

Alliant Savings...The Best Value Over Time



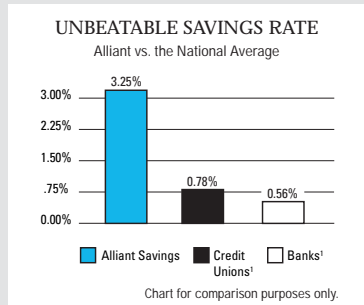
David W. Mooney
President/CEO

Members often ask why Alliant doesn't offer Certificates of Deposit (CDs). They note that CDs, which are deposit instruments with a specified interest rate and term (e.g., 6 months, 12 months, etc.), typically pay higher rates than share accounts.

The reason that CDs offer higher stated yields than liquid savings and money market accounts is that savers expect to be compensated for committing their money for the term of the CD. There are two principal risks to purchasing a CD.

- **LIQUIDITY.** The funds are tied up for the specified term, and cannot be accessed for major purchases or emergencies without paying a substantial early withdrawal penalty.
- **INTEREST RATE.** The yield on a CD is fixed for the term. If market interest rates rise, what initially seemed like an attractive yield may prove to be less attractive.

As most of our members know, Alliant pays among the highest share (savings) rates available in the marketplace – consistently in the top 1% of credit unions nationally. For the first three months of 2005, Alliant's share dividend rate was 3.00% and recently increased to 3.25% for the second quarter. Compare our dividend rate to the credit union average of .78%¹, and the bank average of .56%¹.



Compared with CDs, Alliant's regular share rates are still extremely attractive. As of May 20, the average rate on a 12-month bank CD was 2.73%². Not only is Alliant's share dividend higher, but the account is also completely liquid. With short-term rates expected to rise in 2005 and 2006, I predict that many savers will regret locking in current CD yields. (Many depository institutions are promoting seemingly attractive CD rates because they expect rates to rise, and want to lock in a low cost of funds. Remember, for-profit banks maximize earnings to shareholders by minimizing the rates they pay to depositors.)

We have considered offering CDs, and determined that at this point it would not be in our members' best interests. With Alliant's unbeatable high share rate, the additional yield that we could offer on a CD would not, in our opinion, justify the liquidity and interest rate risk to the member. Like most market-watchers, we expect the Federal Reserve to continue its policy of increasing short-term rates, and we believe that Alliant's regular share (liquid savings) account will offer the best value over time.

¹ Source: DataTrac. Rates as of 6/16/05. Based on 16,613 institutions.
² Source: Informa Research Services, American Banker.

Alliant Board of Directors

John Samolis <i>Chairman</i>	Patricia Mash <i>Vice Chairman</i>	Laurene Bentel Lynn Hughitt	Richard Poulton Scott Praven
David W. Mooney <i>President/Treasurer</i>	Bill Byrne <i>Secretary</i>	Amos Kazzaz Marc Krohn	Lyle U'ren



unbeatable rates for summer fun

Kick Start Your Summer!

As the warm days and cool nights of spring roll into summer, now is the time to start thinking about that new motorcycle for summer road trips.

Ride into summer in style with limited time financing featuring rates as low as 4.9% APR for up to 60 months on motorcycles financed with Alliant.

Before you visit your local dealer, contact us to get pre-approved financing. Then while you're at the dealer negotiate your "best price" knowing your financing is ready and waiting at your trusted financial partner, Alliant.

APPLY TODAY ...

- Call 800-328-1935 (M-F, 7am-7pm CT)
- Online at www.alliantcreditunion.org
- Visit your local Service Center



HURRY! REDUCED RATES GOOD THROUGH JULY 29, 2005.

Rates as low as 4.9% APR valid on motorcycles financed or refinanced from another financial institution between June 1-July 29, 2005. Offer not valid on motorcycle loans currently financed with Alliant. The minimum loan amount to qualify is \$12,000. Rates include automatic payment or payroll deduction option. Rate is .4% higher without the automatic payment or payroll deduction option. Loan approval, APR and downpayment required based on creditworthiness, collateral, payment method and ability to repay. Rates, terms and conditions subject to change. APR = Annual Percentage Rate.

office closings

Alliant will be closed in observance of the following holidays:

Labor Day –
Monday, September 5

For your convenience, SkyBranch®, SST and ATMs will be available.

