

We choose member satisfaction over corporate profit



David W. Mooney
President/CEO

Recently, *American Banker*, a daily bank trade publication, carried an article titled "Satisfaction—for What It's Worth," that focused on whether customer satisfaction translated into bank profits. The article quotes one analyst as saying, "at the end of the day, a customer satisfaction score doesn't generate dollars, doesn't generate shareholder returns." The writer further goes on to say that "blind obedience to customers can come at shareholders' expense... The evidence points to declining marginal returns from increases in customer satisfaction."

Here lies a crucial difference between Alliant and many of our for-profit competitors. To a great extent, a bank's interest in customer satisfaction has an eye toward making profit, and is essentially calculated and self-serving. As business author Charles Green puts it, "customer focus, as it is practiced by business today, is the focus of a vulture. It is all about benefits to the seller."

Now, I have no objection to corporate profits. And it's true that some large investments in service—such as building a multitude of branches—could be so costly as to undermine the great deposit and loan rates and low fees so highly valued by Alliant members. However, I believe everyday great rates *and* high quality service are necessary to attract and keep members.

You are not only a member of Alliant, but an owner. And our sole purpose for being in business is to help each other achieve and maintain financial well-being. And, in the process, each member *deserves* helpful, accurate, reliable and hassle-free service.

This commitment is the essence of member advocacy—acting in the best interests of members. While we don't always get it right, putting members' interests first is a fundamental value of Alliant and one which we constantly strive to uphold.

Questioning how good service needs to be is like asking how good you need to be to get to heaven. If you have to calculate, you probably won't get there!

Alliant Board of Directors

John Samolis <i>Chairman</i>	Patricia Mash <i>Vice Chairman</i>	Laurene Bentel Lynn Hughitt	Richard Poulton Scott Praven
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Credit unions vs. banks: *the bottom line*

Forrester Research recently surveyed customers to learn if they agree with the following statement: **My financial provider does what's best for me, not just its own bottom line.** Here are the positive response rates:

A credit union	67%
Wachovia Bank	36%
Washington Mutual	33%
Wells Fargo	32%
Bank of America	30%
Citibank	19%
JPMorgan Chase	18%

Top 10 New Year's Resolutions

1. Spend more time with family and friends
2. Exercise regularly
3. Lose weight
4. Quit smoking
5. Enjoy life more
6. Quit drinking
7. Improve one's finances
8. Learn something new
9. Help others
10. Become organized

Source: *about.com*

For prompt deposits, stay in the know about our P.O.

To ensure the timely and accurate posting of your payments and deposits, be sure to include a loan coupon or deposit slip when you mail them in. Also, to avoid possible delays, address and mail your envelope with our P.O. Box number rather than the street address.

Note: We will be changing the P.O. Box for payment and deposits in the second quarter of 2007. We'll announce the new box number in the March 2007 issue of Connections and on our web site.



connections

December 2006

the newsletter for AlliantSM Credit Union members

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Top 10 New Year's resolutions

The 5 best reasons to save money

Saving money is one of the most popular resolutions people make every New Year. If it's one of yours, then keep these reasons in mind if you need help to keep saving. And remember, it's more than the money; it's what the money enables you to do for yourself, your family and others.

1. **LET YOUR INDEPENDENCE RING!** By living within your means and steadily putting money aside, you'll enjoy a freedom many Americans haven't found. That's because "saving is simply not part of most people's behavior," notes investment advisor Frank Congemi. In fact, Americans today typically spend more than they earn and, nationally, personal savings are at record lows. If you save, however, you may enjoy greater feelings of self-sufficiency and self-worth.
2. **LIVE YOUR DREAMS.** Do you have a special goal, such as owning a vacation home by a lake, hosting a big wedding, paying for your child's education, making a sizeable donation to a charity that's important to you, buying a terrific car or taking a whirl-wind trip around the world? Visualize yourself realizing your goal, confident that your savings will help you fund the dream.
3. **PREPARE TO RETIRE WELL.** There's no better time to begin or continue saving for retirement than the present. "Retirement is always something that happens to the old people next door," says Peter J. D'Arruda, author of 'Financial Safari.' "People spend more on their yard every year than save for retirement. Priorities are out of whack a little."
4. **COPE WITH THE UNEXPECTED.** Earmark some of your savings for an emergency account. Illness, car breakdowns, big home repairs and other incidents can happen. A reserve fund will help you sustain these losses.
5. **SAYING "YES" WHEN OPPORTUNITY KNOCKS.** One day you may find yourself at the right place at the right time for a splendid opportunity that takes money.

