alloya®

Corporate Federal Credit Union

2013 Audited Financials

Chair's Comments

Alloya was launched in October 2011 when credit unions large and small decided to pool their resources to start a corporate credit union that would provide access to services best delivered through a cooperative business model. By pooling resources, credit unions can access funds efficiently, conduct payment transactions securely and supplement their professional capabilities. I am pleased to report that 2013 marked the second full year of operations and credit unions continue to realize significant returns on their membership.

Alloya is focused on its core services and achieved a significant milestone in March of 2013 when it upgraded the infrastructure that supports Premier View – a technology that serves as a backbone for over 1,400 credit unions that securely and efficiently access payment services, manage accounts, access statements, view check images, and administer user authorities. This core system upgrade was completed in a safe and sound manner with little member impact.

With the economy posing so many challenges, most credit unions continue to seek ways to manage costs and increase revenue. Alloya is no exception. Effective April 30, 2013, Alloya completed a strategic merger with CenCorp that doubled the capital base, increased membership by 300 credit unions, reduced back office operating expenses and increased balance sheet capabilities. More importantly, CenCorp's talented team of professionals added depth across all levels of the organization.

Against a backdrop of positive transitions, 2013 came down to action: detailed planning by board and leadership, managers pushing hard to meet objectives, and employees bringing their specialized knowledge to bear. Members played a key role, with most affected by product transitions related to past challenges, or changes brought about by merger. Patience and perseverance has paid dividends as you will see as you review this report.

Events over the past few years have happened on a large scale and at a rapid pace. Management transition at Alloya has been part of that change. At the very end of 2013, Todd Adams, a member of Alloya's senior management team and the head of its wholly owned CUSO, Balance Sheet Solutions, was selected as the corporate's new Chief Executive Officer.

Alloya's strategic plan is centered on personnel development, delivering member value and financial performance. The corporate will continue to develop new products and services that are aligned with its core strengths to further advance its cooperative value proposition.

On behalf of Alloya's board of directors, thank you for support and involvement – we welcome your feedback and ideas. To share your thoughts with the board, please visit www.alloyacorp.org/askAlloya_bod.php.

Amy Sink
March 31, 2014

Corporate Federal Credit Union

Chief Executive Officer's Comments

It is my pleasure to present Alloya's annual report and audited financial statements. As you review this report, please note that 2013 marked the first year that corporate credit unions were required to obtain an independent opinion on the effectiveness of internal financial reporting controls. This requirement is similar to "Sarbanes-Oxley" rules that govern large publicly traded corporations. Alloya is committed to full and transparent financial disclosures and this opinion serves as a validation of the hard work dedicated to maintaining controls that make this possible.

Financial highlights for 2013 include net income of $9.0 million, total assets of $2.3 billion, EBA balances of $2.3 billion (representing an efficient source of member liquidity) and a retained earnings ratio of 1.93% versus a regulatory requirement of 0.45%. The results are significantly ahead of the financial plan presented in the Private Placement Memorandum during Alloya's formation.

The strategic merger of Alloya and CenCorp created clear advantages in terms of additional capability, aggregation and value return to members. In 2013 alone, member activity at Alloya included over $6 billion in advised line-of-credit advances (over 65% of all members accessed their line at least once during the year), 201 million checks processed, 126 million ACH transactions, 202 thousand wires and 82 thousand coin and currency deliveries. Aggregation of this magnitude continues to open doors to potential new services to benefit members.

As gratifying as these numbers are, a much larger story is unfolding. It is the story of over 1,400 credit unions pulling together, allowing all to access dependable, fairly priced services that are vital to their daily operations. It is the story of members receiving real value from the investment they made in Alloya. You may have already seen the report to the membership I sent earlier this year, where we explored this value return in some depth. By looking at just three metrics, a case can be made that credit unions received value in excess of 35% of their capital investment in 2013 alone. While much of that value may not be "top of mind" it really should be, because it was precisely for those items that many credit unions chose to invest in Alloya. To download a copy of the report, visit www.alloyacorp.org/RptToMembership2014.pdf.

Alloya continues to make investments to return value to members. In 2013, new products were added to our wholly owned CUSO, Balance Sheet Solutions, to assist credit unions in managing their investment portfolios more effectively. We also continue to make our team available by providing free education (4,500 credit union professionals attended at least one session last year).

Your continued support is vital to sustaining Alloya's cooperative business model. The next time you consider a new product, please *think Alloya first*. For help comparing Alloya to other providers, contact your Senior Business Consultant for a free value analysis.

On behalf of the management and staff, thank you for playing the most important role in Alloya's success story. Your continued support makes all the difference.

