:** More ways to support Alaskan nonprofits and local programs.

What Happens Next?

The Board is committed to keeping members informed and involved every step of the way. **Here's what you can expect over the coming months:**



Regulatory Review

Regulators are reviewing the merger to ensure safety, compliance, and stability.



Member Vote

Once approved, a member vote will be held. Every voice counts, and you have the final say.



Transition & Support

Branches, accounts, and staff remain the same while CUI and MAC resources are gradually integrated.



Integration & Benefits

Members gain products, digital tools, and community programs while retaining everything you value about MAC.

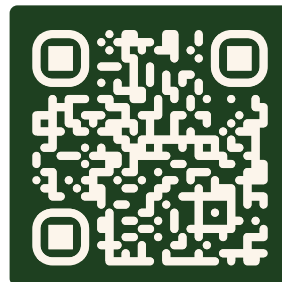
Our goal is a smooth, transparent process that **protects members and strengthens your banking experience.**

Closing Message

A partnership between MAC and CUI allows us not only to keep our staff and branches in place, but also to expand the services and resources available to you while remaining 100% Alaska-focused. Together, we will be stronger, more resilient, and better positioned to serve our members for decades to come.

The future is bright — and proudly Alaskan. We encourage you to stay engaged, continue the conversation, and make your voice heard by voting when the time comes. Thank you for being part of this important moment and for helping to shape the future of your credit union.

FAQs:



REACH OUT:

