

2016

ANNUAL REPORT

Delivering Reliable Financial Value

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Staying Strong



Ed Rogowski
Chairman



David Mooney
President / Treasurer

2016 was a year in which established norms and conventional wisdom were challenged. We were forced to examine assumptions and beliefs, rethink practices and question traditional standards. This applied not only in the political and social spheres, but also in financial services. Case in point: Wells Fargo, long favored by investors and admired by competitors for their cross-selling prowess, was embroiled in scandal when it was revealed that employees had padded sales results by opening over two million accounts without accountholders' knowledge.

One constant amidst the ambiguity was Alliant's record of providing superior value to our members. Alliant's deposit rates were again among the highest available in the market and our borrowing rates were consistently below bank and credit union averages.

This value was recognized in the marketplace. Total membership increased by 15% during 2016, while assets grew by nearly 10%. The credit union earned praise from a number of financial websites and publications. Alliant was named one of the "Best Checking Accounts" and "Best Savings Accounts" (*NerdWallet*); "Best Credit Union for Savings," "Best Credit Union for Checking" and "Best Auto Loan" (*GoBankingRates*); "Best No-Strings Checking" (*Kiplinger*); "Best-Rate Credit Union Certificates" (*Bankrate*); and "Best Banks of 2016" (*Money Magazine*).

While keeping expenses low—Alliant ranks in the 96th percentile in efficiency among large credit unions—the credit union is also investing to improve service, convenience and security. In November, we introduced a new mobile banking app that has been well received by members and was named one of the "Best Mobile Banking Apps" by *Financial Brand*.

In an environment of uncertainty, our member-focused mission remains absolute. The Alliant board of directors, management and employees are grateful for the trust and support of our member owners.

A handwritten signature in black ink, appearing to be 'ERogowski'.

Ed Rogowski
Chairman

A handwritten signature in black ink, appearing to be 'David Mooney'.

David Mooney
President / Treasurer

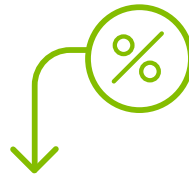
2016 HIGHLIGHTS

Another Year of Superior Value for Our Members

Alliant's savings and loan rates were among the best available. Dividend payouts to members were more than \$79 million.



Our regular savings rate was more than 8 times the credit union average.



Our loan rates were consistently below bank and credit union averages.



We returned \$79.8 million in dividends to members, an increase of \$12.9 million in 2015.

"Best Checking Accounts"
"Best Savings Accounts"

—NerdWallet

"Best No-Strings Checking"

—Kiplinger

"Best-Rate Credit Union Certificate"

—Bankrate

"Best Banks of 2016"

—Money Magazine



KEY FINANCIALS

A Year of Substantial Growth

Alliant witnessed unsurpassed growth in membership. Loans, deposits, assets and income also increased.



12.5% DEPOSIT GROWTH

Total deposits grew to **\$8.15 billion**, an increase **\$906 million**, or 12.5% from 2015.



13% INCOME INCREASE

Net income grew to **\$57.2 million**, a 13% increase over 2015.



15% NEW MEMBER GROWTH

Alliant added **46,176** members in 2016. By year-end, total members stood at **345,193** compared to 299,017 at the end of 2015.



9.6% ASSETS INCREASE

Total assets ended the year at **\$9.5 billion**.



22% LOAN GROWTH

Total loan balances increased to **\$6.37 billion** on originations of \$3.4 billion, up from \$2.6 billion in 2015.



