

Alliant's 2007 performance – consistent, strong and boring



David W. Mooney
President/CEO

Sometimes, predictability can be boring. But, when it comes to consistently delivering impressive results for Alliant's members, I see our predictability as an exciting strength.

Despite the current turmoil in financial markets, which has resulted in large losses for many financial companies, Alliant's performance remains predictably strong. Most importantly, you – our member owners – continue to enjoy superior value and record levels of satisfaction with your credit union.

In fact, Alliant provided over \$166 million in direct financial benefits to members in the 12 months ended September 2007, according to a Credit Union National Association (CUNA) analysis. CUNA compared Alliant's rates and fees to those of U.S. banks and demonstrated the significant savings members enjoy by doing business with us rather than a bank (in terms of higher dividends earned on deposits, fewer and lower fees, and lower interest rates on loans). Because of this significant savings, Alliant in 2007, again, predictably, ranked in the top 1% of credit unions nationally in "giveback" to members.

Despite several Federal Reserve interest rate reductions, Alliant's savings and Certificate rates remain among the very highest available in the market.

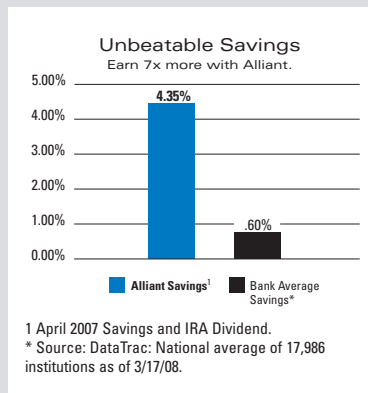
Members also continue to benefit from our "everyday low loan rates." Despite tough conditions in the housing and mortgage markets, we made over \$740 million in new loans to members during 2007, an increase of 13%. And, as always, we continued to avoid subprime lending and other questionable practices that have hurt so many lenders and borrowers. The result: our robust financial position enables us to continue making sound loans at attractive rates.

Alliant also continues to rank in the top 1% of credit unions in expense efficiency, thanks to our low-cost operating model and ingrained spending discipline. We remain committed to manage risk carefully, eschewing short-term gains at the expense of long-term performance and continued industry-leading "giveback" to members.

At Alliant, we believe this kind of consistency is far from boring. Indeed, it's a virtue. A virtue that you – and all our members – deserve to enjoy.

Alliant Board of Directors

Lyle U'ren <i>Chairperson</i>	Patricia Mash <i>Vice Chairperson</i>	Lee Schafer <i>Asst. Secretary</i>	Marc Krohn Scott Praven
David W. Mooney <i>President/Treasurer</i>	Bill Byrne <i>Secretary</i>	Laurene Bentel Lynn Hughitt	Jenny Wong Amos Kazzaz



Our new web site has you written all over it

Check out www.alliantcreditunion.org today. It features a redesign – with you in mind.

We're committed to providing you a best-in-class, user-friendly web site. And, when all is said and done, our commitment is all about you, providing a place for you on the Internet that is:

- Easy and fast for you to get the information you want (with a Google-powered search engine)
- Helpful to you in making smart and informed financial decisions
- Useful in enabling you to take full advantage of Alliant's products and services – to quickly compare products, rates and fees – and to apply online