Alliant January 2007 Savings Dividend
4.85% APY

DIVIDEND RATE

January 2007 dividend
DECLARED DECEMBER 7, 2006
The January 2007 Savings and IRA Dividend provides a Compounded Annual Percentage Yield (APY) of 4.85% to members who have maintained an average daily balance of \$100 or more.

Savings Dividends payable to Shareholders on record as of January 31, 2007.

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

Note: The checking dividend may change monthly.

certificate dividend —
AS OF DECEMBER 21, 2006

12-month Certificate provides a Dividend rate of 5.03% - Compounded Annual Percentage Yield of 5.15%.
24-month Certificate provides a Dividend rate of 5.03% - Compounded APY of 5.15%. The Certificate Dividend compounds monthly and is credited at the end of each month and at maturity to your Certificate. Minimum Certificate deposit is \$10,000.

Early withdrawal penalties apply. The Certificate dividend rate may change daily. Contact Alliant for more information about fees, terms, and conditions that may apply.

Source: *Bankrate.com*



Office Closings Alliant will be closed in observance of the following holidays: Martin Luther King Day Monday, January 15 President's Day Monday, February 19 For your convenience, SkyBranch [®] , SST and ATMs will be available.	Self Service Telephone (SST) 773-462-2100, 800-482-5328 24-hour account access Alliant TeleCenter 800-328-1935 TDD/TTY 773-462-2300 VISA[®] ATM/Check Card Lost/Stolen: 800-328-1935 After Hours: 866-861-5411 VISA[®] Gift Card Purchase: 800-328-1935 Support Center: 866-466-2362	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 Mortgage Hotline 800-365-7003 Mon–Th, 7:30am–7pm CT Fri, 7:30am–5pm CT Auto/Home Insurance 888-380-9287 Mon–Fri, 6am–10pm CT Sat, 6am–8pm CT	BALANCE Financial Fitness 888-456-2227 Mon–Th, 5am–8pm PT Fri, 5am–5pm PT Sat, 8am–5pm PT Alliant Headquarters 11545 W. Touhy Avenue Chicago, IL 60666 Deposits/Payments P.O. Box 2387 Des Plaines, IL 60017-2387 All Other Correspondence P.O. Box 66945 Chicago, IL 60666-0945
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For more information visit: www.alliantcreditunion.org.

