ANNUAL REPORT
The big impact of small things
### Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Message from the Chairperson and President »</td>
</tr>
<tr>
<td>04</td>
<td>Better rates, better products, better results »</td>
</tr>
<tr>
<td>05</td>
<td>Optimizing the member experience »</td>
</tr>
<tr>
<td>06</td>
<td>Reached $10 billion in assets »</td>
</tr>
<tr>
<td>07</td>
<td>Membership growth »</td>
</tr>
<tr>
<td>08</td>
<td>Giving back to the community »</td>
</tr>
<tr>
<td>09</td>
<td>A great place to work »</td>
</tr>
<tr>
<td>10</td>
<td>Looking ahead to the future »</td>
</tr>
<tr>
<td>11</td>
<td>Awards &amp; media mentions »</td>
</tr>
<tr>
<td>12</td>
<td>Performance trends »</td>
</tr>
<tr>
<td>13</td>
<td>Financial statements »</td>
</tr>
<tr>
<td>15</td>
<td>Alliant Board of Directors and Executive Management Team »</td>
</tr>
</tbody>
</table>
Great things are not done by impulse, but by a series of small things brought together. – Vincent Van Gogh

There’s a reason that the phrase “it’s the little things that matter” has become a cliché – it’s because it’s true.

In 2018, the combination of hard work from Alliant employees plus feedback from Alliant members resulted in another record year for the credit union. While each individual accomplishment can stand on its own, the sum of all of these steps forward is what made 2018 truly remarkable.

Alliant raised savings rates 10 times in 2018, keeping our rates far above the banking industry average and demonstrating our commitment to providing consistently superior financial value. We know those seemingly small rate increases can add up to make a huge difference in helping our members reach their financial goals.

As we looked at declining branch use, which had dipped to less than 4 percent of all Alliant transactions, we decided it wasn’t in the best interest of our members – the vast majority of whom didn’t use or have access to branches – to continue operating them.

Instead, we made investments to enhance service, including adding staff in our Member Care Center, and continuing to improve our digital banking capabilities. We aim to make the member experience simple and reliable, whether you’re applying for a credit card through our new best-in-class online loan application system or making a deposit through our award-winning mobile app. Those seemingly small, daily interactions mean so much to our members, saving them time and giving them peace of mind.

Our continuous improvements have helped Alliant earn the loyalty of our members and recognition by outlets like NerdWallet, CNBC, Kiplinger’s Personal Finance, Bankrate and MONEY Magazine, which named Alliant the best credit union in America for 2018.

We also remain a leader in workplace practices, with highly engaged and productive employees that bring the credit union’s mission and vision to life every day. For the third consecutive year, Alliant was named one of Great Place to Work’s® “100 Best Medium Workplaces,” and earned Gallup’s “Great Workplace Award.”

Alliant also crossed the threshold of $10 billion in assets, resulting in the addition of the Consumer Financial Protection Bureau as a regulator starting in 2019.

Alliant is committed to making continuous improvements, both small and large, to better serve our members, and the credit union’s long-term strategy puts the member experience front and center. The Alliant Board of Directors, management and employees look forward to remaining your partners on your financial journey.

Ed Rogowski
Chairperson

David W. Mooney
President / Treasurer
Better rates, better products, better results

We raised the interest rate on our savings accounts 10 times in 2018, from 1.30% APY to 2.00% APY, and continuously raised our certificate rates as well, helping our members save more and earn more.

Alliant revamped our student loan refinance program to include fixed- and variable-rate loans at terms of 5, 10, 15 or 20 years to help members take control of their debt. Members can consolidate both federal and private student loans into a single low-rate loan, saving on interest while simplifying their payments. Alliant also introduced new terms and lower rates for our personal loans, so members can more easily get the money they need, when they need it.

At the same time, we refined our focus on our core business by eliminating our traditional student loan and Coverdell programs, and we launched a new, more tailored approach to commercial lending, which resulted in enormous growth.
As a member-owned financial institution, our focus is always on our members and making their banking experience easier. That’s why we’ve established a dedicated Digital Care team. In its first year, the team responded to over 103,000 member messages submitted via email, social media and secure messages. And we doubled the number of member service representatives in Alliant’s call center, significantly reducing call wait times.