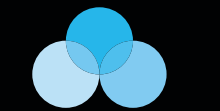


Spend a little "you" time at www.alliantcreditunion.org today

<p>Office Closings Alliant will be closed in observance of the following holiday:</p> <p>Memorial Day – Monday, May 26 For your convenience, SkyBranch®, SST and ATMs will be available.</p>	<p>Self Service Telephone (SST) 773-462-2100, 800-482-5328 24-hour account access</p> <p>Alliant TeleCenter 800-328-1935 TDD/TTY 773-462-2300 24/7 personal account access</p> <p>VISA® ATM/Check Card Lost/Stolen: 800-328-1935 After Hours: 866-861-5411</p> <p>VISA® Gift Card Purchase: 800-328-1935 Support Center: 866-466-2362</p>	<p>VISA® Credit Cards To speak to a Alliant rep: 800-328-1935, x2302 Mon–Fri, 7am–5pm CT After Hours: 866-444-8529 Lost/Stolen: 866-839-3485</p> <p>Mortgage Hotline 800-365-7003 Mon–Th, 7:30am–7pm CT Fri, 7:30am–5pm CT</p> <p>Auto/Home Insurance 888-380-9287 Mon–Fri, 6am–10pm CT Sat, 6am–8pm CT</p>	<p>BALANCE Financial Fitness 888-456-2227 Mon–Th, 5am–8pm PT Fri, 5am–5pm PT Sat, 8am–5pm PT</p> <p>Alliant Headquarters 11545 W. Touhy Avenue Chicago, IL 60666</p> <p>NEW! Deposits/Payments P.O. Box 60050 City of Industry, CA 91716-0050</p> <p>All Other Correspondence P.O. Box 66945 Chicago, IL 60666-0945</p>
--	---	--	---