Alliant members receive **15% OFF** all flowers and gifts at **1-800-flowers.com**.
Use the code ALLIANT when ordering online at www.alliantcreditunion.org or by phone at 800-356-9377.

dial direct: Alliant is there when you need us

Self Service Telephone (SST)
773-462-2100, 800-482-5328
24-hour account access

Alliant TeleCenter
800-328-1935
Mon-Fri, 7am-7pm Central
TDD/TTY 773-462-2300

VISA® ATM/Check Card
Lost/Stolen: 800-328-1935
After Hours: 866-861-5411

VISA® Credit Cards
Account info: 800-328-1935, x2302
Mon-Fri, 7am-5pm Central
After Hours: 800-299-9842
Lost/Stolen: 800-325-3678

Mortgage Hotline
800-365-7003
Mon-Th, 7:30am-7pm Central
Fri, 7:30am-5pm Central

Auto/Home Insurance
888-380-9287
Mon-Fri, 7am-10pm Central
Sat, 7am-5:30pm Central

Lincoln Financial Advisors
Visit www.alliantcreditunion.org for the representative nearest you

BALANCE Financial Fitness
888-456-2227
Mon-Th, 5am-8pm Pacific
Fri, 5am-5pm Pacific
Sat, 8am-5pm Pacific

Alliant Headquarters
11545 W. Touhy Avenue
Chicago, Illinois 60666

Deposits/Payments
P.O. Box 2387
Des Plaines, IL 60017-2387

All Other Correspondence
P.O. Box 66945
Chicago, IL 60666-0945

For Alliant Service Center locations, SkyBranch®, and product and service information, visit our web site www.alliantcreditunion.org

financial update

JUNE 2005	2004
Net Assets	\$4,352,478,911 / \$4,274,398,958
Total Loans	\$2,045,407,400 / \$1,795,561,620
Total Deposits	\$3,708,263,643 / \$3,713,892,715
Total Reserves	\$568,369,713 / \$536,989,008
Total Primary Members	184,095 / 171,064

ALLIANT credit union
11545 W. Touhy Avenue Chicago, IL 60666
www.alliantcreditunion.org



mortgage loan rates

AS OF JUNE 16, 2005

Type	Interest Rate	APR*	Points
First Mortgages			
1/1 ARM	4.250%	5.909%	0
3/1 ARM	4.500%	5.696%	0
5/1 ARM	4.750%	5.589%	0
7/1 ARM	4.875%	5.506%	0
10/1 ARM	5.375%	5.664%	0
15-YR. FIXED	5.125%	5.239%	0
30-YR. FIXED	5.500%	5.569%	0
Second/Vacation Homes			
1/1 ARM	4.500%	6.159%	0
3/1 ARM	4.750%	5.943%	0
5/1 ARM	5.000%	5.836%	0
7/1 ARM	5.125%	5.753%	0
10/1 ARM	5.625%	5.913%	0

Home Equity Line of Credit As low as 5.50% APR

dividend rates

SECOND QUARTER

	Current Annual Dividend Rate	Effective Annual Percentage Yield (APY)
Share Savings	3.25%	3.29%
IRA	3.25%	3.29%
Traditional, Roth and Coverdell Education Savings Account		
Checking	0.25%	0.25%

Current checking dividend is subject to change monthly.
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 (\$359,650 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.



connections

June 2005

the newsletter for AlliantSM Credit Union members

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reward yourself

Are You Missing the Points?

Alliant's Platinum Rewards VISA® lets you earn the points you deserve!

Whether you use the card to purchase something big or small, our Platinum Rewards VISA helps you get the things you need and rewards you with bonus points.

Enjoy platinum-level flexibility

In addition to bonus points for every purchase and a generous credit line, the Platinum Rewards VISA credit card is packed with added benefits including no annual fee, no balance transfer fee, up to \$500,000 in travel insurance, 25-day grace period on all purchases and more.

Redeem your points when you want for whatever you want... it's your choice

- Travel on most major airlines with no blackout dates
- Fun-filled cruise from numerous points of departure
- Name-brand merchandise, a day at the spa, sports equipment and more

Start your points in the right direction

It's only a matter of time before you'll be able to get out of town or get shopping thanks to the Alliant Platinum Rewards VISA, so apply for your card today and start your points in the right direction.

