



2023 Annual Report



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Letter from the Board Chair

➤ Carla M. Palma

Dear Fellow Members,

As many of you are keenly aware, 2023 has provided uniquely challenging economic times for our country and the world, as well as one of substantial change for USALLIANCE. With economic uncertainty driving unprecedented inflation, increased prices, and interest rates, organizations and individuals are under a great deal of stress. Financial institutions are under pressure to manage risks differently to ensure organizational soundness. I am happy to report that during 2023, USALLIANCE performed well, resulting in broader member relations and robust balance sheet growth while maintaining strong capital and liquidity positions. This demonstrates our resilience even in stressful scenarios.

Let me begin by thanking the entire USALLIANCE organization for putting in extraordinary efforts, allowing us to achieve our many objectives, and supporting our members during this past year. I am also grateful for the guidance of our board of directors. Their insights allowed us to steer through these economic conditions, punctuated by the failure of several U.S. financial institutions, while continuing to focus on the strategic imperatives of USALLIANCE.

Early in the year, we announced a CEO transition at USALLIANCE Financial. After a comprehensive search, we were delighted to introduce our new CEO and President, Harry Zhu. Harry has significant experience in the credit union industry. His outstanding track record will serve to advance our strategic objectives and long-term growth goals. Harry has wasted no time in affecting positive change at USALLIANCE, and the enthusiasm he's been met with by the team has us all looking optimistically to the future of the credit union under his leadership. We also want to take this time to thank the executive team for their excellent leadership during this transitional time.

Throughout all the trials of the past year, USALLIANCE remained committed to our members and the strategic initiatives that we achieved. These included the launch of our new digital platform, providing a best-in-class technology solution for our members that is in alignment with our broader digital strategy, as well as the strategic merger with Marriott Employees' Federal Credit Union, thereby deepening our membership base and expanding our market presence.

With a brighter macroeconomic outlook after a few difficult years and an organization re-energized by the early impact of our new President and CEO, 2024 is poised to be an impactful year for USALLIANCE and our members.

Thank you,



Carla M. Palma
Board Chair

Letter from the President & CEO

👉 Harry Zhu

Dear Fellow Members,

I am truly honored to have joined USALLIANCE as the President and CEO starting in October 2023. My first few months have been inspiring, affirming that USALLIANCE is a dynamic, forward-looking organization poised for a bright future. I am grateful for the warm welcome from the board of directors and the executive team, whose dedication has driven growth and innovation, especially during this transition period.

2023 was a year of economic challenges and uncertainties for the financial sector. For USALLIANCE, 2023 was a milestone year marked by significant growth and positive changes. Among all the significant achievements of 2023, the following three deserve notable highlights:

First, Digital Banking:

Our commitment to serving our members is one of our major strategic pillars. In the second year of a two-year member experience initiative, which started in 2021, we completed a significant overhaul of our digital banking platform in 2023. The results have been incredibly gratifying, with rapid adoption and positive feedback from our members. This success wouldn't have been possible without the hard work of our team and the invaluable feedback from our members.

Second, Marriott Employees' Federal Credit Union (MEFCU) Merger:

In 2023, we completed the largest merger in our history with MEFCU. First announced in late 2022, we worked diligently throughout the year to welcome our new Marriott members. We're proud to offer these former MEFCU members great benefits, such as direct deposit early pay, lower account fees, and a wider range of products. We're thrilled with the smooth start and look forward to a long and fruitful relationship with these new members.

Third, \$3 Billion Milestone:

Another highlight of 2023 was the credit union surpassing \$3 billion in assets. This milestone couldn't have been achieved without a committed team of employees and a diverse community of members. Our team is passionate and driven, consistently focused on doing what's right for our members. Some of our members have been with us since we began serving a group of IBM employees in 1966. It's inspiring to see how far we've come.

Looking ahead to 2024 and beyond, it's important to remember the drivers of our success: innovation, hard work, and, above all, dedication to our members. As an organization owned by and for our members, it's crucial that we keep our members at the center of everything we do. The future is bright and I am confident that with our excellent team, we will reach new heights for our members.

Thank you,



Harry Zhu
President & CEO

Get to Know the New CEO

👉 Carla Palma, Chairperson of the Board

Harry Zhu officially joined USALLIANCE on October 2, 2023 as our new President and Chief Executive Officer after an exhaustive search. Harry comes to USALLIANCE with a wealth of experience, earned over a 27-year professional history in both for-profit and not-for-profit organizations. Most recently, Harry served as the Chief Retail Lending Officer at the \$19B Alliant Credit Union in Chicago and actively serves on multiple boards and councils. Harry completed his Master of Business Administration (MBA), and both his Master of Science and Bachelor of Science in Electrical Engineering, at the University of Michigan. As a lifelong learner, he has multiple professional certifications and has continued his education through various executive education programs.

