



2020 ANNUAL REPORT

CONTENTS

Board Chair Letter	3
--------------------	---

CEO Letter	4
------------	---

6 DIFFERENCE MAKERS

7 CORAL LABS

8 LIVE LIFE FULLY FOUNDATION

Supervisory Committee Report	9
------------------------------	---

Statement of Income	10
---------------------	----

Statement of Financial Condition	11
----------------------------------	----

Volunteers and Management Team	13
--------------------------------	----

Branch Locations	14
------------------	----

Contact Us	15
------------	----



RISING TO THE CHALLENGE

Looking back at 2020, the word that comes to mind is challenging. It was certainly a very challenging year for our members, our communities, and our families and friends. The coronavirus pandemic affected each and every one of us.

I am proud to say that the USALLIANCE team rose to the challenges of 2020, and in difficult circumstances, we overcame and even thrived in some areas. Early on in the year, when so much was uncertain, the Board and Management took action to ensure that no matter what, we would continue to provide our members with the services and support needed to make it through the difficulties that lay ahead.

As an organization, USALLIANCE swiftly adapted to a remote work style, guaranteeing we could continue to serve our members efficiently and effectively. The dedicated members of our Member Services and Branch teams stepped up to the plate to execute creative and innovative ways to assist our members for the banking business that could not be done remotely.

As a result of our efforts last year, we saw the difference we can make in our members' lives. Through the launch of our Financial Hardship Program, we were able to assist over 1,000 members who were severely impacted financially by the COVID-19 pandemic.

We were able to save our members thousands of dollars with a record year of approved mortgage refinances thanks to the great rates we were able to offer. And finally, we founded the Live Life Fully Foundation, a long-time goal of the Board to establish a Charitable foundation focused on financial inclusion and wellness.

As we look ahead, our plans are to carry on supporting our members and their communities with an emphasis on growth in our services and improvements in our technology. Being a cooperative that's solely for its membership is foundational for USALLIANCE and a guiding principle for the way we have and will operate. We expect our growth to include collaborations and partnerships with organizations that share our values.

As always, I want to extend a heartfelt thank you to our entire member community for allowing us the privilege of providing you the banking solutions that let you live life fully. To our staff and volunteers, thank you for going above and beyond each day for our members. We have proven that together, we can rise above the challenges that come our way and continue to make a difference in our members' financial lives.

Sincerely,



Simon R. Walton
Board Chair

COMING TOGETHER TO MAKE A DIFFERENCE

A year unlike any other, 2020 was defined by the ability to overcome, adapt, and work together (while staying apart). It was filled with turbulent times, uncertainty, and intensified stress levels through the pandemic and economic issues, not to mention the polarizing views highlighted across our country. Despite all this adversity, the USALLIANCE family was able to pull together and move forward, becoming a light for our members and a much-needed source for stability and a sense of community. Which, at its root, isn't this what a credit union is all about?

I'm particularly proud that we were able to react quickly and make a successful pivot to remote operations almost immediately. Early in the pandemic, while other financial institutions seemed to be struggling with the basics of video calls, remote workstations, and log-in credentials, we were focused on moving forward. We made the pivot to a virtual work environment and shifted focus from overcoming obstacles to making improvements, optimizing processes, and making steps towards building a virtual substitute for the close community environment we have become accustomed to as an organization.

Our members increased utilization of many of our product features, and we redesigned many aspects of our operations to serve our members best, as safely as possible. For instance, we leveraged positions with remote flexibility to maintain an agile workplace and focus on adaptation and improvements. Member use of our electronic services increased within a matter of days, and check deposits through our mobile app doubled over a matter of weeks in early March and April. On a management level, we were able to take several steps to strengthen our financial position and ensure continued financial strength.

Going above and beyond is not a new concept to the team members here at USALLIANCE. However, I must say that our staff really pulled out all the stops when it came down to it.

Early on, our Financial Assistance team designed and implemented a COVID Hardship Relief Program, which granted us the ability to provide personalized assistance to our members based on individual needs. We could give grace to those who truly needed it through this program, allowing our members to remain on their feet when the world pulled the rug out from under them.

Our USA Specialty Lending team created a business lending program in a matter of days to originate Paycheck Protection Program loans and support our member businesses that were struggling due to the pandemic. Of course, our Member Services team was all hands on deck assisting our members. Countless hours were spent by our team helping our members adapt to utilizing our electronic services and supporting our members in all aspects of their banking matters.

Despite the odds of an impossible year, we were able to take some significant steps forward on strategic initiatives. We were able to "break ground" on our first charitable foundation. What began almost eight years ago in 2012 finally came to life when we established the Live Life Fully Foundation as a corporate entity and recognized by the IRS with non-profit status. Now the real work begins as we come together and focus on our mission of providing opportunity, financial literacy, and a path to relief for people seeking financial wellness.

Letter from the CEO & President (cont.)

In addition to the Foundation, we established Coral Labs, USALLIANCE's first "Innovation Lab." At Coral Labs, our goal is to seek mission-aligned partnerships committed to challenging the way we think about banking. The team at Coral Labs focuses on using innovation & technology to level the playing field for people of all economic strata when it comes to access to top-of-the-line financial products and solutions.

Through Coral, we launched Dora Financial, a solution poised to become the first cooperative neo-credit union, powered by the credit union movement, focused on reducing racial and economic disparities in banking. Dora provides a path to financial security and asset building with an all-digital, bi-lingual banking experience backed by the cooperative community. I have a feeling, ten years from now, we will look back at Dora being born out of the Global Pandemic, amid a humanitarian and economic crisis, and during a time of massive social unrest and say "wow." We were able to come together and launch a truly unique, innovative product that really filled a need for our community. I feel confident in saying that Dora Financial, whose namesake is inspired by Dora Maxwell, a co-op pioneer who helped charter hundreds of credit unions in the Northeast and the Midwest United States, will change how people bank with credit unions.

Closing out 2020, I am happy to report that we crossed the \$2 billion asset milestone and entered 2021 as a multi-billion-dollar cooperative financial institution. We remained a healthy and growth-oriented organization and maintained our commitment to our members in a safe, secure manner.

With 2020 in the rear-view mirror, 2021 will continue as another year of change and adaptation. We intend to shift focus back to supporting broad, economic growth by implementing process improvements, building new product enhancements, and

offering the best competitive rates for our members. We will, of course, continue to prioritize the ever-changing needs of our members and look to revitalize and transform our branches based on the lessons we learned in 2020.

One thing I am particularly excited about is always increasing our commitment to our cooperative values and putting a spotlight on assisting the portion of our membership in a challenging financial situation, providing help and hope for these members.

I want to end by sharing the immense pride and gratitude I have for the team members here at USALLIANCE Financial. In a year that was anything but expected, we offered our best and made that difference for our members. I truly feel blessed for the opportunity to work with a group of sincerely amazing folks who are always willing to go above and beyond for our members and their coworkers every day.

In the end, I think the most remarkable thing about ending this year is that we are hitting 2021 with solid momentum. The truth is, I can't remember a year where we have been better positioned for success in the upcoming years. I'm hopeful that we will continue to grow, evolve, and thrive in 2021.

Sincerely,



Kris P. VanBeek
CEO & President

DEPARTMENT HIGHLIGHT: FINANCIAL ASSISTANCE

The Financial Assistance department works with members whose accounts are facing delinquency and provide guidance to getting back on track. In early 2020 they designed and implemented a financial hardship program to assist members through the financial troubles brought on by the COVID-19 Pandemic. Through this program, they worked closely with members in hopes to rebuild and stabilized their financial positions and obligations.