Todd M. Adams
March 31, 2014

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INDEPENDENT AUDITOR'S REPORT

March 4, 2014

To the Supervisory Committee of
Alloya Corporate Federal Credit Union

We have audited the accompanying consolidated financial statements of Alloya Corporate Federal Credit Union and its subsidiary, which comprise the consolidated statements of financial condition as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Alloya Corporate Federal Credit Union and its subsidiary as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We have also audited, in accordance with the auditing standards generally accepted in the United States of America, Alloya Corporate Federal Credit Union's assertion concerning the effectiveness of the Credit Union's internal control and procedures over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 4, 2014, expressed an unqualified opinion.

Orth, Chakler, Murnane & Co.

Orth, Chakler, Murnane & Company
Certified Public Accountants
Miami, FL

ALLOYA CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS

	As of December 31, 2013	2012
Cash and cash equivalents	$725,475,021	$546,077,540
Investments:		
Available-for-sale	1,125,435,646	607,026,391
Other investments	2,232,000	15,946,530
Loans to members	445,769,265	223,643,169
Accrued interest receivable:		
Investments	572,716	667,431
Loans	431,087	468,729
Prepaid and other assets	4,687,020	3,924,725
Property and equipment	989,001	4,272,328
National Credit Union Share Insurance Fund (NCUSIF)	3,274,306	2,842,336
Total assets	$2,308,866,062	$1,404,869,179

LIABILITIES AND MEMBERS' EQUITY

	As of December 31, 2013	2012
LIABILITIES:		
Members' shares and certificates	$2,086,065,411	$1,268,621,296
Deposits in collection	3,023,692	36,082,148
Accounts payable and accrued liabilities	6,175,919	3,185,315
Accrued interest payable	107,636	35,164
Total liabilities	2,095,372,658	1,307,923,923
Commitments and contingent liabilities		
MEMBERS' EQUITY:		
Perpetual contributed capital	162,008,852	69,375,500
Retained earnings and other equity	51,883,879	25,803,293
Accumulated other comprehensive (loss)/income	(399,327)	1,766,463
Total members' equity	213,493,404	96,945,256
Total liabilities and members' equity	$2,308,866,062	$1,404,869,179

The accompanying notes are an integral
part of these consolidated financial statements.

ALLOYA CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF INCOME

	For the years ended December 31,	
	2013	**2012**
INTEREST INCOME:		
Investments	$8,793,938	$6,408,612
Loans to members	9,806,364	10,614,068
Total interest income	18,600,302	17,022,680
INTEREST EXPENSE:		
Members’ share and certificates	2,293,017	4,479,016
Net interest income	16,307,285	12,543,664
NON-INTEREST INCOME:		
Fee income, net of correspondent banking expenses	9,948,569	9,555,513
Balance Sheet Solutions fee income	6,847,330	6,990,272
Bargain purchase gain	2,098,761	—
Agent income from Excess Balance Account Program	1,451,614	1,636,410
Gain on sale of property and equipment	953,722	—
Gain on financial instruments	45,601	210,489
Other income	794,233	107,958
Total non-interest income	22,139,830	18,500,642
NON-INTEREST EXPENSE:		
Compensation and employee benefits	20,404,345	16,973,731
Professional and outside services	2,504,280	2,421,726
Office operations	2,179,721	2,169,109
Training, travel and communications	1,817,034	1,390,546
Office occupancy	1,539,047	1,578,276
Miscellaneous	1,025,457	714,577
Total non-interest expense	29,469,884	25,247,965
Net income	$8,977,231	$5,796,341

The accompanying notes are an integral
part of these consolidated financial statements.

ALLOYA CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended December 31, 2013	2012
NET INCOME	$8,977,231	$5,796,341
OTHER COMPREHENSIVE INCOME:		
Net unrealized holding (losses)/gains on investments classified as available-for-sale	(2,165,790)	1,722,923
Reclassification adjustment for net gains included in net income	—	(208,203)
Other comprehensive (loss) income	(2,165,790)	1,514,720
Comprehensive income	$6,811,441	$7,311,061

The accompanying notes are an integral
part of these consolidated financial statements.

ALLOYA CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

For the years ended December 31, 2013 and 2012

	Perpetual Contributed Capital	Retained Earnings and Other Equity	Accumulated Other Comprehensive Income/(Loss)	Total
Balance, December 31, 2011	$64,646,354	$20,505,394	$251,743	$85,403,491
Net income	—	5,796,341	—	5,796,341
Perpetual contributed capital raised	4,729,146	—	—	4,729,146
Dividends on perpetual contributed capital	—	(498,442)	—	(498,442)
Other comprehensive income	—	—	1,514,720	1,514,720
Balance, December 31, 2012	69,375,500	25,803,293	1,766,463	96,945,256
Net income	—	8,977,231	—	8,977,231
Perpetual contributed capital acquired	92,633,352	—	—	92,633,352
Equity acquired through merger	—	18,000,000	—	18,000,000
Dividends on perpetual contributed capital	—	(896,645)	—	(896,645)
Other comprehensive loss	—	—	(2,165,790)	(2,165,790)
Balance, December 31, 2013	$162,008,852	$51,883,879	($399,327)	$213,493,404

The accompanying notes are an integral part of these consolidated financial statements.