financial update <table border="0"> <tr> <td>NOVEMBER</td> <td>2006</td> <td>2005</td> </tr> <tr> <td>Net Assets</td> <td>\$4,339,440,917</td> <td>\$4,307,181,347</td> </tr> <tr> <td>Total Loans</td> <td>\$2,323,479,172</td> <td>\$2,183,898,656</td> </tr> <tr> <td>Total Deposits</td> <td>\$3,701,611,917</td> <td>\$3,697,535,164</td> </tr> <tr> <td>Total Reserves</td> <td>\$601,273,635</td> <td>\$581,871,202</td> </tr> <tr> <td>Total Primary Members</td> <td>206,226</td> <td>191,626</td> </tr> </table> <p>ALLIANT credit union 11545 W. Touhy Avenue Chicago, IL 60666 www.alliantcreditunion.org</p> <p><small>Your savings federally insured to at least \$100,000 and backed by the full faith and credit of the United States Government.</small></p> <p>NCUA National Credit Union Administration a U.S. Government Agency</p> <p>Equal Housing Lender</p> <p>NEW15-1-12/06</p>	NOVEMBER	2006	2005	Net Assets	\$4,339,440,917	\$4,307,181,347	Total Loans	\$2,323,479,172	\$2,183,898,656	Total Deposits	\$3,701,611,917	\$3,697,535,164	Total Reserves	\$601,273,635	\$581,871,202	Total Primary Members	206,226	191,626	mortgage loan rates AS OF DECEMBER 08, 2006 <table border="0"> <tr> <th>Type</th> <th>Interest Rate</th> <th>APR*</th> <th>Points</th> </tr> <tr> <td colspan="4">First Mortgages</td> </tr> <tr> <td>1/1 ARM</td> <td>4.875%</td> <td>7.447%</td> <td>0</td> </tr> <tr> <td>3/1 ARM</td> <td>5.125%</td> <td>7.066%</td> <td>0</td> </tr> <tr> <td>5/1 ARM</td> <td>5.500%</td> <td>6.881%</td> <td>0</td> </tr> <tr> <td>7/1 ARM</td> <td>5.625%</td> <td>6.693%</td> <td>0</td> </tr> <tr> <td>10/1 ARM</td> <td>5.875%</td> <td>6.560%</td> <td>0</td> </tr> <tr> <td>15-YR. FIXED</td> <td>5.625%</td> <td>5.707%</td> <td>0</td> </tr> <tr> <td>30-YR. FIXED</td> <td>6.000%</td> <td>6.050%</td> <td>0</td> </tr> <tr> <td colspan="4">Second/Vacation Homes</td> </tr> <tr> <td>1/1 ARM</td> <td>5.125%</td> <td>7.693%</td> <td>0</td> </tr> <tr> <td>3/1 ARM</td> <td>5.375%</td> <td>7.300%</td> <td>0</td> </tr> <tr> <td>5/1 ARM</td> <td>5.750%</td> <td>7.123%</td> <td>0</td> </tr> <tr> <td>7/1 ARM</td> <td>5.875%</td> <td>6.934%</td> <td>0</td> </tr> <tr> <td>10/1 ARM</td> <td>6.125%</td> <td>6.803%</td> <td>0</td> </tr> </table>	Type	Interest Rate	APR*	Points	First Mortgages				1/1 ARM	4.875%	7.447%	0	3/1 ARM	5.125%	7.066%	0	5/1 ARM	5.500%	6.881%	0	7/1 ARM	5.625%	6.693%	0	10/1 ARM	5.875%	6.560%	0	15-YR. FIXED	5.625%	5.707%	0	30-YR. FIXED	6.000%	6.050%	0	Second/Vacation Homes				1/1 ARM	5.125%	7.693%	0	3/1 ARM	5.375%	7.300%	0	5/1 ARM	5.750%	7.123%	0	7/1 ARM	5.875%	6.934%	0	10/1 ARM	6.125%	6.803%	0	dividend rates JANUARY 2007 <table border="0"> <tr> <th></th> <th>Effective Annual Percentage Yield (APY)</th> </tr> <tr> <td>Share Savings</td> <td>4.85%</td> </tr> <tr> <td>IRA</td> <td>4.85%</td> </tr> <tr> <td colspan="2">Traditional, Roth and Coverdell Education Savings Account</td> </tr> <tr> <td>Checking</td> <td>0.25%</td> </tr> </table> <p>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 \$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.</p>		Effective Annual Percentage Yield (APY)	Share Savings	4.85%	IRA	4.85%	Traditional, Roth and Coverdell Education Savings Account		Checking	0.25%
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coverage for peace-of-mind

Enjoy the security of loan payment protection

Enhancements to MEMBER'S CHOICE™ Protection are on the way

In 2001, Alliant made history by becoming the first credit union to offer MEMBER'S CHOICE™ Protection debt cancellation and loan protection. Since its introduction, MEMBER'S CHOICE™ Protection, provided by Alliant, has given many members the peace-of-mind of knowing that their loan payment obligations were protected in cases of death, disability and involuntary unemployment. In the six month period ending June 30, 2006, more than \$1.1 million in outstanding loan debt was cancelled on behalf of Alliant members and their families.

Beginning in January 2007, we're pleased to announce that we're making enhancements to current MEMBER'S CHOICE™ Protection plans. (Note: If you have an existing Alliant loan protected by MEMBER'S CHOICE, your agreement will continue at the existing rate, terms and benefit structure—and no action is necessary on your part).

New life protection benefit changes:

- No graded benefits after age 60 on life protected events
- All life claims will cancel the outstanding balance of the protected loan up to \$100,000 for members up to age 70
- At age 70, all protection on the loan will cease and no premium will be charged

New home equity protection changes:

- We will offer transitional protection that cancels loan payments for up to 12 months or \$12,000 as an alternative to the traditional full balance cancellation option
- Transitional protection provides loan payment protection for a stated amount of time or up to a specified dollar amount in the event of a member's death

Considering MEMBER'S CHOICE™ Protection for an Alliant consumer or home equity loan or home equity line of credit? Visit our web site for more information or contact an Alliant loan officer to discuss what coverage option best fits your needs.

B2ML-1106-A165

Congratulations...