During 2018, 10 online banking and 13 mobile app updates were released by our digital team, improving accessibility, security, login processes, and app layouts on large phones. We also added card management functionality to the mobile app—travel notifications, card requests, card activation and lost/stolen card reporting.

Alliant finished transitioning the rest of our loan products to our online loan application platform. Over 5,500 loan applications were processed digitally, with over $570 million in loans funded. We updated our website search engine and FAQs to make it easier for members to find answers to common questions.
In 2018, Alliant reached more than $10 billion in assets. As we prepared to reach this milestone, we invested our resources in providing a superior banking experience. We increased our employee headcount with the anticipation of membership growth so our members’ needs would continue to be met.

Our staff growth included the introduction of the Business Risk Office. This department is dedicated to making sure that we continue to effectively meet our internal and external standards and provide an exceptional member experience.

As our assets continue to grow, we hold true to our core value that members come first, and we continue to keep your digital banking experience simple, rewarding and secure.
Sustained growth is key to the future of our credit union. Membership growth allows Alliant to continue to offer competitive rates and products for all our members. That’s why, in June 2018, we launched a new digital advertising strategy focused on our checking, savings, credit cards and auto loans. This digital strategy, combined with our PR efforts and referrals from our current members, allowed us to effectively grow our membership base. We also continued to work with our employer partners on customized email campaigns tailored to their employees.

As we grow, we continue to maintain the same level of satisfaction with our members. In fact, Alliant received numerous awards in 2018, including being named Best Credit Union of 2018 by MONEY Magazine.
Part of Alliant’s mission is to support the communities in which our members live and work. Throughout 2018, Alliant and the Alliant Credit Union Foundation donated to a variety of charities and sponsored and supported our employees in their local volunteer efforts.

In 2018, Alliant began offering a paid Volunteer Day as part of its employee benefit package. Employees raised money for the Cardiovascular Research Foundation at our annual summer volleyball tournament, and Alliant’s lunchtime knit and crochet group donated craft items to a silent auction and to Foster Care to Success’ Red Scarves Project.

Educational initiatives including grants, school supplies and reading program funding were underwritten by the Alliant Foundation throughout the year. And once again, eighth graders at schools near our Chicago headquarters gained valuable knowledge about personal finance from Alliant’s team of volunteer teachers.
A great place to work

We understand that strategy is nothing without execution, and execution is all about our employees. From representatives in our Member Care Center to mortgage loan officers to executive leadership and everyone in between, our employees are highly engaged, cultivating Alliant’s terrific workplace culture and providing top-notch products and services for our members. For the third consecutive year, we received Gallup’s “Great Workplace Award.” We also received our third straight Great Place to Work® certification and recognition, landing at No. 25 on their list of the country’s 100 Best Medium Workplaces.

Percentage of employees who say Alliant is a great place to work

94%
Looking ahead to the future

Customer expectations, technology and regulations are always evolving. In order for Alliant to remain competitive, we must not become complacent. We must invest our time and resources in a long-term strategy that focuses on our members’ future needs.

Alliant began to implement a new long-term strategy in January 2018. The strategy focuses on what we call our five “Key Success Factors,” which will help us enhance our operations, deliver a superior member experience and maintain an efficient business model while returning profits back to members.

Each piece of our long-term strategy can be tied back to our core value: members come first. When we operate lean, excel in the digital space and invest in ourselves, we can continue to provide excellent rates and exceptionally reliable experience.

Key Initiatives
The long-term strategy identified five organizational competencies that are essential to our future:

- **Human-Centered Experience Design**
  Design a simple, intuitive digital experience based on members’ unique needs and wants.

- **Agile Operational Excellence**
  Quickly, efficiently, effectively and reliably adapt to members’ needs and preferences.

- **Digital Brand Management**
  Define our unique value proposition and use it to fuel membership and product growth.

- **Business Intelligence: Insight to Action**
  Leverage and improve analytics to make strategic decisions that improve member returns and member experience.