“We are delighted to welcome Harry to USALLIANCE. He is an accomplished leader with experience in driving sustainable growth and a passion for collaboration. Harry is adept at using strategic insights, understands the industry, and has the skills needed to lead USALLIANCE into a bright future as we continue our commitment to responsible growth, innovation and, most of all, member service.”



Carla M. Palma
Board Chair



Reaching \$3 Billion in Assets

In 2023, USALLIANCE crossed the \$3 billion in assets threshold. This is a significant marker for many reasons; chiefly, it signifies the strength and stability of the credit union and sets us up for continued growth. As is the case with any accomplishment of this scale, there are many people that we need to thank:



Our Leadership

Success in any organization starts at the top, and the leadership of USALLIANCE has successfully steered the organization through more than five decades of serving our members' needs. In recent years, the credit union's leadership has navigated through turbulent economic times, emerging stronger on the other side. From our board of directors to our executive team, we extend our heartfelt thanks to the USALLIANCE leadership.



Our Employees

You can't grow from a small institution serving tri-state area IBM employees to a \$3 billion, nationwide institution without an exceptional team working diligently behind the scenes. We can't say enough good about our USALLIANCE team – they come to work every day with a positive attitude and an unrivaled determination to serve our members to the best of their ability. They are truly the engine that drives USALLIANCE, and we cannot thank them enough for helping us reach this milestone.



Our Members

Last, but certainly not least, we can't mention this achievement without giving the biggest thank you to our members. Some of our members have been on this journey with us from the very beginning, and some have joined USALLIANCE this week. No matter how long you have been with us, you have been an irreplaceable part of the USALLIANCE story, and we couldn't have celebrated this landmark without your help. Thank you for being part of the USALLIANCE community, and we look forward to celebrating many more significant milestones with you!

Financial Education

At USALLIANCE, our members are our primary concern and one of the ways we support them is by providing access to financial education materials. Financial education is crucial to making the most of your money, and we all know how important that is! We offer financial education tips, resources, and articles through various channels, including our website, emails, and social media channels to reach as many of our members as we possibly can.

Members can find financial education content in the Financial Education Center on our website, our blog, the USALLIANCE monthly newsletter, and our social media channels. Members are encouraged to subscribe to the blog and newsletter, and to follow us on social media to keep up to date with all the financial education tips, resources, and content that USALLIANCE shares.

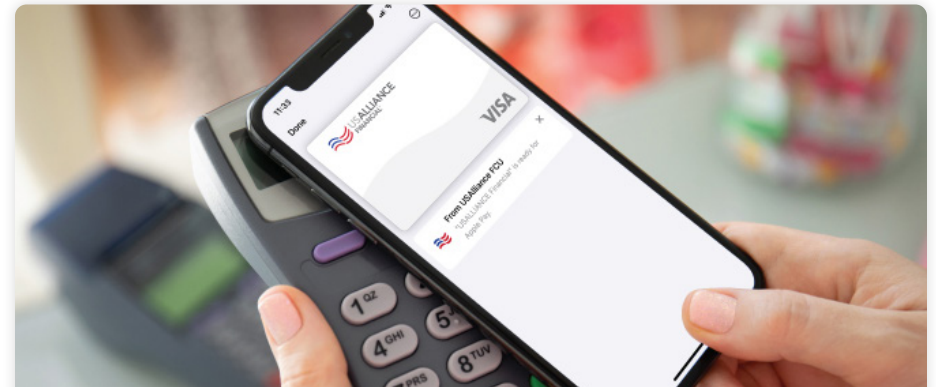
Most Popular Financial Education Articles:



[7 Simple Steps to Start Saving](#) ➔



[The Benefits of Having a Checking Account](#) ➔



[The Benefits Of Using Mobile Payments](#) ➔

People Reached in 2023: **10,949,400**

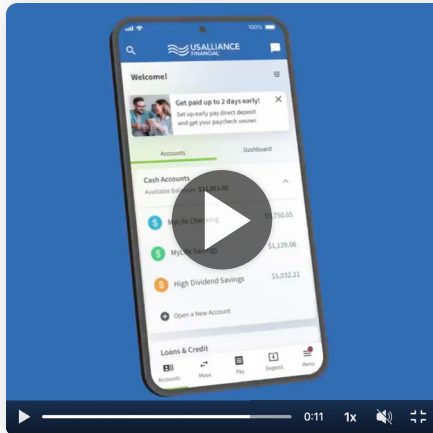
Social Media Spotlight

We love connecting with our members, and our social media presence at USALLIANCE allows us to engage with many of them! Across all our platforms, we share news, financial education content, security tips, financial resources, rate updates, and much more with our community of members. Follow us on Facebook, LinkedIn, X, and Instagram to stay updated with the latest from USALLIANCE!