2006 National Education Program winners!

Nearly 200 students submitted entries for a chance to win computer gift cards in the Alliant 2006 National Education Program. The young scholars harnessed their imaginations—as well as a variety of media—to respond to the questions “What Do I Want to Be When I Grow Up?” and “How Can a Computer Enrich My Education?”

These young Alliant members in three age groups—5-9, 10-13 and 14-17—competed for \$5,250 in gift cards redeemable for computers and related items.

“The entries demonstrated a great deal of thought, imagination and innovation,” says Alliant President and CEO David Mooney. “As supporters of families and education, Alliant is delighted to make these gift cards available, as a way of helping students pursue their dreams and enhance their learning.”

MEET THE WINNERS!

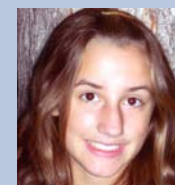
\$1,000 Gift Card “Golden Apple Award” winners

• Age Category: 5-9 years old



Luke Shirmer, a 5-year-old kindergartener from Lizton, IN, submitted “Dinosaur Digger,” a collection of material including an essay, photographs and a paper mache landscape populated by a wide variety of toy dinosaurs. Dinosaurs are “awesome,” Luke says and he plans to work as a paleontologist so he can find dinosaur teeth, bones and fossils—and wear jeans on the job. He looks forward to buying a computer so he can learn even more about dinosaurs and write about them faster.

• Age Category: 10-13 years old



Jamie Engle, age 12, of Denver, CO, entered with a multi-media advertising campaign promoting herself as a future host of the *Today Show*. “The journalism bug bit when I co-anchored ‘The Super School News’ on our local PBS TV station,” she says. Jamie adds that she's learning all she can in school to help her realize her dream of making it in TV news.

• Age Category: 14 -17 years old

Tiffani Couttee, 15, of Houston, TX, wrote that she wants to become a child advocate attorney, and that she will use her new computer to help young people in need of legal representation. Tiffani became inspired to pursue this career by observing her mother look after neighborhood children whose parents are physically or emotionally unable to care for them.

\$500 Gift Card “Silver Key Award” winners

• Age Category: 5-9 years old: **Megan Warbalow**, 9, of Minocqua, WI

• Age Category: 10-13 years old: **Terika Brewer**, 13, of Hayward, CA

• Age Category: 14-17 years old: **Brittany Roy**, 17, of Greenwood Village, CO

\$250 Gift Card “Brass Bell Award” winners

• Age Category: 5-9 years old: **Kira Wence**, 7, of Manassas Park, VA

• Age Category: 10-13 years old: **Taylor Jones**, 11, of Leesburg, VA

• Age Category: 14-17 years old: **Alec Robbins**, 15, of Wheeling, IL

For more information on all the winners, visit www.alliantcreditunion.org.

Credit unions satisfy people more than banks

As non-profit financial cooperatives, credit unions are in business to look after their members' best interests and to provide member satisfaction—unlike banks whose goal is to make a profit for shareholders.

And all signs point toward credit unions fulfilling their mission: Credit unions continue to rate higher in customer satisfaction and customer loyalty than the largest 20 U.S. banks, according to a recent survey by Informa Research Services.

Credit unions, the survey notes, also drew top marks for member/customer advocacy—an area in which the banks performed miserably. In fact, only 51% of the surveyed bank customers said they were highly likely to recommend their institution.

Alliant satisfies its members

Alliant's goal is to continually provide the highest possible member satisfaction to you and all our members. We survey members each month to see how we're doing and consistently earn a high satisfaction level. For instance, in November, we achieved a 98.5% level.



Alliant online security

Alliant is committed to using the best state-of-the-art systems available to ensure your personal and account information remains safe and secure.

When you use SkyBranch®, our online banking system, your transactions are protected by comprehensive layers of security. Here are just some of our measures:

- We require Internet browsers that support 128-bit encryption, the strongest commercially available protection. This encodes and encrypts all information traveling between your computer and ours.
- State-of-the-art firewalls protect our network from outside intrusion, preventing non-authorized access to our internal systems. For your protection and to identify unusual activity, we also record all online activity in detailed logs and monitor them. Plus, we continually monitor all SkyBranch hardware and software to proactively prevent any security issues before they arise.
- Our SkyBranch platform allows you to submit secure e-mail to our support staff. These e-mails do not travel over the Internet. They are transmitted between our internal servers and are 100% secured.

Read more about Alliant's online security by clicking the “SkyBranch Security” button on the SkyBranch log on page.