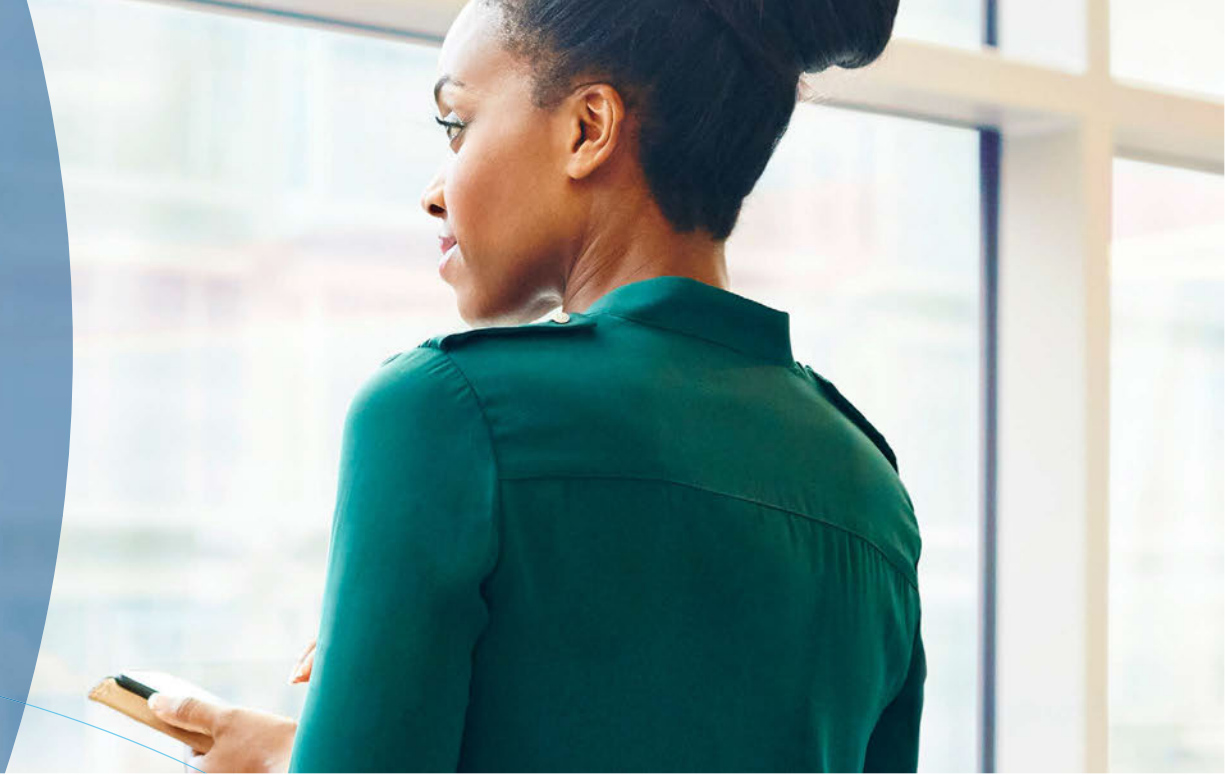
10.81% NET WORTH RATIO

Total Net Worth expanded to **\$1.02 billion**.

MOBILE APP

Enhanced Mobile and Online Banking

Improving mobile and online banking continued to be a major focus in 2016. Enhancements led to an increase in mobile traffic and website engagement.



LAUNCHED IMPROVED MOBILE APP



INCREASED MOBILE TRAFFIC



INCREASED WEBSITE ENGAGEMENT

MOBILE APP

An Easier Way to Manage Money

Because Alliant understood that our members were always on the go, we delivered a new mobile banking app with enhanced features. The reviews were outstanding.

SITE ENHANCEMENTS INCLUDED:



FINGERPRINT LOGIN



BALANCE PREVIEW



PASSWORD RESET



SECURE MESSAGING



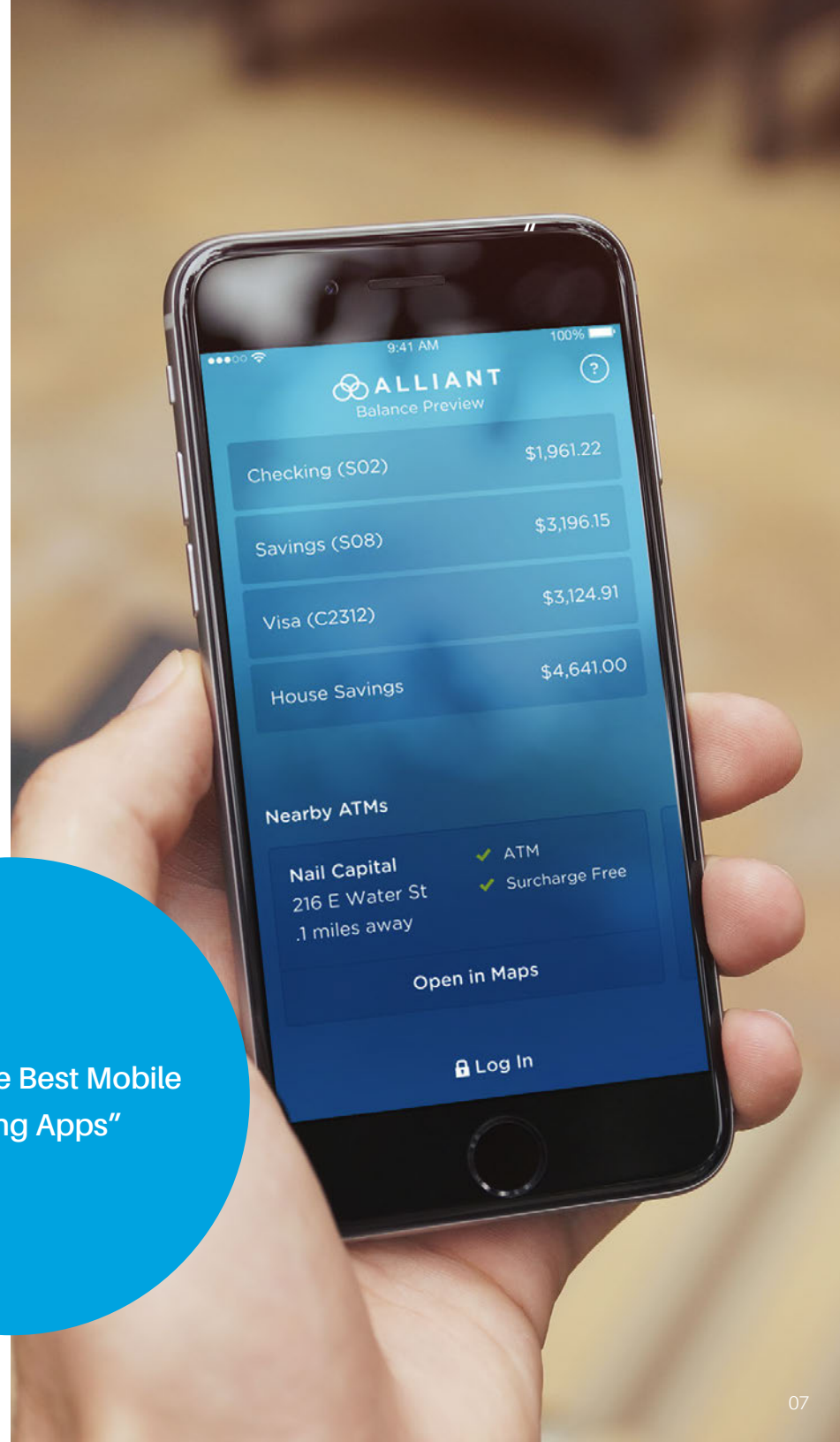
TRANSFERS TO EXTERNAL ACCOUNTS



BILL PAY



CUSTOMIZED ACCOUNT DISPLAY



"One of the Best Mobile Banking Apps"

—Financial Brand



ALLIANT CARES

Giving Back is What We Do

Alliant employees continued their tradition of donating to charities and organizations while also teaching financial literacy to middle school students in the Chicago area. The generosity of the Alliant Foundation provided financial grants, funded vacation reading programs and provided school supplies.

\$200,000

DONATED TO CHARITIES AND
EDUCATIONAL ORGANIZATIONS

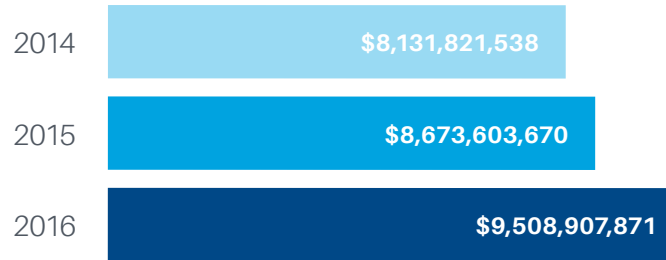
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STUDENTS INSTRUCTED BY ALLIANT
EMPLOYEE VOLUNTEERS