For more information visit: www.alliantcreditunion.org

<p>financial update</p> <table border="1"> <thead> <tr> <th></th> <th>2008</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>Net Assets</td> <td>\$4,617,598,984</td> <td>\$4,363,875,742</td> </tr> <tr> <td>Total Loans</td> <td>\$2,640,950,304</td> <td>\$2,341,349,185</td> </tr> <tr> <td>Total Deposits</td> <td>\$3,956,326,856</td> <td>\$3,710,828,379</td> </tr> <tr> <td>Total Reserves</td> <td>\$625,655,775</td> <td>\$607,036,479</td> </tr> <tr> <td>Total Primary Members</td> <td>212,781</td> <td>207,459</td> </tr> </tbody> </table> <p>ALLIANT credit union 11545 W. Touhy Avenue Chicago, IL 60666 www.alliantcreditunion.org</p>		2008	2007	Net Assets	\$4,617,598,984	\$4,363,875,742	Total Loans	\$2,640,950,304	\$2,341,349,185	Total Deposits	\$3,956,326,856	\$3,710,828,379	Total Reserves	\$625,655,775	\$607,036,479	Total Primary Members	212,781	207,459	<p>mortgage loan rates</p> <p>AS OF MARCH 18, 2008</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Interest Rate</th> <th>APR*</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td colspan="4">First Mortgages</td> </tr> <tr> <td>1/1 ARM</td> <td>5.000%</td> <td>4.357%</td> <td>0</td> </tr> <tr> <td>3/1 ARM</td> <td>5.000%</td> <td>4.470%</td> <td>0</td> </tr> <tr> <td>5/1 ARM</td> <td>5.375%</td> <td>4.713%</td> <td>0</td> </tr> <tr> <td>7/1 ARM</td> <td>5.750%</td> <td>5.038%</td> <td>0</td> </tr> <tr> <td>10/1 ARM</td> <td>5.875%</td> <td>5.349%</td> <td>0</td> </tr> <tr> <td>15-YR. FIXED</td> <td>4.875%</td> <td>4.956%</td> <td>0</td> </tr> <tr> <td>30-YR. FIXED</td> <td>5.750%</td> <td>5.799%</td> <td>0</td> </tr> <tr> <td>30-YR. FIXED IO</td> <td>5.875%</td> <td>5.919%</td> <td>0</td> </tr> <tr> <td colspan="4">Second/Vacation Homes</td> </tr> <tr> <td>1/1 ARM</td> <td>5.250%</td> <td>4.608%</td> <td>0</td> </tr> <tr> <td>3/1 ARM</td> <td>5.250%</td> <td>4.723%</td> <td>0</td> </tr> <tr> <td>5/1 ARM</td> <td>5.625%</td> <td>4.968%</td> <td>0</td> </tr> <tr> <td>7/1 ARM</td> <td>6.000%</td> <td>5.296%</td> <td>0</td> </tr> <tr> <td>10/1 ARM</td> <td>6.125%</td> <td>5.607%</td> <td>0</td> </tr> </tbody> </table> <p><small>For current consumer loan rates contact Alliant. Rates, terms and conditions subject to change. Loan approval, APR and downpayment required based on creditworthiness, collateral, payment method and ability to repay. APR-Annual Percentage Rate. First Mortgages available in all 50 states. Rate 0.25% higher for Jumbo Loans \$417,001 and more. ARM-Adjustable Rate Mortgage. *The Annual Percentage Rate (APR) assumes a 20% downpayment on a loan amount of \$250,000 with a 30-year term. The results to the left assume an origination fee of \$950 plus \$180 in additional prepaid finance charges plus 15 days of prepaid interest.</small></p> <p><small>This newsletter is for members' personal use only. Reproducing and/or selling the contents of this newsletter without prior written permission from Alliant Credit Union is prohibited. Copyright Alliant. Articles are prepared as an educational service Alliant members. They should not be relied on as a substitute for individual financial or legal research. Articles in this newsletter are not intended to be used (and may not be relied on) for penalty avoidance.</small></p> <p><small>Example repayment term: 15yr. Fixed at 5.375% monthly payment per \$1000 - \$8.10 Example repayment term: 30yr. Fixed at 6.000% monthly payment per \$1000 - \$8.00</small></p>	Type	Interest Rate	APR*	Points	First Mortgages				1/1 ARM	5.000%	4.357%	0	3/1 ARM	5.000%	4.470%	0	5/1 ARM	5.375%	4.713%	0	7/1 ARM	5.750%	5.038%	0	10/1 ARM	5.875%	5.349%	0	15-YR. FIXED	4.875%	4.956%	0	30-YR. FIXED	5.750%	5.799%	0	30-YR. FIXED IO	5.875%	5.919%	0	Second/Vacation Homes				1/1 ARM	5.250%	4.608%	0	3/1 ARM	5.250%	4.723%	0	5/1 ARM	5.625%	4.968%	0	7/1 ARM	6.000%	5.296%	0	10/1 ARM	6.125%	5.607%	0	<p>dividend rates</p> <p>APRIL 2008</p> <table border="1"> <thead> <tr> <th></th> <th>Effective Annual Percentage Yield (APY)</th> </tr> </thead> <tbody> <tr> <td>Share Savings</td> <td>4.35%</td> </tr> <tr> <td>IRA</td> <td>4.35%</td> </tr> <tr> <td>Traditional, Roth and Coverdell Education Savings Account</td> <td></td> </tr> <tr> <td>Checking</td> <td>0.25%</td> </tr> </tbody> </table> <p><small>Dividends are subject to change monthly.</small></p>		Effective Annual Percentage Yield (APY)	Share Savings	4.35%	IRA	4.35%	Traditional, Roth and Coverdell Education Savings Account		Checking	0.25%
	2008	2007																																																																																												
Net Assets	\$4,617,598,984	\$4,363,875,742																																																																																												
Total Loans	\$2,640,950,304	\$2,341,349,185																																																																																												
Total Deposits	\$3,956,326,856	\$3,710,828,379																																																																																												
Total Reserves	\$625,655,775	\$607,036,479																																																																																												
Total Primary Members	212,781	207,459																																																																																												
Type	Interest Rate	APR*	Points																																																																																											
First Mortgages																																																																																														
1/1 ARM	5.000%	4.357%	0																																																																																											
3/1 ARM	5.000%	4.470%	0																																																																																											
5/1 ARM	5.375%	4.713%	0																																																																																											
7/1 ARM	5.750%	5.038%	0																																																																																											
10/1 ARM	5.875%	5.349%	0																																																																																											
15-YR. FIXED	4.875%	4.956%	0																																																																																											
30-YR. FIXED	5.750%	5.799%	0																																																																																											
30-YR. FIXED IO	5.875%	5.919%	0																																																																																											
Second/Vacation Homes																																																																																														
1/1 ARM	5.250%	4.608%	0																																																																																											
3/1 ARM	5.250%	4.723%	0																																																																																											
5/1 ARM	5.625%	4.968%	0																																																																																											
7/1 ARM	6.000%	5.296%	0																																																																																											
10/1 ARM	6.125%	5.607%	0																																																																																											
	Effective Annual Percentage Yield (APY)																																																																																													
Share Savings	4.35%																																																																																													
IRA	4.35%																																																																																													
Traditional, Roth and Coverdell Education Savings Account																																																																																														
Checking	0.25%																																																																																													



ALLIANT
credit union

www.alliantcreditunion.org

connections

the newsletter for AlliantSM Credit Union members March 2008

contents

- 1 Wow! You now have 75,000 surcharge-free ATMs at Alliant!
The Alliant ATM Advantage
- 2 Six steps to recession-proof your finances
- 3 Go green to get more green
- 4 The history of taxes
The highest and lowest taxes in the world
- 5 Letter from the President
- 6 Our new web site has you written all over it

Wow! You now have 75,000 surcharge-free ATMs at Alliant!