ALLOYA CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$8,977,231	$5,796,341
Adjustments:		
Dividends on perpetual contributed capital	(896,645)	(498,442)
Depreciation and amortization	420,244	356,250
Bargain purchase gain from merger	(2,098,761)	—
(Gain)/loss on sale of property and equipment	(953,722)	(2,286)
(Gain)/loss on sale of investments	(45,601)	(208,203)
Amortization/accretion of investment premiums and discounts	(657,578)	820,409
Amortization of premiums on loans	(420,847)	—
Amortization of premiums on members' certificates	297,630	—
Amortization of core deposit intangible	240,000	—
Changes in operating assets and liabilities:		
Prepaid and other assets	2,239,194	(17,570)
Accrued interest receivable	628,723	110,368
Accrued interest payable	(566,400)	(1,552,612)
Deposits in collection	(34,115,214)	15,562,434
Accounts payable and accrued liabilities	1,472,968	(44,986)
Net cash (used in)/provided by operating activities	(25,478,778)	20,321,703
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities, sales and repayments of available-for-sale investments	366,140,776	215,672,740
Purchase of available-for-sale investments	(707,977,697)	(599,056,123)
Net change in U.S. Central Bridge Corporate FCU	—	237,350,030
Net change in other investments	13,962,530	24,530
Net change in loans to members	(170,768,437)	84,829,834
Expenditures for property and equipment	(602,836)	(4,151,120)
Proceeds from the sale of property and equipment	4,616,600	164,960
Change in NCUSIF deposit	323,920	686,769
Net cash acquired from merger	1,731,182,108	—
Net cash provided by/(used in) investing activities	1,236,876,964	(64,478,380)

The accompanying notes are an integral part of these consolidated financial statements.

ALLOYA CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash Flows: (continued)

	For the years ended December 31, 2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in members' shares and certificates	(1,041,936,128)	(282,025,701)
Perpetual contributed capital raised	9,935,423	4,729,146
Net cash used in financing activities	(1,032,000,705)	(277,296,555)
Net change in cash and cash equivalents	179,397,481	(321,453,232)
Cash and cash equivalents at beginning of year	546,077,540	867,530,772
Cash and cash equivalents at end of year	$725,475,021	$546,077,540
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Interest paid	$2,859,417	$6,031,628
SCHEDULE OF NON-CASH TRANSACTIONS:		
Other comprehensive (loss)/income	($2,165,790)	$1,514,720

The accompanying notes are an integral
part of these consolidated financial statements.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF OPERATIONS

Alloya Corporate Federal Credit Union (the Credit Union) was chartered in October 2011 and is a nonprofit financial cooperative organized to serve as a central money facility for investments and correspondent banking activity for its member credit unions through the financial system. The Credit Union provides a wide range of investment, liquidity, and correspondent banking services for its member credit unions and affiliated organizations principally located in Illinois, New York and Michigan.

Balance Sheet Solutions, LLC (BSS) is a wholly-owned subsidiary of the Credit Union. BSS maintained a broker/dealer license throughout most of 2012 and was registered as an investment advisor with the Securities and Exchange Commission (SEC) and was a member of the Financial Industry Regulation Authority (FINRA). In December 2012, BSS deregistered from FINRA and began offering these services through CU Investment Solutions, LLC. CU Investment Solutions, LLC, is registered with the Securities and Exchange Commission as a broker-dealer under the Securities Exchange Act of 1934. BSS offers securities transactions and nondiscretionary investment advisory services to its customers, principally credit unions and credit union service organizations.

MERGER WITH CENTRAL CORPORATE CREDIT UNION

Effective April 30, 2013, Alloya Corporate Federal Credit Union acquired certain assets and liabilities of Central Corporate Credit Union as the legal entity. The merger was treated as a purchase in accordance with the Business Combinations section of the FASB codification. As such, all significant assets and liabilities of Central Corporate Credit Union were recorded at their estimated fair value.

CONSOLIDATED FINANCIAL STATEMENTS/USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the consolidated financial statements and the reported amounts of revenues and expenses for the periods then ended. Actual results could differ from those estimates. Estimates that are particularly susceptible to change relate to the determination of the fair value of financial instruments. The significant accounting principles and policies used in the preparation of these consolidated financial statements, together with certain related information, are summarized below.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include accounts of the Credit Union and its wholly owned subsidiary, BSS. All significant intercompany balances and transactions have been eliminated in consolidation.

Note 1: (continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts due from the Federal Reserve Bank and other depository institutions as well as coin and currency maintained at various courier warehouses. Amounts due from banks may, at times, exceed federally insured limits.