COVID-19 HARDSHIP PROGRAM



1,098

Loans assisted



75%

of all loans out of deferment
or paid off

The summary of loans assisted or out of deferment in 2020 is unaudited. 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.

This department has made a lasting impact on members lives and financial futures. A few testimonials below:

“Thank you for not proceeding on foreclosure on our mortgage. This ordeal has been both financially, mentally and emotionally devastating for my husband and I. **Thank you and USALLIANCE for all your patience with our mortgage.**”

– **Robert** • Member Since 2008

“I just have to say that the contrast between USALLIANCE and the major bank with which I work on my mortgage is night and day. While the bank has done nothing but give me the runaround and made me jump through hoops, **USALLIANCE has been extremely courteous and helpful, and frankly have been quite refreshing to work with.** I feel that you, in particular, have gone above and beyond to see this through to a satisfactory and painless resolution, and having worked as a customer service manager, I really have to commend your obvious commitments to clear communication, tenacity, and general customer experience”

– **Michelle** • Member Since 2016

“I wanted to thank you for helping out with the Forbearance for the last 3 payments it was a **lifeline** & with no income the last few months a **real life saver. Thank you for that.**”

– **Stephen** • Member Since 2012

“**I just wanted to write to let you know how much I truly appreciate your support.** With the closing of my most recent HELOC, I had considered closing my checking and savings account with USALLIANCE as well; however, in light of your remarkable customer service, it swayed me to keep those accounts open because **it is important to me to engage with a financial institution that clearly supports its customers,** so I look forward to continued business with USALLIANCE in the future.”

– **Natalie** • Member Since 1998

A Step Towards Innovation



Established in early 2020, Coral Labs is our first Innovation Lab. At Coral Labs, our goal is to seek out partnerships with institutions who are committed to challenging the way we think about banking.