Refer to VISA Credit Card Agreement for complete terms and conditions. Loan approval and APR based on ability to repay, payment method and creditworthiness. Rates terms and conditions subject to change. Rates as low as 12.5% APR (with automatic payment). Rates .4% higher without automatic payment. APR-Annual Percentage Rate. No grace period on cash advances. Balance transfers are treated as and considered cash advances on your VISA credit card. Bonus points are earned for every net dollar spent on new purchases. No points are earned for finance charges, fees, cash advances, balance transfers (except promotional offers), convenience checks, foreign transaction currency conversion or insurance charges. Points have no cash value and cannot be exchanged for cash or credit, may not be used with any other offer, promotion or discount, cannot be combined with cash to obtain an award and cannot be earned from or transferred to any other credit card or other accounts.



DIVIDEND RATE INCREASE!

second quarter dividend

DECLARED JUNE 16, 2005
Second Quarter 2005 Savings and IRA Dividend provides an Annual Dividend Rate of 3.25% — Compounded Annual Percentage Yield of 3.29% APY to members who have maintained an average daily balance of \$100 or more.

The Monthly Checking Dividend provides an Annual Dividend Rate of 0.25% — Compounded Annual Percentage Yield of 0.25% APY who have maintained an average daily balance of \$1,000 or more.

Dividends payable to Shareholders on record as of June 30, 2005.





Lincoln
Financial Advisors*

planning your investment plan

Invest Wisely—Know Yourself

Getting the most out of your investment plan takes a lot of planning. As you start formulating your plan or begin to reassess your current strategy, the following questions may be a helpful starting point and assist you in making wise investing decisions:

- **What are your goals?** With proper planning, the goal of maintaining a comfortable lifestyle in retirement is very attainable. But other goals may be just as important to you and your family prompting the consideration of larger investments. Regardless of your financial goals, it is important to create an investment strategy that will bring all of your goals to fruition.
- **What is your tolerance for risk?** Without risk, there may be no gain; with risk comes the inherent possibility of loss. In regard to investing, avoiding any risk may possibly be the riskiest behavior of all and it's important to be aware of how much, or how little, risk will allow you to accomplish your goals.
- **What is your current financial situation and what resources are available to you?** In order to formulate an investment strategy and make wise decisions, you need to know what you have, what you expect to have, and what your future needs are.

No matter how you answer these questions, it's a good idea to seek assistance from a qualified financial professional to help ensure your strategy fits your goals. That's where the experts from Alliant's partner, Lincoln Financial Advisors (LFA), can help. LFA offers a wide array of high quality financial services and will work with you to develop a personalized, comprehensive financial plan. Visit our web site to locate the representative nearest you to set up a no-cost, no obligation initial consultation.

Securities and investment advisory services offered through Lincoln Financial Advisors Corporation, a broker/dealer (member SIPC) and registered investment advisor. Insurance offered through Lincoln affiliates and other fine companies. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Securities and variable products are not a deposit, not insured through the NCUA or any other federal agency, not obligations of or guaranteed by Alliant Credit Union, and involve investment risks: including the loss of principal.

Summer Vacation – tips to help you go easy on your budget

A warm sandy beach... serene mountain vista... hustle and bustle of the big city... wherever your vacation takes you, here are some tips to help you take it easy on your budget and leave you with money to play once you get there.

1. Comparison shop and book your travel on the Internet for your airline tickets, car rentals, hotel rooms, cruises and resort packages. Be sure to visit multiple sites for price quotes and information.
2. Rent the smallest car practical for your use. Not only will you save on the rental, but on gas, too. When you're at the rental counter, ask for a free upgrade.
3. If you're taking a cruise, many lines offer early-booking specials, plus you'll save on airfare if you book early to get to the port city.
4. Be flexible with travel dates and times. By changing your travel dates even a day or two, or visiting your destination in off-peak season you can save hundreds of dollars.
5. If you're a member of any organization, such as AAA or AARP, ask about travel discounts.

Source: Bankrate.com



on the home front

Alliant Mortgage Loans Make Homeownership Affordable

With mortgage rates once again near record lows, now is the time to consider a new home purchase or refinancing a current residence with Alliant. We consistently provide some of the lowest combination of rates and fees available along with the highest quality of customer service. Financing with our below-market rates can increase your purchasing power and make buying a home even more affordable. Plus you'll benefit even more with great features such as no private mortgage insurance or escrow (ARM only), low, fixed origination fee, and more.