Want an ATM that doesn't charge you to get to your own money? How about 75,000 of them. You have them now at Alliant.

To make it even more convenient for you to do business with us, we've recently expanded our network of surcharge-free ATMs to more than 75,000. We did this by partnering with Allpoint and Credit Union 24.

You'll find the newest ATMs in our line-up in all 50 states with many in popular merchants, such as

Target, Costco, Walgreens, Rite Aid, ExxonMobil and ConocoPhillips. Plus, you can continue to enjoy Alliant surcharge-free transactions at CO-OP Network and Alliance One ATMs.

Put all these ATMs together and it means that with Alliant, you have 4.7 times more surcharge-free ATMs than Bank of America.

To find the surcharge-free ATMs nearest you, use our ATM Locator on www.alliantcreditunion.org or look for an ATM with one of these logos on it:



Alliant charges a nominal fee after eight (8) transactions in a month are performed at non-Alliant owned ATMs, including CO-OP Network, Credit Union 24 CU Here, Allpoint and Alliance One ATMs. Not every Allpoint ATM is surcharge-free. Please see our online ATM Locator at www.alliantcreditunion.org for a list of ATMs that accept deposits or are surcharge-free.

DIVIDEND

April dividend
DECLARED MARCH 20, 2008
The April 2008 Savings and IRA dividend, declared 3/20/08, provides a Compounded Annual Percentage Yield of 4.35% APY. Dividends are paid on the last day of the month to accountholders who have maintained an average daily balance of \$100 or more. Savings and IRA dividend is subject to change monthly.

The April 2008 Checking dividend, declared 3/20/08, provides a Compounded Annual Percentage Yield of .25% APY. Checking dividends are paid on the last day of the month to accountholders who have maintained an average daily balance of \$1,000 or more. Checking dividend is subject to change monthly.

New* *New* *New

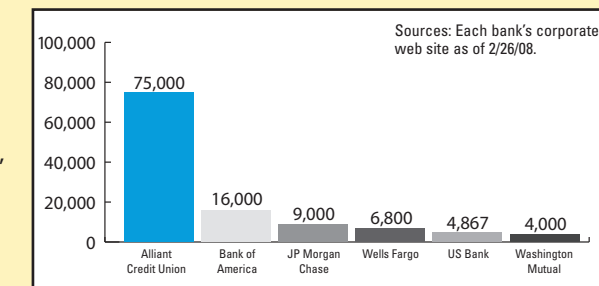
Jumbo Share Certificates as high as 4.40% APY
(minimum \$25,000 deposit)

Regular Share Certificates as high as 4.00% APY
(minimum \$1,000 deposit)

Flexible terms from 12 to 24 months. Visit www.alliantcreditunion.org for additional rates and complete terms and conditions.

The Alliant ATM Advantage

With Alliant, you have 4.7x more surcharge-free ATMs than Bank of America. And you have over 40,000 more surcharge-free ATMs than Bank of America, JP Morgan Chase, Wells Fargo, US Bank and Washington Mutual combined.



Tax tidbits

On average, Americans work 70 days to afford their federal taxes and 37 more days to afford state and local taxes. That means, if you're a typical U.S. taxpayer, all you earn from January 1 through April 17 goes to pay your tax bills. Then, finally, everything you earn starting April 18 is yours.

The U.S. tax law has grown from 11,400 words in 1913 to over 7 million words today (1,700 pages). Compare this to the Declaration of Independence: 1,137 words.

It costs the IRS \$2.45 to collect each \$100 in taxes.