Coral Labs

FUNDAMENTAL GOALS



Strategic Partnerships

Collaborating with like-minded institutions to achieve common objectives



Financial Inclusion

Providing everyone access to top-of-the-line financial products and solutions



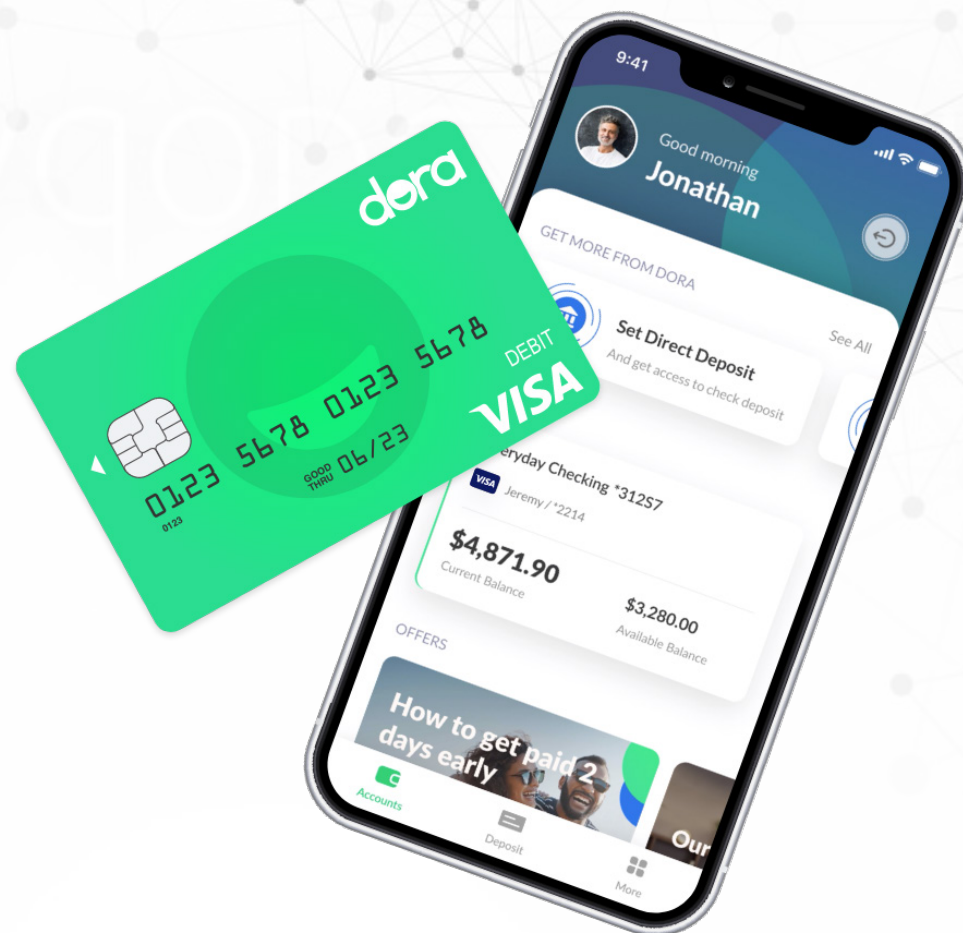
Creative Innovation

Challenging the way we think about banking to invent novel solutions

Recent Developments from Coral Labs

DORA FINANCIAL

Poised to become the first cooperative neo-credit union, powered by the credit union movement, focused on reducing racial and economic disparities in banking. Dora provides a path to financial security and asset building with an all-digital, bilingual banking experience.



Our 2020 Charitable Initiative



In 2020, USALLIANCE launched our first charitable organization, the Live Life Fully Foundation. Within this foundation, we aim to create a platform where our members and their surrounding communities have equal access to financial opportunities, community support, and financial education to help them achieve economic self sufficiency.

Our Mission

To provide opportunity, financial literacy, and a path to relief for people seeking financial wellness.

Our Vision

To create a platform where our members and their surrounding communities have equal access to financial opportunities, community support, and financial education to help them achieve economic self sufficiency.

Live Life Fully Foundation CORE VALUES



facebook.com/livelifefullyfoundation



@LLFFInc



@livelifefullyfoundation

Equity

We strive for fair and equal access to financial opportunities with a primary focus on those who fall into the financially vulnerable population.

Inclusiveness

We practice and champion inclusiveness in our community. We honor the diverse strengths, needs, voices, and backgrounds of all members of our community.

Community

We provide a sense of community and support to individuals impacted by the daily stress, economic struggles, and chaos of modern life.



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 March 10, 2021, confirmed the Credit Union's consolidated financial statements for 2020 were materially correct and presented in conformity with Generally Accepted Accounting Principles.



Nancy R. Rossi

Supervisory Committee Chair

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 INCOME

All data as of December 31, 2020 & December 31, 2019

INTEREST INCOME	2020	2019
Loans to members	\$69,501,784	\$73,550,843
Investments and interest bearing deposits	1,943,414	4,436,151
TOTAL INTEREST INCOME	\$71,445,198	\$77,986,994
INTEREST EXPENSE		
Members' shares and savings accounts	\$17,418,668	\$19,690,487
Borrowings	9,052,969	8,875,025
TOTAL INTEREST EXPENSE	\$26,471,637	\$28,565,512
NET INTEREST INCOME	\$44,973,561	\$49,421,482
Provisions or loan losses	\$11,079,000	\$6,830,000
NET INTEREST INCOME AFTER PROVISIONS FOR LOAN LOSSES	\$33,894,561	\$42,591,482
NON-INTEREST INCOME		
Fees and charges	\$5,969,624	\$7,171,815
Interchange income	3,058,882	3,109,438
Gain on sale of Visa® stock	--	1,660,894
Other income	758,249	952,081
Gain on sale of loans	1,375,335	489,885
TOTAL NON-INTEREST INCOME	\$11,162,090	\$13,384,113
NON-INTEREST EXPENSES		
Compensation and benefits	\$21,471,006	\$22,726,991
Office operations	8,155,701	8,837,590
Office occupancy	3,248,257	3,319,938
Other expense	1,131,562	3,204,792
Loan servicing	1,882,030	2,173,815
Advertising costs	632,167	654,135
TOTAL NON-INTEREST EXPENSES	\$36,520,723	\$40,917,261
NET INCOME	\$8,535,928	\$15,058,334