- **Business & Technical Ecosystem Integration**
  Create systems and technology that will enhance member value as the marketplace continues to change.
Awards & Media Mentions

“Best High-Yield Savings Accounts 2018”

“Best Mortgage Lender of 2018”

“Best Credit Unions for Car Loans 2018”

“Most Convenient Credit Union of 2018”

“The Financial Brand

“Best Credit Unions for Car Loans 2018”

“Most Convenient Credit Union of 2018”

CardRates.com Editor’s Choice Award

“Best Credit Unions for Car Loans 2018”

Kiplinger’s Personal Finance

“Best Rewards Credit Cards 2018”

Forbes

“11 Women Who Are Changing the Face of Finance”
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Primary Members</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>299,017</td>
<td>$8,673,603,670</td>
</tr>
<tr>
<td>2016</td>
<td>345,193</td>
<td>$9,508,907,871</td>
</tr>
<tr>
<td>2017</td>
<td>385,302</td>
<td>$9,696,343,966</td>
</tr>
<tr>
<td>2018</td>
<td>439,028</td>
<td>$11,226,543,830</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Gross Loans</th>
<th>Total Interest Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$5,239,394,502</td>
<td>$210,741,646</td>
</tr>
<tr>
<td>2016</td>
<td>$6,377,305,315</td>
<td>$248,349,762</td>
</tr>
<tr>
<td>2017</td>
<td>$7,189,880,305</td>
<td>$287,845,782</td>
</tr>
<tr>
<td>2018</td>
<td>$8,552,144,780</td>
<td>$389,846,551</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Deposits</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$7,252,875,145</td>
<td>$50,440,086</td>
</tr>
<tr>
<td>2016</td>
<td>$8,168,877,721</td>
<td>$57,222,565</td>
</tr>
<tr>
<td>2017</td>
<td>$8,549,225,880</td>
<td>$70,926,532</td>
</tr>
<tr>
<td>2018</td>
<td>$9,238,105,120</td>
<td>$61,530,836</td>
</tr>
</tbody>
</table>
# Statement of Financial Condition (Unaudited)*

<table>
<thead>
<tr>
<th>($ MILLIONS)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$401.9</td>
<td>$223.9</td>
</tr>
<tr>
<td>Certificates of Deposit with other Financial Institutions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Securities Available-for-Sale</td>
<td>1,863.6</td>
<td>1,962.8</td>
</tr>
<tr>
<td>Loans to Members, Net</td>
<td>8,574.9</td>
<td>7,198.0</td>
</tr>
<tr>
<td>NCUSIF Deposit</td>
<td>80.1</td>
<td>76.7</td>
</tr>
<tr>
<td>Other Assets</td>
<td>306.0</td>
<td>234.9</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$11,226.5</td>
<td>$9,696.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>($ MILLIONS)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND MEMBERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Share Accounts</td>
<td>$7,135.1</td>
<td>$6,616.0</td>
</tr>
<tr>
<td>Certificate Share Accounts</td>
<td>1,139.2</td>
<td>980.4</td>
</tr>
<tr>
<td>Individual Retirement Accounts</td>
<td>499.8</td>
<td>518.4</td>
</tr>
<tr>
<td>Checking Accounts</td>
<td>464.0</td>
<td>434.4</td>
</tr>
<tr>
<td><strong>Total Deposits</strong></td>
<td>$9,238.1</td>
<td>$8,549.2</td>
</tr>
<tr>
<td>Borrowings</td>
<td>782.1</td>
<td>-</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>65.5</td>
<td>55.3</td>
</tr>
<tr>
<td><strong>Total Borrowings and Other Liabilities</strong></td>
<td>$847.6</td>
<td>$55.3</td>
</tr>
<tr>
<td>Members’ Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Reserve</td>
<td>121.0</td>
<td>121.0</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>1,039.3</td>
<td>977.7</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Income</td>
<td>(19.5)</td>
<td>(6.9)</td>
</tr>
<tr>
<td><strong>Total Members’ Equity</strong></td>
<td>$1,140.8</td>
<td>$1,091.8</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND MEMBERS’ EQUITY</strong></td>
<td>$11,226.5</td>
<td>$9,696.3</td>
</tr>
</tbody>
</table>