FEDERAL RESERVE BANK (FRB) - EXCESS BALANCE ACCOUNT (EBA) PROGRAM

The Credit Union, as agent, entered into an EBA agreement with participating member credit unions and the FRB, whereby the FRB opened EBA accounts for the benefit of the participants at the request of the agent. As such, the balances in the EBA accounts are not reflected in the Credit Union's consolidated financial statements. These balances totaled approximately $2,315,415,000 and $2,950,389,000 as of December 31, 2013 and 2012, respectively. Neither the participating member credit unions nor the agent may use the EBA for general payments or other activities. The aggregate balance in the EBA represents a deposit liability of the FRB solely to the participants. The agent is solely responsible for calculating and distributing the interest payable to each participant on the participant's excess balance and for damages owed to participants for any inaccuracy in calculating the participant's excess balance and interest.

INVESTMENTS

Investments are classified into the following categories: available-for-sale and other. Investment securities classified as available-for-sale are measured at fair value as of the consolidated statement of financial condition date. Unrealized gains and losses for available-for-sale investments are reported as a separate component of members' equity as accumulated other comprehensive income/loss. Realized gains and losses on disposition, if any, are computed using the specific identification method. Investments are adjusted for the amortization of premiums and accretion of discounts as an adjustment to interest income on investments over the term of the investment using the interest method.

The Credit Union has elected to classify certain cash equivalents as other investments. This election is available to the Credit Union according to the terms of the Statement of Cash Flows Topic of the FASB ASC.

U.S. Central Bridge Corporate Federal Credit Union (USC Bridge) was a federally chartered financial services cooperative which operated for the benefit of its members (primarily corporate credit unions) under the Federal Credit Union Act. During 2009, U.S. Central Federal Credit Union (USC) was conserved by the NCUA as part of the corporate credit union stabilization plan. As part of the stabilization plan, the correspondent banking services were moved to the newly formed USC Bridge on November 1, 2010. Effective October 31, 2012, USC Bridge was liquidated.

LOANS TO MEMBERS

Loans to members are stated at the amount of unpaid principal. Interest on loans is calculated using the simple-interest method on principal amounts outstanding. The accrual of interest is discontinued when management believes that collection of interest is doubtful. The Credit Union reviews the loan portfolio for impairment on a regular basis. No allowance for loan losses (ALL) has been established as the Credit Union has never experienced a loss on a member credit union loan and none of the loans were delinquent.

Note 1: (continued)

ALL METHODOLOGY

The Credit Union's loan portfolio consists only of loans made to member credit unions and credit union service organizations. The Credit Union has divided the portfolio into two classes of loans (settlement loans and fixed-rate term loans) based on the risk characteristics of each type. Each class of loans requires significant judgment to determine the estimation method that fits the credit risk characteristics of its portfolio segment.

The following methodology is used by management to evaluate each class of loans.

COMMERCIAL CREDIT QUALITY INDICATORS

Settlement loans and fixed-rate term loans are evaluated on a loan-by-loan basis. Loans to members and credit union service organizations (CUSOs) are generally secured by a blanket lien against the assets of the member credit union or CUSO. In addition, the Credit Union may also require the member to pledge specific assets and/or certificate accounts before extending loan advances. Loans to members can be offset against the members' share accounts, if necessary.

If management determines that a loan is impaired, an impairment is recognized through an ALL. There were no impaired loans as of December 31, 2013 or 2012. Additionally, none of the loans were past due or modified as of December 31, 2013 and 2012. The Credit Union places loans on non-accrual status when the loan reaches 90 days past due or when the collection of interest or principal becomes uncertain.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost less accumulated depreciation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The Credit Union reviews property and equipment (long-lived assets) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NCUSIF DEPOSIT

The deposit in the NCUSIF is in accordance with NCUA regulations, which require the maintenance of a deposit by each insured credit union. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board.

CORPORATE CREDIT UNION STABILIZATION FUND ASSESSMENTS

During July 2012 and 2013, the NCUA Board approved 9.5 and 8 basis point assessments to fund the corporate credit union stabilization fund. These assessments were based on the Credit Union's insured shares as of June 30, 2012 and 2013, respectively.

Note 1: (continued)

MEMBERS' SHARES AND CERTIFICATES

Members' shares are subordinated to all other liabilities of the Credit Union other than non-perpetual contributed capital deposits upon liquidation. Interest rates on members' shares and certificates are set by management based on a daily assessment of available earnings and are not guaranteed by the Credit Union.

NON-PERPETUAL CONTRIBUTED CAPITAL (NPC) SHARES

NPC shares require a notification term of five years prior to their withdrawal from the Credit Union. In the event of the Credit Union's liquidation, NPC shares are payable only after satisfaction of all liabilities of the Credit Union, including uninsured share obligations to members and the NCUSIF.