NET INCOME

2020 \$8,535,928

2019 \$15,058,334

2018 \$13,175,919

The graphs accompanying the Statement of Income are unaudited. 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, 2020 & December 31, 2019

ASSETS

	2020	2019
Cash and cash equivalents	\$141,416,123	\$130,138,871
ACH receivable	15,462,035	12,831,600
Interest bearing deposits	2,100,000	3,556,000
Available-for-sale investments	5,225,436	16,273,356
Federal Home Loan Bank (FHLB) stock	15,703,400	14,486,500
Central Liquidity Facility (CLF) stock	3,525,818	3,057,815
Loans to members, net of allowance for loan losses	1,763,994,988	1,605,037,223
Accrued interest receivable	7,200,075	5,532,633
Prepaid and other assets	20,700,900	23,728,058
Split-dollar life insurance (SDLI)	7,717,435	7,469,099
Credit union owned life insurance (COLI)	15,912,207	7,620,223
Property and equipment, net	2,832,004	2,776,063
NCUSIF deposit	12,265,156	11,360,519
TOTAL ASSETS	\$2,014,055,577	\$1,843,867,960

TOTAL ASSETS

2020	\$2,014,055,577
2019	\$1,843,867,960
2018	\$1,701,300,475

LIABILITIES AND MEMBERS' EQUITY

Liabilities:

Member and non-member shares and deposits	\$1,515,194,387	\$1,372,661,942
Borrowings	315,000,000	295,000,000
Uninsured secondary capital	18,800,000	19,200,000
Accrued expenses and other liabilities	21,581,422	21,756,805
TOTAL LIABILITIES	\$1,870,575,809	\$1,708,618,747

Members' equity:

Regular reserve	\$17,582,100	\$17,582,100
Undivided earnings	129,103,185	120,567,257
Accumulated other comprehensive loss	(3,205,517)	(2,900,144)
TOTAL MEMBERS' EQUITY	\$143,479,768	\$135,249,213

TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,014,055,577	\$1,843,867,960
--	------------------------	------------------------

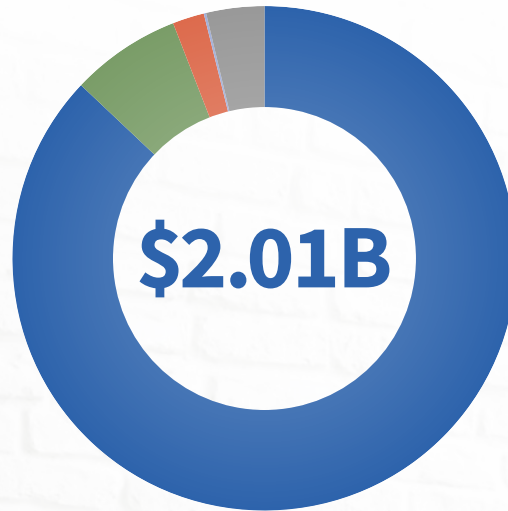
The graphs accompanying the Statement of Financial Condition are unaudited. For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754, or email your request to memberservices@usalliance.org.

STATEMENT OF FINANCIAL CONDITION (cont.)