Source: popculturemadness.com

Member Service Notice

Certain fees increasing on your account.

Effective May 1, 2008, Alliant will raise certain account transaction fees. Please refer to the enclosed Fee Schedule for a complete list of fees.

Attention!

Alliant's Error Resolution Notice and Privacy Policy Notice are enclosed, for your reference, with your statement.

In the market for a RV or boat?

Enjoy a below-market loan rate for a RV or boat and have it pre-approved before you shop by calling 800-328-1935. Additionally, Alliant representatives will be at these upcoming shows to offer financing.

Pomona RV Show
Pomona, CA
April 3-6
Booth: 204

Pacific Power Boat Expo
Port of Oakland, CA
April 24-27
Booth: S33



Six steps to recession-proof your finances

Many economists are using the "R" word – Recession – to describe our economy. One thing is sure: today, we face tough economic times and taking steps to shore up your finances is prudent. Here are tips experts recommend:

- 1. Build a cash cushion.** If you don't have an emergency fund, start one. Each year, the average family is socked with up to \$2,000 in unexpected bills – particularly tough if current bills are already a stretch. Your go-to fund should include at least three to six month's worth of your expenses. To create it, shave off 10% of your paycheck and place it in a high-yield liquid account, such as a supplemental Alliant savings account.
- 2. Eliminate or cut back on nonessentials.** Spend your money on what's important and what you need (not necessarily on what you want). Don't fritter away your money. Write down everything you buy and the prices, says Consumer Federation of America's Nancy Register. Then, go through the list and "be brutal," she insists. Consider less costly options and scale back, if need be, on discretionary spending such eating out, entertainment and travel.
- 3. Lighten your debt load.** Although this can compete with building your cash cushion, pay off credit cards promptly. Sadly, many people use credit cards as a rainy day fund. Also, if you have an outstanding debt on a 401(k) loan, pay it off quickly to avoid penalties.
- 4. Adjust your withholding allowance.** Reduce the amount of tax withheld from your paycheck if you are among the 70% of tax filers who receive, on average, a \$2,500 return. Your goal: to pay only what you'll owe, no more. Stash that extra cash into your high-yield liquid savings emergency fund.
- 5. Spend a bit now to save a lot later.** Take preventative measures now to avoid big-ticket bills. Examples: Get a health check-up. Change the oil in your car. Fix minor problems in your home before they become major. Buy renter's insurance if you rent.
- 6. Other moves.** Shop your insurance policies and, to lower your premium, consider one with the highest deductible you can comfortably pay out of pocket. (As an Alliant member, you're eligible for MEMBERS® Auto and Homeowners insurance, available through the Credit Union National Association. Get a quote by visiting our web site.) If you're planning on staying in your current home, see if you can benefit from today's low mortgage rates to save money every month (Call the Alliant Mortgage Hotline to discuss options: 800-365-7003.) And, if you think expert, objective financial counseling would be helpful, call our partner, BALANCE: 888-456-2227 – it's free for Alliant members.

Sources: bankrate.com, cbsnews.com, consumerreports.org, sfgate.com and ideamarketers.com



Go green to get more green

Now through May 31, 2008, you can **EARN \$5** to enroll for our free online banking¹ and **EARN ANOTHER \$5** to access eStatements and opt out of paper statements².

NOT AN ACTIVE ALLIANT ONLINE BANKING USER? ENROLL TODAY!

- Call our 24/7 TeleCenter (800-328-1935) and ask for a temporary access code for our online banking, which is good for 24 hours.
- Go to www.alliantcreditunion.org and click the login button for online banking.
- You'll now be on the online banking login page. Select "New User, Temporary Access Code or Forget Your Access Code?" Follow the prompts and you'll be able to start online banking with Alliant right away.
- Use our online banking at least three times by May 31, 2008, and you'll earn \$5.¹ (We're confident you'll enjoy how convenient and easy it is to use – and that you'll want to use it over and over again.)

ACCESS eSTATEMENTS AND OPT OUT OF PAPER STATEMENTS.