PERPETUAL CONTRIBUTED CAPITAL (PCC)

PCC is a secondary capital instrument that is classified as equity in the statement of financial condition. PCC is not negotiable or assignable but may be transferred to another eligible member credit union under certain provisions. PCC may not be pledged or used as security for borrowing. PCC dividends are determined based on net earnings and the overall capital needs of the Credit Union. Additionally, PCC dividends are not guaranteed and may be suspended if earnings are negative and/or capital levels fall below regulatory and/or policy minimum levels.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 4, 2014, the date the consolidated financial statements were available to be issued.

FEDERAL AND STATE TAX EXEMPTION

The Credit Union is exempt from most federal, state, and local taxes under the provisions of the Internal Revenue Code and state tax laws. The Income Taxes Topic of the FASB ASC clarifies accounting for uncertainty in income taxes reported in the consolidated financial statements. The interpretation provides criteria for assessment of individual tax positions and a process for recognition and measurement of uncertain tax positions. Tax positions are evaluated on whether they meet the "more likely than not" standard for sustainability on examination by tax authorities. Federal credit unions are tax-exempt under Internal Revenue Code sections 501(c)(14)(a) and 501(c)(1)(a)(I). As such, the Credit Union has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Additionally, no interest or penalties have been recorded in the accompanying consolidated financial statements related to uncertain tax positions.

NOTE 2: INVESTMENTS

The amortized cost and estimated fair value of investments are as follows:

	As of December 31, 2013			
Available-for-sale:	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Asset-backed securities	$829,293,909	$1,244,677	($1,084,523)	$829,454,063
Collateralized-mortgage obligations	206,404,267	148,843	(796,198)	205,756,912
Agency securities	90,136,797	87,874	—	90,224,671
	$1,125,834,973	$1,481,394	($1,880,721)	$1,125,435,646

As of December 31, 2013, the Credit Union holds certain investments classified as asset-backed securities acquired in the merger totaling approximately $30,081,000 that are no longer permissible under NCUA Regulations. The Credit Union has a temporary waiver from NCUA to continue to hold these securities.

	As of December 31, 2012			
Available-for-sale:	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Asset-backed securities	$446,573,679	$1,443,478	($127,070)	$447,890,087
Collateralized-mortgage obligations	93,694,418	329,986	—	94,024,404
Agency securities	64,991,831	120,069	—	65,111,900
	$605,259,928	$1,893,533	($127,070)	$607,026,391

The amortized cost and estimated fair value of investments by contractual maturity are shown below. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay certain obligations without call or prepayment penalties.

	As of December 31, 2013 *Available-for-sale*	
	Amortized Cost	**Fair Value**
Within 1 year	$39,998,078	$40,070,020
1 to 5 years	50,138,719	50,154,651
	90,136,797	90,224,671
Asset-backed securities	829,293,909	829,454,063
Collateralized-mortgage obligations	206,404,267	205,756,912
	$1,125,834,973	$1,125,435,646

Note 2: (continued)

The following tables represent concentration limits on investments based on parameters established in NCUA Regulation 704.5.

By security type:	Fair value	Capital based limit	Asset based limit
		As of December 31, 2013	
Mortgage-backed securities	$278,455,708	$2,761,769,270	$1,498,971,687
FFELP SLMA	286,006,885	2,124,437,900	1,153,055,144
Auto loan/lease ABS	384,625,989	1,062,218,950	576,527,572
Credit card ABS	65,281,084	1,062,218,950	576,527,572
Other ABS	63,459,108	1,062,218,950	576,527,572
	$1,077,828,774		

By issuer:	Fair value	Regulatory limit
	As of December 31, 2013	
Chase Issuance Trust	$50,386,384	$106,221,895
AMOT	39,724,817	53,110,948
FITAT 2013-1	35,037,170	53,110,948
SLMA 2005-9	35,007,665	53,110,948
FORDF	29,468,518	53,110,948
SLMA 2013-3	28,111,677	53,110,948
HART 2013-B	25,994,540	53,110,948
MBALT 2013-A	25,007,675	53,110,948
SLMA 2004-10	18,561,134	53,110,948
CARMX 2013-2	18,475,242	53,110,948
VALET 2013-1	18,426,833	53,110,948
	$324,201,655	

The following tables show the gross unrealized losses and fair value of investments, aggregated by length of time individual securities have been in a continuous unrealized loss position.

As of December 31, 2013
Available-for-sale

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Asset-backed securities	$313,681,009	($970,633)	$41,514,214	($113,890)	$355,195,223	($1,084,523)
Collateralized-mortgage securities	107,455,217	(796,198)	—	—	107,455,217	(796,198)
	$421,136,226	($1,766,831)	$41,514,214	($113,890)	$462,650,440	($1,880,721)

Note 2: (continued)

As of December 31, 2012
Available-for-sale

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Asset-backed securities	$82,846,744	($127,070)	$—	$—	$82,846,744	($127,070)

The Credit Union evaluates each asset-backed security for other-than-temporary impairment by considering the credit rating of each security as well as the tranche and underlying collateral in evaluating each security for other-than-temporary impairment. Management has the intent and ability to hold these securities to recovery of fair value, which may be maturity.