All data as of December 31, 2020

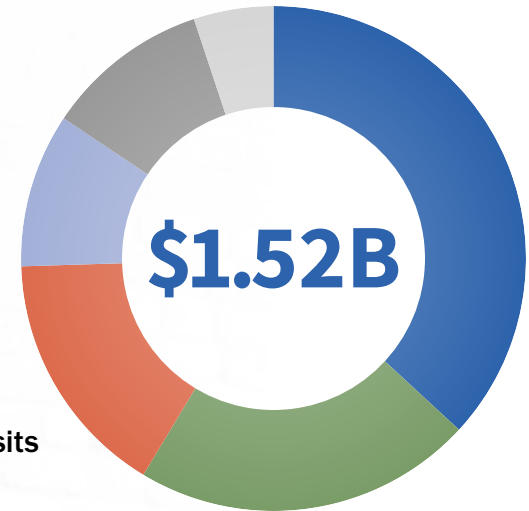
ASSETS

Loans	\$1,763,994,988
Cash	\$141,416,123
Investments	\$26,554,654
Property & Equipment	\$2,832,004
Other	\$79,257,808



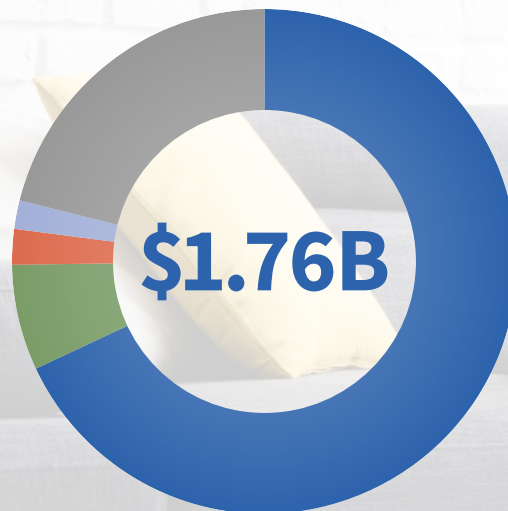
MEMBER SAVINGS

Certificates	\$523,720,265
Shares	\$331,807,601
Checking	\$268,569,325
Money Market	\$126,187,672
Non-Member Deposits	\$199,607,977
Retirement	\$65,301,547



LOANS TO MEMBERS

Real Estate	\$1,193,553,430
Vehicle	\$140,035,039
Credit Cards	\$30,216,099
Commercial	\$22,522,727
Other	\$398,692,223



The graphs accompanying the Statement of Financial Condition are unaudited. 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.