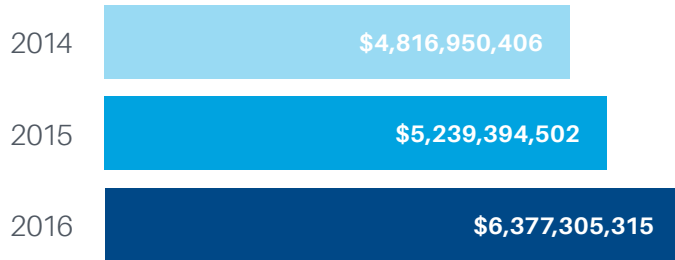
TOTAL PRIMARY MEMBERS



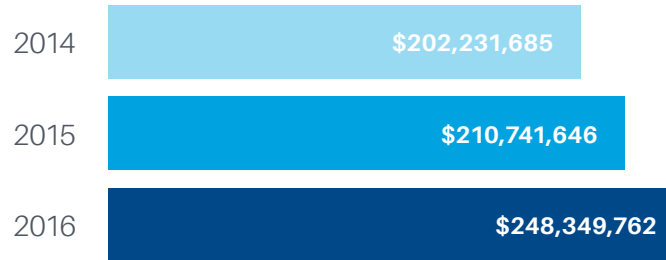
TOTAL ASSETS



TOTAL GROSS LOANS



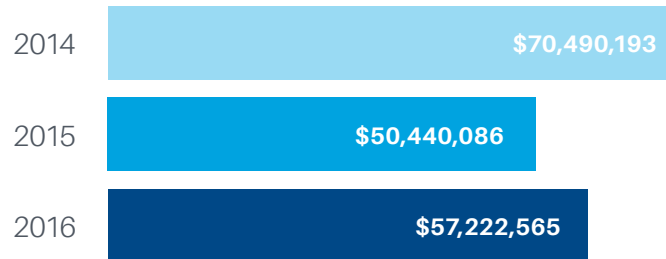
TOTAL INTEREST INCOME



TOTAL DEPOSITS



NET INCOME



Statement of Financial Condition (Unaudited)*

(\$ MILLIONS)	2016	2015	(\$ MILLIONS)	2016	2015
ASSETS			LIABILITIES AND MEMBERS' EQUITY		
Cash and Cash Equivalents	\$393.5	\$344.2	Members' Deposits		
Certificates of Deposit with other Financial Institutions	-	-	Savings Accounts	\$6,125.6	\$5,427.8
Securities Available-for-Sale	2,464.5	2,881.2	Certificates	997.8	866.5
Loans to Members, Net	6,377.6	5,235.6	Individual Retirement Accounts	533.2	531.7
NCUSIF Deposit	69.9	64	Checking Accounts	396.7	334.4
Other Assets	203.4	148.6	HSA Accounts	105.6	92.5
			Total Deposits	\$8,158.9	\$7,252.9
TOTAL ASSETS	\$9,508.9	\$8,673.6	Borrowings	287.3	424.3
			Other Liabilities	42.1	33.1
			Total Liabilities	\$329.4	\$457.4
			Members' Equity		
			Regular Reserve	121.0	121.0
			Undivided Earnings	906.8	849.6
			Accumulated Other Comprehensive Income	(7.2)	(7.3)
			Total Members' Equity	\$1,020.6	\$963.3
			TOTAL LIABILITIES AND MEMBERS' EQUITY	\$9,508.9	\$8,673.6

*Dollar amounts in millions.

Statement of Income (Unaudited)*

INTEREST INCOME	2016	2015	NON-INTEREST INCOME	2016	2015
Loans to Members	\$209,094.5	\$177,423.9	Net Gains on Disposition of Investments	\$1,014.2	\$195.4
Securities and Certificates of Deposit with other Financial Institutions	39,175.4	33,307.3	Gain on Loan Sale	3,728.1	3,267.4
Other	79.9	10.4	Loss on Foreclosed Assets	(790.6)	(823.4)
TOTAL INTEREST INCOME	\$248,349.8	\$210,741.6	Service Fees	4,833.5	4,530.1
			Interchange Income	7,998.9	7,018.0
			Other Income	9,303.0	7,384.7
INTEREST EXPENSE			TOTAL NON-INTEREST INCOME	\$26,087.1	\$21,572.2
Members' Shares	79,811.8	66,867.6			
Other	2,316.2	1,226.0	NON-INTEREST EXPENSE		
TOTAL INTEREST EXPENSE	\$82,128.0	\$68,093.6	Salaries and Employee Benefits	54,722.3	52,175.1
			Service Charges	20,092.3	17,767.1
NET INTEREST INCOME	166,221.8	142,648.1	Office Operations	8,545.6	7,650.4
Provision for Loan Losses	22,546.2	12,725.8	Depreciation	6,265.7	4,220.7
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$143,675.6	\$129,922.3	Data Processing	7,313.1	5,812.4
			Professional Fees	6,047.0	4,530.3
			Other	9,554.2	8,898.4
			NCUA Premium Assessment	-	-
			TOTAL NON-INTEREST EXPENSE	\$112,540.2	\$101,054.4
			NET INCOME	\$57,222.6	\$50,440.1

*Dollar amounts in thousands.

Board Of Directors

Ed Rogowski, *Chairman*
John Gebo, *Vice Chairman*
David Mooney, *President/Treasurer*
Irwin Gzesh, *Secretary*
Lee Achord
Julian Chu
Ted Davidson
David Leib
Anne Pease
Farhan Siddiqi
Scott Wilson

Executive Management Team

David Mooney, *President & 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 Wartman, *SVP, Executive Officer Investments & ALM*
Harry Zhu, *SVP, Finance & Risk Management; CFO*