Other investments:	As of December 31, 2013	As of December 31, 2012
Certificates of deposit	$2,232,000	$—
Money market account	—	15,946,530
	$2,232,000	$15,946,530

NOTE 3: LOANS TO MEMBERS

The composition of loans to members is as follows:

	As of December 31, 2013	As of December 31, 2012
Commercial:		
Term loans	$320,161,947	$218,536,322
Settlement loans	125,607,318	5,106,847
	$445,769,265	$223,643,169

The Credit Union reviews all lines of credit on an annual basis by reviewing the member credit unions' financial condition and key ratios. A watch list is created of member credit unions that represent a credit risk or a concentration risk to the Credit Union. The following criteria are used to determine whether a loan will be placed on the watch list:

Credit Quality Indicators:

- Capital ratio below 6%.
- Negative earnings as of the prior year end and most recent quarter end as well as a capital ratio below 9%.
- Negative earnings as of the prior year end and most recent quarter end as well as a delinquency ratio above 4% and a capital ratio below 10%.

Note 3: (continued)

Concentration Risk Indicators:

- Line of credit in excess of 30% of the Credit Union's total members' equity.
- Outstanding loan balance in excess of 10% of the Credit Union's total outstanding loan balance.

NOTE 4: PROPERTY AND EQUIPMENT

A summary of the Credit Union's property and equipment is as follows:

	As of December 31, 2013	2012
Land	$—	$1,300,000
Building	—	2,481,033
Computer equipment	5,586,126	4,429,787
Software	5,658,172	4,165,746
Furniture and equipment	1,403,112	449,165
Leasehold improvements	36,426	14,871
Construction in Process	379,449	—
	13,063,285	12,840,602
Less accumulated depreciation	(12,074,284)	(8,568,274)
	$989,001	$4,272,328

During 2013, the Credit Union sold the main office facility in Warrenville, IL, and leased back a portion of the building. In connection with this transaction, the Credit Union recognized a gain of approximately $953,000 on the sale of the main office facility.

NOTE 5: MEMBERS' SHARES AND CERTIFICATES

	As of December 31, 2013	2012
Daily shares	$1,940,351,897	$1,148,765,056
Share certificates	145,148,600	111,315,666
NPC shares	564,914	8,540,574
	$2,086,065,411	$1,268,621,296

The aggregate balance of members' time deposit accounts in denominations of $100,000 or more was approximately $142,823,000 and $110,080,000 as of December 31, 2013 and 2012, respectively.

Note 5: (continued)

Scheduled maturities of certificates are as follows:

	As of December 31, 2013
Within 1 year	$139,603,600
1 to 2 years	395,000
2 to 3 years	150,000
3 to 4 years	5,000,000
	$145,148,600

SHARE INSURANCE

Members' shares are insured by the NCUSIF to a maximum of $250,000 for each member.

NOTE 6: EMPLOYEE BENEFITS

401(K) AND PROFIT SHARING PLAN

The Credit Union sponsors a defined contribution plan (Plan) established under Section 401(k) of the Internal Revenue Code. This Plan allows employees to contribute up to the Internal Revenue Service maximum allowable percentage of their compensation. The Credit Union matches 100% of the first 4% contributed by employees. Matching contributions approximated $578,000 and $470,000 for the years ended December 31, 2013 and 2012, respectively. In addition, the Credit Union may elect to make a discretionary contribution to the Plan annually. This election requires approval by the Board of Directors. No discretionary contribution was made in 2013 or 2012.

NOTE 7: COMMITMENTS AND CONTINGENT LIABILITIES

LEASE COMMITMENTS:

The Credit Union leases several office locations. The minimum noncancellable lease obligations approximate the following as of December 31, 2013:

Year ending December 31,	Amount
2014	$813,000
2015	386,000
2016	397,000
2017	408,000
2018	419,000
Thereafter	1,811,000
	$4,234,000

Rental expense under operating leases was approximately $898,000 and $617,000 for the years ended December 31, 2013 and 2012, respectively.

Note 7: (continued)

MISCELLANEOUS LITIGATION:
The Credit Union is a party to various miscellaneous legal actions normally associated with financial institutions, the aggregate effect of which, in management's opinion, would not be material to the Credit Union's consolidated financial statements.

NOTE 8: OFF-BALANCE-SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

The Credit Union is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its member credit unions and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit. These instruments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the consolidated statement of financial condition. The Credit Union's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments.

Commitments to extend credit are agreements to lend to a member credit union as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since many of the commitments may expire without being fully drawn upon and are extended as advised lines of credit, the total commitment amounts do not necessarily represent future cash requirements. As of December 31, 2013, the members' unused lines of credit approximated $5,716,492,000. The Credit Union evaluates each member credit union's creditworthiness on a case-by-case basis. The amount of collateral obtained is based on management's credit evaluation of the member.