Don't wait for your statements to come to you by snail mail. Get them quicker with eStatements – electronic copies of your monthly account statements that you can view, search, save, print and download into financial software, such as Quicken and Microsoft Money. Each month, you'll get an e-mail, if you agree to it, notifying you when your monthly statement is available to view on a secure site. Plus, your eStatements will be archived there for 18 months. To opt out of paper statements in favor of eStatements:

- Log in to Alliant's online banking and click on eStatements on the left side of the screen.
 - Click "yes" to the question, "Would you like eStatement notification?"
 - Verify or add the e-mail address you want your monthly notifications to be sent to.
 - Then, to go green, help save a tree and earn \$5,² join the thousands of other Alliant members who receive eStatements, instead of paper statements. To do this, click "Opt out of Paper Statement."

By going green and signing up for online banking and eStatements, you'll help Alliant reduce its operating costs (such as postage and printing). This will enable us to pass more green out to you by continuing to provide industry-leading giveback in terms of high savings dividends, below market rate loans and more.

So, go green to get more green. Sign up for online banking and opt out of paper statements by May 31, 2008 to get your green!

1 This offer is valid between April 5, 2008, and May 31, 2008. This offer is not valid to existing Alliant online banking users. You must use online banking at least three times by May 31, 2008, to earn the \$5 reward. The \$5 deposit will be directly deposited into members' savings accounts by June 30, 2008. One \$5 deposit per qualifying member. 2 This offer is valid between April 5, 2008, and May 31, 2008. This offer is not valid to existing eStatement members. Must opt out of paper statements to get the \$5 reward. The \$5 deposit will be directly deposited into members' savings accounts by June 30, 2008. One \$5 deposit per qualifying member. Members who switch back to paper statements within sixty days of eStatement enrollment are subject to a \$5 charge back fee.

The history of taxes

In **the dawn of civilization**, man invented the wheel, the written word – and taxes! Yes, even early man didn't live tax-free. The Aztecs, for instance, who used cocoa beans for money, taxed people four beans for every rabbit they owned. Meanwhile, on the other side of the world, the Sumerians, who wrote on clay tablets, left one behind that reads: "You can have a Lord. You can have a king. But, the man to fear is the tax collector."

It wasn't until **1404**, in England, however, that the first income tax was established. This tax so reviled the people that the Parliament later burned all records of it. Nevertheless, through the ages, where there was human life, there were taxes.

From the get-go, taxes have played a big role in U.S. history. After all, when the English Parliament passed the Stamp Act in **1765**, the first tax imposed directly on the colonies, the American Revolution was set in motion with the rallying cry, "taxation without representation is tyranny."



The early U.S. government had few responsibilities and relied on donations from the individual states for its revenue. Then came the Civil War – a \$2 million a day enterprise. To keep up the fight, Abraham Lincoln signed the first federal income tax law, the Revenue Act of **1862**. (Personal incomes between \$800 and \$10,000 were taxed at 3%; higher income at 5%. The standard deduction: \$600. Note: \$800 back then, adjusted for inflation, equals \$15,000 in today's dollars.)

Yet, it wasn't until **1913**, and the passage of the 16th Amendment to the U.S. Constitution, that the first Form 1040 and federal income tax became an ongoing, undeniable way of American life. Even so, at the **beginning of World War II**, only 15% of the U.S. people paid their income tax. By war's end, however, 80% of our families were paying the tax.

Sources: the U.S. Department of the Treasury, pbs.org, tax.org and msnbc.com

The highest and lowest taxes in the world

Do you think we have it bad when it comes to taxes? Well, yeah. Taxes do consume about 38% of an average American family's income. Even so, the situation is a lot more taxing in most other countries. See the lists below.

Ten highest taxing nations*

1. Sweden (highest)
2. Denmark
3. Finland
4. Belgium
5. France
6. Austria
7. Norway
8. Italy
9. Luxembourg
10. The Netherlands

Ten lowest taxing nations*

1. Mexico (lowest)
2. Korea
3. Japan
4. Turkey
5. **United States**
6. Australia
7. Greece
8. Ireland
9. Iceland
10. Spain



* Ranked according to collection of public revenue from taxes and social security contributions as percentage of the gross domestic product. Source: daytimer.com