People Reached in 2023:

10,949,400

Our Most Popular Posts:



LinkedIn

Coming soon! Digital banking that delivers convenience, personalization, and security wherever you are.

[See LinkedIn post](#) ➔



Instagram

Happy National Dog Biscuit Day! Get your pet a special treat today, and don't forget to stop into some of our participating branches for a dog biscuit on us!

[See Instagram post](#) ➔



Facebook

Join our team! We are searching for highly motivated individuals who want to make a difference to join the USALLIANCE Financial team!

[See Facebook post](#) ➔



X

Equip your teenager with essential financial knowledge and help teach them accountability with a USALLIANCE MyLife Checking for Teens Account.

[See X post](#) ➔

USALLIANCE in the News

Media mentions from 2023:



1,180+ media mentions



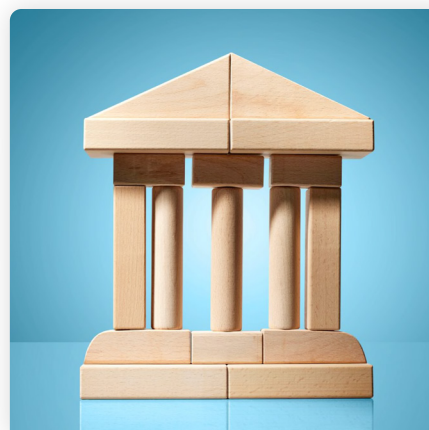
3.9 billion in potential reach



Credit Union Times

Harry Zhu Selected as CEO for USALLIANCE

[Read Article](#)



BuySide - from WSJ

The Best Savings Accounts for Kids and Teens

[Read Article](#)



CBS News

5 CDs with rates over 4.5% APY (and no penalties)

[Read Article](#)

Supervisory Committee Report

The Supervisory Committee is an independent body, appointed by the Board of Directors, which has the responsibility to ensure that the financial statements accurately and fairly present the financial condition of the Credit Union and that management practices and procedures safeguard the member's assets.

To accomplish our goals, the Committee engages both internal auditors and an independent public accounting firm to audit the consolidated financial statements. Internal audit findings, recommendations, and management responses are reviewed by the Supervisory Committee and presented to the Board of Directors. To ensure the consolidated financial statements fairly represent the Credit Union's financial position, the Supervisory Committee retained the services of the certified public accounting firm of Doeren Mayhew, to perform an audit in accordance with Generally Accepted Accounting Principles and to express an opinion on the fairness of the consolidated financial statements. Their audit report, which contained an unqualified opinion, dated February 26, 2024, confirmed the Credit Union's consolidated financial statements for 2023 were materially correct and presented in conformity with Generally Accepted Accounting Principles.

For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754 or email your request to memberservices@usalliance.org.



Chanel V. Smith
Supervisory Committee Chair



Statement of Income

All data as of December 31, 2023 & December 31, 2022

	2023	2022
Interest Income		
Loans to members	\$137,902,597	\$95,359,478
Investments and cash equivalents	13,140,919	3,827,050
Total Interest Income	\$151,043,516	\$99,186,528
Interest Expense		
Members' shares and savings accounts	\$55,486,165	\$18,854,106
Borrowed funds and subordinated debt	15,262,664	10,046,563
Total Interest Expense	\$70,748,829	\$28,900,669
Net Interest Income	\$80,294,687	\$70,285,859
Provision for credit losses	15,620,456	3,348,835
Net Interest Income After Provisions for Credit Losses	\$64,674,231	\$66,937,024
Non-Interest Income		
Fees and charges	\$7,319,656	\$6,355,312
Interchange income	3,881,557	4,437,103
NCUA distributions	--	1,113,215
Other Income	1,118,852	6,195,265
(Loss)/Gain on Sale of Loans	31,137	(5,473,688)
Total Non-Interest Income	\$12,351,202	\$12,627,207
Non-Interest Expenses		
Compensation and benefits	\$31,074,396	\$27,555,083
Office operations	12,559,461	8,797,335
Loan servicing	5,636,957	5,808,401
Office occupancy	2,762,561	2,489,372
Other expense	2,417,011	833,723
Advertising costs	3,226,465	3,335,840
Total Non-Interest Expenses	\$57,676,851	\$48,819,754
Net Income	\$19,348,582	\$30,744,477

Net Income

2023	\$19,348,582
2022	\$30,744,477
2021	\$30,178,465

The graphs accompanying the Statement of Financial Condition are unaudited. The consolidation of lines on the statements of financial condition and income may differ from the presentation format in the audited financial statements. For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754, or email your request to memberservices@usalliance.org.