Volunteers

BOARD OF DIRECTORS

Chair

Simon R. Walton

Vice Chair

Ronald M. Quagliani

Secretary

Ellen R. Dulberger

Treasurer

William H. Lusk

Directors

Judith A. Brandt

Carla M. Palma

Nancy R. Rossi

Darren E. Smith

Peter H. Staley

Associate Directors

Arthur G. Kentros

Shaun M. Pasquale

Directors Emeritus

George Barto

James R. Collins

Thomas F. McCormick

John Murphy

Alan L. Stuart

SUPERVISORY COMMITTEE

Chair

Nancy R. Rossi

Members

Paul J. Gravenese

Arthur G. Kentros

Shaun M. Pasquale

Management Team

EXECUTIVE TEAM

CEO & President

Kris P. VanBeek

CIO & Executive Vice President

Kevin A. Randall

CFO & Senior Vice President

Brett J. Wheeler

COO & Senior Vice President

Stephanie Hyles

VICE PRESIDENTS

Accounting & Finance

Beverly Tuma

Compliance & Risk Management

Denise M. Enlund

Digital Marketing

John Billings

Human Resources

Raksha Shirali

Member Services

Deanna Rasco

Real Estate & Specialty

Consumer Lending

Alexander Schmidt

DIRECTORS

Cyber Security/ISO

Joshua Polick

Financial Assistance

Erica Potter

IT Application Support

Tony Vo

Specialty Lending

Eric Craig

ASSISTANT VICE PRESIDENTS

Audit & Risk

Michael Duffy

Human Resources

Marion T. Murphy

Information Technology

Shireen Shen

Marketing

Sara White

Member Services

Shannon Tobin

Operations Support

Felecia A. Hudson

USALLIANCE Financial

BRANCH LOCATIONS

CONNECTICUT

West Haven, VA Hospital
950 Campbell Avenue, Building 5

West Haven
1 Atwood Place

MASSACHUSETTS

Cambridge
1960 Massachusetts Avenue

Malden
1032 Eastern Avenue

Medford
71 Station Landing

NEW JERSEY

Wayne
1 Corporate Drive

NEW YORK

Bronx
20 East 179th Street

Hopewell Junction
2531 Route 52

Napanoch, Walmart
7500 Route 209

New York City
350 West 31st Street

Port Chester
555 Boston Post Road

Purchase, PEPSICO
700 Anderson Hill Road
Restricted Access

Woodbourne
390 Route 52

Mobile Banking

USALLIANCE MOBILE APP



Our mobile app gives you access to all of our online banking features directly from your mobile device. Download the USALLIANCE 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.

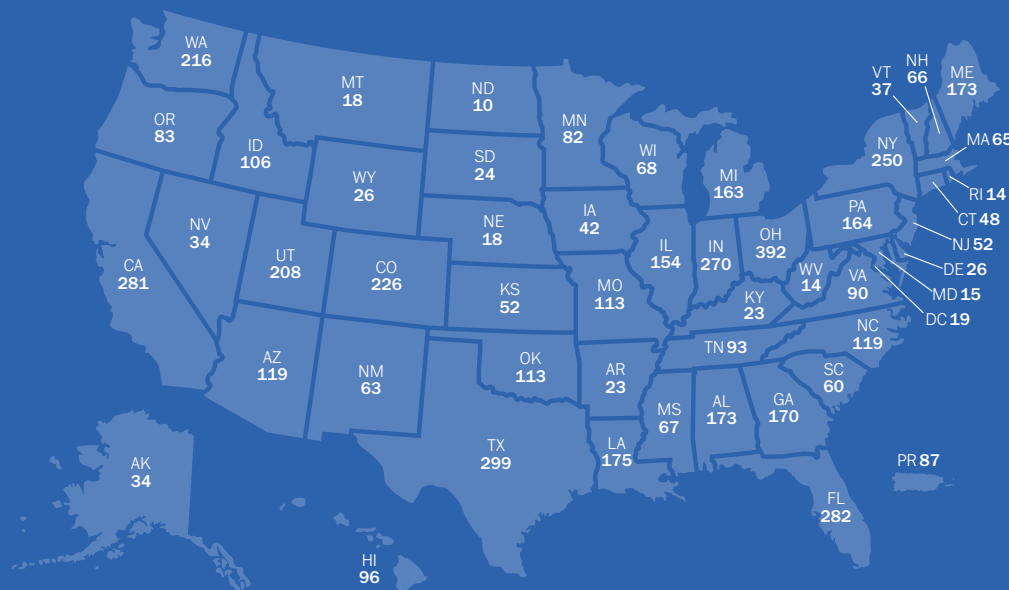
Google Play and Android are trademarks of Google LLC.

Map Source: Co-op Financial Services | www.co-ops.org

USALLIANCE Branches **13**

Surcharge-Free ATMs **30,000**

Shared Co-op Branches **5,600+**



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

Online Banking

Check your balance, view your transaction history, transfer funds, pay bills, and more—all with the click of a button.

Enroll today: www.usalliance.org/enroll

USALLIANCE Financial

CONTACT US



www.usalliance.org



+1 (800) 431-2754

Call or Text



memberservices@usalliance.org



Live Chat at www.usalliance.org



411 Theodore Fremd Avenue, Suite 350
Rye, NY 10580-1426

FOLLOW US



facebook.com/usalliance



[@usallianceFCU](https://twitter.com/usallianceFCU)



[@usalliance](https://www.instagram.com/usalliance)



Federally insured by NCUA | Equal Housing Lender
©2021 USALLIANCE Federal Credit Union. All rights reserved.

05-01-21-0017