NOTE 9: REGULATORY CAPITAL

The Credit Union is subject to various regulatory capital requirements administered by the NCUA. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Credit Union's consolidated financial statements. Failure to meet minimum capital requirements would require the Credit Union to submit a plan of action to correct the shortfall. Additionally, NCUA could require an increase in capital to specific levels, reduction of interest, and ceasing or limiting the Credit Union's ability to accept deposits.

New regulations for corporate credit unions that became effective in October 2011 required corporate credit unions to build retained earnings by October 2013 as well as established requirements to meet a leverage ratio (retained earnings, PCC, and unamortized non-perpetual capital divided by the 12-month average of daily net assets), Tier 1 Risk-Based ratio (retained earnings and PCC adjusted for various items divided by the 12-month moving average of net risk-weighted assets), and a Total Risk-Based Capital ratio (retained earnings and PCC divided by the 12-month moving average of net risk-weighted assets).

Note 9: (continued)

The Credit Union's actual and required ratios were as follows:

		As of December 31,			
Capital ratio	Capital/Denominator	2013	2012	Minimum level to be classified as adequately capitalized	Minimum level to be classified as well capitalized
RUDE ratio	RE/DANA	1.93%	1.70%	0.45%	N/A
Leverage ratio	RE + PCC+NPC/DANA	8.03%	6.84%	4.00%	5.00%
Tier-one risk based capital ratio	RE + PCC(adjusted)/MMANRA	30.45%	26.36%	4.00%	6.00%
Total risk based capital ratio	RE + PCC /MMANRA	30.53%	28.96%	8.00%	10.00%

RE = Retained earnings
PCC = Perpetual contributed capital
NPC = Non perpetual capital
DANA = Daily average net assets
MMANRA = Moving monthly average net risk-weighed assets

As of December 31, 2013 and 2012, the Credit Union met all capital requirements under Section 704.3 of the NCUA Regulations.

NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS

The Fair Value Measurements and Disclosures Topic of the FASB ASC provides a framework for measuring fair value that requires an entity to derive fair value from the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date within its principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. To increase consistency and comparability in fair value measurements and related disclosures, a three-level hierarchy prioritizes the inputs to valuation techniques used to measure fair value with the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2), and the lowest priority to unobservable inputs (Level 3).

LEVEL 1
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Credit Union has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Note 10: (continued)

LEVEL 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LEVEL 3

Level 3 inputs are unobservable inputs for the asset or liability which reflect the Credit Union's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Assumptions about risk include risk inherent in a particular valuation technique used to measure fair value, typically pricing models and/or discounted cash flow methodologies.

The methodologies and associated inputs used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Credit Union believes its valuation methods and associated inputs are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Certain assets and liabilities may be required to be measured at fair value on a non-recurring basis. These non-recurring fair value measurements usually result from the application of lower of cost or market accounting or the write-down of individual assets due to impairment. There were no items required to be measured on a non-recurring basis as of December 31, 2013 or 2012.

RECURRING BASIS

AVAILABLE-FOR-SALE SECURITIES

The following is a description of the valuation methodologies used for these securities:

Asset-backed Securities - Other than six private-label securities acquired in the merger with Central Corporate Credit Union, these securities are classified as a Level 2 in the fair value hierarchy. Asset-backed securities are valued based on quoted market prices on similar assets in the marketplace and the vintage of the underlying collateral. The Credit Union obtains securities values from a number of third-party sources which creates a range of values. The Credit Union chooses the high or low end of the range based on an internal model which indicates whether the high or low end of the range is a better estimate. Due to limited activity in the market for the private-label securities, management uses a Level 3 technique to value these securities by obtaining cash flow projections for each of the private-label securities from a third-party valuation firm discounted at expected market spreads. The cash flow projections consider a number of factors including the expected spreads, prepayment speeds, default rates, delinquency, and loss severity.

Note 10: (continued)

Collateralized-mortgage Obligations - These securities are classified as a Level 2 in the fair value hierarchy. Collateralized-mortgage obligations are valued based on quoted market prices on similar assets in the marketplace and the vintage of the underlying collateral.

Federal Agency Securities - These securities are classified as a Level 2 in the fair value hierarchy. Federal agency securities are valued based on quoted market prices on similar assets in the marketplace and the vintage of the underlying collateral.

The following tables set forth by level, within the fair value hierarchy, the Credit Union's financial instruments at fair value on a recurring basis.