Statement of Financial Condition

All data as of December 31, 2023 & December 31, 2022

Assets	2023	2022
Cash and cash equivalents	\$222,840,169	\$191,145,076
Automated Clearing House (ACH) receivable	11,531,952	10,602,825
Interest bearing deposits	8,302,867	1,000,000
Available-for-sale investments	6,609	13,251
Federal Home Loan Bank (FHLB) stock	24,419,300	20,970,000
Central Liquidity Facility (CLF) stock	5,610,294	4,404,215
Loans to members, net of allowance for loan losses	2,710,092,891	2,379,465,200
Accrued interest receivable	14,451,144	11,788,897
Prepaid and other assets	70,959,303	63,167,643
Property and equipment, net	4,499,283	3,052,713
National Credit Union Share Insurance Fund (NCUSIF) deposit	20,914,891	17,864,738
Total Assets	\$3,093,628,703	\$2,703,474,558

Total Assets	
2023	\$3,093,628,703
2022	\$2,703,474,558
2021	\$2,230,007,240

Liabilities and Members' Equity

Liabilities:

Members' shares and savings accounts	\$2,324,646,336	\$2,019,253,926
Borrowed funds	500,531,023	429,975,937
Subordinated debt	17,000,000	18,000,000
Accrued expenses and other liabilities	41,506,270	33,084,648
Total Liabilities	\$2,883,683,629	\$2,500,314,511

Members' Equity:

Undivided earnings	\$212,759,693	\$207,608,227
Accumulated other comprehensive loss	(2,814,619)	(4,448,180)
Total Members' Equity	\$209,945,074	\$203,160,047






Total Liabilities and Members' Equity	\$3,093,628,703	\$2,703,474,558
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The graphs accompanying the Statement of Financial Condition are unaudited. The consolidation of lines on the statements of financial condition and income may differ from the presentation format in the audited financial statements. For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754, or email your request to memberservices@usalliance.org.

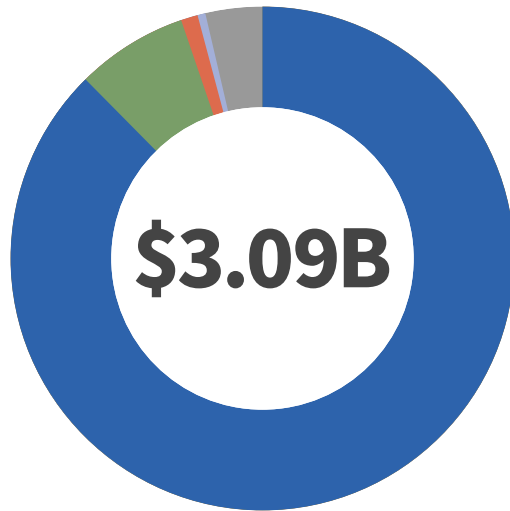
Statement of Financial Condition (cont.)

All data as of December 31, 2023







Assets

	Loans	\$2,710,092,891
	Cash	\$222,840,169
	Investments	\$38,339,070
	Property & Equipment	\$4,499,283
	Other	\$117,857,290

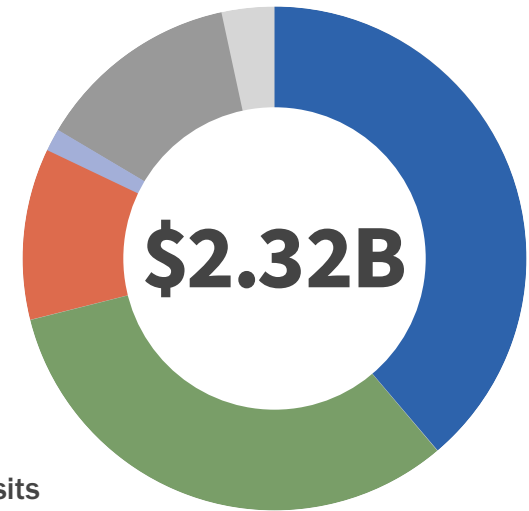
Total Assets: \$3,093,628,703








Member Savings

	Certificates	\$901,682,795
	Shares	\$749,948,337
	Checking	\$256,257,044
	Money Market	\$34,396,526
	Non-Member Deposits	\$305,048,008
	Retirement	\$77,313,626