Experience the great value of an Alliant mortgage and apply online. Simply visit our web site and click on "Home Loan Products" under the Products & Services menu. Then complete the prompts, submit and receive approval in minutes! For personal assistance, you may also apply by calling our Mortgage Hotline at 800-365-7003 (M-Th, 7:30am-7pm CT; F, 7:30am-5pm CT).

NEW! Apply for your mortgage online at www.alliantcreditunion.org

Loan amounts under \$500,000 require a downpayment of 10% or more. Loan amounts over \$500,000 require a downpayment of 20% or more.

enhancing our young members educational pursuits

\$5,000 In Computer Gifts Will Be Awarded

Alliant will award nine computer certificates ranging from \$250 - \$1,000 to students in three separate age categories between the ages of 5 to 17 years old.

IT'S EASY TO APPLY!

Using any media (written essay, drawings or paintings, photography, video, etc.) describe what you want to be when you grow up and how a computer could enrich your education and submit it to Alliant.

For more information or to obtain an Alliant National Education Program application, visit us at www.alliantcreditunion.org.

MAIL YOUR APPLICATION AND REQUIRED PAPERWORK BY AUGUST 31, 2005 TO:
Alliant Credit Union, National Education Program, P.O. Box 66945, Chicago, IL 60666-0945



	Ages 5 – 9	Ages 10 – 13	Ages 14 – 17
Golden Apple Award	\$1,000 Computer Certificate	\$1,000 Computer Certificate	\$1,000 Computer Certificate
Silver Key Award	\$500 Computer Certificate	\$500 Computer Certificate	\$500 Computer Certificate
Brass Bell Award	\$250 Computer Certificate	\$250 Computer Certificate	\$250 Computer Certificate

Employees of Alliant, its board of directors, scholarship committee members and family members of the same household are not eligible for the computer gift awards. For complete terms visit www.alliantcreditunion.org.

NOW AVAILABLE...

ALLIANT MEMBER COOKBOOK

Serving up the recipes our members are most famous for.

The first-ever ALLIANT MEMBER COOKBOOK is now on sale

\$10⁰⁰

All proceeds will benefit America's Second Harvest, a non-profit organization that distributes food and grocery products to food banks and food-rescue organizations.

PURCHASE YOUR COOKBOOK TODAY!

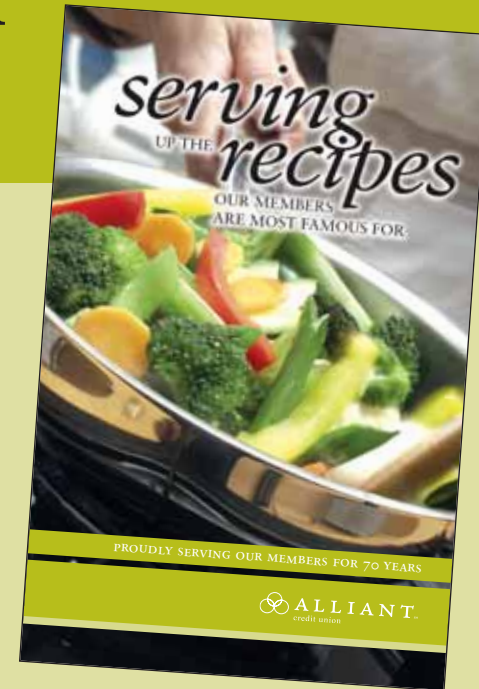
Order your copy and have it sent to you in the mail by:

- Completing the form below and returning it to:

Alliant Credit Union
Attn: Marketing
P.O. Box 66945,
Chicago, IL 60666-0945

- Calling the TeleCenter
- Ordering online through our web site

Or purchase a copy at your local Service Center.



A special thank you to our member cooks who helped create the ALLIANT MEMBER COOKBOOK by submitting their favorite recipe.

detach and return to Alliant

member cookbook order form

_____/_____/_____
date

member name

member account number

\$10.00/per book x _____qty = total \$_____
(includes shipping & handling)

Withdrawal Authorization - Please deduct funds from my:

SAVINGS \$ _____
 CHECKING \$ _____
 SUPPLEMENTAL SAVINGS \$ _____

TOTAL WITHDRAWAL AMOUNT \$ _____

Transaction processed by: _____
teller ID: _____ date ____/____/____
Cookbook distributed by: _____
name _____ date ____/____/____

I authorize Alliant Credit Union to initiate debit and credit entries, as well as any necessary correction entries to the accounts listed above to pay for my Alliant Member Cookbook.

signature (required)