* Dollar amounts in millions.
## Statement of Income (Unaudited)*

### INTEREST INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to Members</td>
<td>$324,058.4</td>
<td>$244,715.9</td>
</tr>
<tr>
<td>Securities and Certificates of Deposit with other Financial Institutions</td>
<td>63,853.3</td>
<td>43,005.6</td>
</tr>
<tr>
<td>Other</td>
<td>1,934.9</td>
<td>124.3</td>
</tr>
<tr>
<td><strong>TOTAL INTEREST INCOME</strong></td>
<td><strong>$389,846.6</strong></td>
<td><strong>$287,845.8</strong></td>
</tr>
</tbody>
</table>

### INTEREST EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Shares</td>
<td>143,697.1</td>
<td>93,500.5</td>
</tr>
<tr>
<td>Borrowings</td>
<td>29,130.1</td>
<td>2,861.5</td>
</tr>
<tr>
<td>Other</td>
<td>348.8</td>
<td>107.7</td>
</tr>
<tr>
<td><strong>TOTAL INTEREST EXPENSE</strong></td>
<td><strong>$173,176.0</strong></td>
<td><strong>$96,469.7</strong></td>
</tr>
</tbody>
</table>

### NET INTEREST INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Loan Losses</td>
<td>34,924.5</td>
<td>29,297.8</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</strong></td>
<td><strong>$181,746.1</strong></td>
<td><strong>$162,078.3</strong></td>
</tr>
</tbody>
</table>

### NON-INTEREST INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Gains on Disposition of Investments</td>
<td>$91.8</td>
<td>$1,155.1</td>
</tr>
<tr>
<td>Gain on Loan Sale</td>
<td>3,065.2</td>
<td>5,116.0</td>
</tr>
<tr>
<td>Loss on Foreclosed Assets</td>
<td>(832.7)</td>
<td>(1,530.1)</td>
</tr>
<tr>
<td>Service Fees</td>
<td>5,984.3</td>
<td>5,448.2</td>
</tr>
<tr>
<td>Interchange Income</td>
<td>4,071.5</td>
<td>5,872.8</td>
</tr>
<tr>
<td>Other Income</td>
<td>20,117.8</td>
<td>19,735.9</td>
</tr>
<tr>
<td><strong>TOTAL NON-INTEREST INCOME</strong></td>
<td><strong>$32,497.9</strong></td>
<td><strong>$35,797.9</strong></td>
</tr>
</tbody>
</table>

### NON-INTEREST EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Employee Benefits</td>
<td>76,166.0</td>
<td>63,860.6</td>
</tr>
<tr>
<td>Service Charges</td>
<td>22,184.7</td>
<td>17,616.5</td>
</tr>
<tr>
<td>Office Operations</td>
<td>9,924.6</td>
<td>9,048.2</td>
</tr>
<tr>
<td>Depreciation</td>
<td>13,232.4</td>
<td>10,067.8</td>
</tr>
<tr>
<td>Data Processing</td>
<td>10,831.8</td>
<td>8,633.9</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>8,011.4</td>
<td>4,804.0</td>
</tr>
<tr>
<td>Other</td>
<td>12,362.3</td>
<td>12,918.7</td>
</tr>
<tr>
<td>NCUA Premium Assessment</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>TOTAL NON-INTEREST EXPENSE</strong></td>
<td><strong>$152,713.2</strong></td>
<td><strong>$126,949.7</strong></td>
</tr>
</tbody>
</table>

**NET INCOME**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$61,530.8</strong></td>
<td><strong>$70,926.5</strong></td>
</tr>
</tbody>
</table>

---

*Dollar amounts in thousands.

Certain amounts in the prior-period financial statements have been reclassified to conform with the presentation of current-period financial statements.
Board of Directors

Ed Rogowski, Chairperson
Earl (Lee) Achord, Vice Chairperson
David W. Mooney, President & Treasurer
Irwin I. Gzesh, Secretary
Julian Chu
Ted Davidson
Sabrina King
David Leib
Anne Pease
Farhan Siddiqi
Scott Wilson

Executive Management Team 2018

David W. Mooney, CEO
Jason Osterhage, SVP, Lending
George Rudolph, SVP, Operations & Technology
Phil Salis, SVP, Member Engagement
Lee Schafer, SVP, Corporate Affairs and Chief Administrative Officer
Timothy G. Wartman, SVP, Executive Officer, Treasury & ALM
Harry Zhu, CFO & SVP, Finance