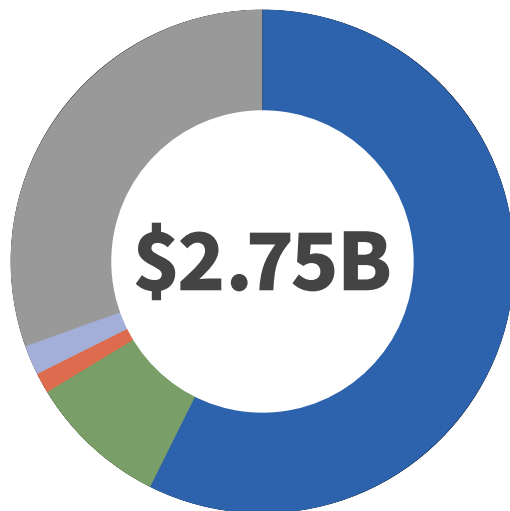
Total Member Savings: \$2,324,646,336



Loans to Members

	Real Estate	\$1,546,516,358
	Vehicle	\$271,446,771
	Credit Cards	\$36,515,325
	Commercial	\$53,314,325
	Other	\$838,404,105

Total Loans to Members: \$2,746,196,884



Volunteers

Board of Directors

Board Chair

Carla M. Palma

Vice Chair

Ronald M. Quagliani

Secretary

Shaun M. Pasquale

Treasurer

William H. Lusk

Directors

Ellen R. Dulberger

Arthur G. Kentros

Nancy R. Rossi

Associate Directors

Thaddeus J. Shepherd

Todd S. Paschke

Directors Emeritus

Peter H. Staley

Supervisory Committee

Members

Paul J. Gravenese

Carl A. Itoka

Michelle J. Royster

Chanel V. Smith

Management Team

Executive Team

CEO & President

Harry Zhu

CSIO & Executive Vice President

Kevin A. Randall

CFO & Executive Vice President

Brett J. Wheeler

CLO & Executive Vice President

Alexander Schmidt

CHRO & Executive Vice President

Christine D. Prunier

Vice Presidents

Accounting & Finance

Beverly Tuma

Audit & Fraud Risk

Michael Duffy

Compliance & Risk Management

Denise M. Enlund

Financial Assistance & Servicing

Erica Potter

Human Resources & Talent Development

Patrizia Tesman

Information Technology

Tony Vo

Marketing & Digital Experience

Sara White

Member Services

Deanna Rasco

Vice Presidents (continued)

Payment Operations

Felecia Hudson

Real Estate

Sean Hagan

Specialty Consumer Lending

Joel Brewer

USA Specialty Lending

Bill Allen

Directors

Coral Labs, Implementations

Mackie Connell

Coral Labs, Innovation & Technology

Daniel O'Brien

Cyber Security/ISO

Joshua Polick

Regulatory Compliance

Adam Faria

USA Specialty Lending

Charles Dunn

USALLIANCE Financial

Branch Locations

Connecticut

West Haven, VA Hospital

950 Campbell Avenue, Building 5

Restricted Access

West Haven

1 Atwood Place

Massachusetts

Medford

71 Station Landing

New Jersey

Wayne

1 Corporate Drive

New York

Bronx

20 East 179th Street

Napanoch, Walmart

7500 Route 209

Port Chester

555 Boston Post Road

Purchase, PEPSICO

700 Anderson Hill Road

Restricted Access

Woodbourne

390 Route 52

ATMs & Shared Branches

As a member of USALLIANCE, you have access to more than 30,000 surcharge-free ATMs, as well as more than 5,600 shared branch facilities nationwide.

Find one near you: www.usalliance.org/about-us/atm-branch-locator

9 USALLIANCE Branches

30,000 Surcharge-Free ATMs

5,600+ Shared Co-op Branches

Digital Banking

USALLIANCE Mobile App



Our digital banking platform delivers convenience, personalization, and security wherever you are directly from your mobile device with the USALLIANCE app. Download the app from the Apple® App Store® or on Google Play™.**



** Apple is a trademark of Apple Inc., registered in the U.S. and other countries and regions.

App Store is a service mark of Apple Inc.





Google Play and Android are trademarks of Google LLC.

Branch location data as of May 1, 2024

Contact Us

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Rye, NY 10580-1426

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