	Assets at Fair Value as of December 31, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Available-for-sale securities:				
Asset-backed securities	$—	$799,373,067	$30,080,996	$829,454,063
Collateralized-mortgage obligations	—	205,756,912	—	205,756,912
Agency securities	—	90,224,671	—	90,224,671
	$—	$1,095,354,650	$30,080,996	$1,125,435,646

	Assets at Fair Value as of December 31, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Available-for-sale securities:				
Asset-backed securities	$—	$447,890,087	$—	$447,890,087
Collateralized-mortgage obligations	—	94,024,404	—	94,024,404
Agency securities	—	65,111,900	—	65,111,900
	$—	$607,026,391	$—	$607,026,391

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented are not necessarily indicative of amounts that could be realized in a market exchange. The use of different assumptions and estimation methodologies may have a material effect on the estimated fair value amounts. The following methods and assumptions were used to estimate fair value of each of the financial instruments for which it was practicable to estimate.

CASH AND CASH EQUIVALENTS
The carrying amount is a reasonable estimation of fair value.

INVESTMENTS
Estimated fair values for available-for-sale securities are based on Level 2 (see tables above) and Level 3 pricing values (see tables above). The carrying value of other investments is a reasonable estimation of fair value.

Note 10: (continued)

LOANS TO MEMBERS

The estimated fair value for variable-rate loans is the current carrying amount. The fair value of fixed-rate loans was estimated by discounting the estimated cash flows using the current rate at which similar loans would be issued.

ACCRUED INTEREST RECEIVABLE

The carrying amount is a reasonable estimation of fair value.

MEMBERS' SHARES AND CERTIFICATES

The estimated fair value of demand deposit accounts is the carrying amount. The fair value of fixed-rate certificates was estimated by discounting the estimated cash flows using the current rate at which similar certificates would be issued.

ACCRUED INTEREST PAYABLE

The carrying amount of interest payable approximates fair value.

The carrying value and estimated fair value of the Credit Union's financial instruments are as follows:

	As of December 31, 2013		As of December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$725,475,021	$725,475,021	$546,077,540	$546,077,540
Investments:				
Available-for-sale	$1,125,435,646	$1,125,435,646	$607,026,391	$607,026,391
Other investments	$2,232,000	$2,232,000	$15,946,530	$15,946,530
Loans to members	$445,769,265	$462,975,000	$223,643,169	$247,354,000
Accrued interest receivable:				
Investments	$572,716	$572,716	$667,431	$667,431
Loans	$431,087	$431,087	$468,729	$468,729
Financial liabilities:				
Deposits:				
Members' shares and certificates	$2,086,065,411	$2,086,092,000	$1,268,621,296	$1,268,644,000
Accrued interest payable	$107,636	$107,636	$35,164	$35,164

NOTE 11: MERGER

On April 30, 2013, Central Corporate Credit Union (CenCorp) merged into Alloya Corporate Federal Credit Union (Alloya) as the legal entity. Below is the closing statement of financial condition of CenCorp as of April 30, 2013:

	As of April 30, 2013
Assets:	
Cash and cash equivalents	$1,731,180,740
Investments:	
Available-for-sale	177,350,699
Other investments	348,000
Loans to members	49,195,813
Accrued interest	429,209
Fixed assets, net	214,249
Other assets	1,079,995
NCUSIF deposit	755,890
Total assets	$1,960,554,595
Liabilities:	
Members shares and certificates	$1,857,216,718
Accrued interest payable	638,873
Other liabilities	2,268,066
Total liabilities	1,860,123,657
Members Equity:	
Perpetual contributed capital	82,697,929
Retained earnings	17,235,538
Accumulated other comprehensive income	497,471
Total members equity	100,430,938
Total liabilities and members equity	$1,960,554,595

Alloya engaged a third-party valuation consulting firm to perform the valuation of the entity value and the core deposit intangible asset. The government agency backed investment securities, loans to members, and members' share certificates were valued internally by using the valuation techniques employed by Alloya Corporate Federal Credit Union. The private-label investment securities were valued by a third-party firm. Below is a description of the valuation methodologies used for each of the significant components of the consolidated statements of financial condition:

Loans to members - The market value was determined based on the present value of the expected cash flows discounted at current market rates.

Member certificate accounts - The market value was determined based on the present value of the expected cash flows discounted at current market rates.

Core deposit intangible - The core deposit intangible was determined by a third party and represents the inherent premium derived from present value calculations related to the core deposit accounts compared to the cost of alternative funding sources with similar terms as of April 30, 2013.

Note 11: (continued)

Available-for-sale securities - Securities backed by the U.S. Government were valued using a Level 2 valuation technique based on quoted market prices on similar assets in the marketplace. Due to limited activity in the market for the private-label securities, management used a Level 3 technique to value these securities by obtaining cash flow projections for each of the private-label securities from a third-party valuation firm discounted at expected market spreads. The cash flow projections consider a number of factors including the expected spreads, prepayment speeds, default rates, delinquency, and loss severity.

Entity value - The entity value represents the estimated value of CenCorp and was determined based on a discounted cash flows methodology using net income over the past several years and an expected rate of return based on market risks.

The merger was a mutual agreement between CenCorp and Alloya to better the availability and quality of services for both fields of membership. Therefore, no consideration was paid to CenCorp as part of the merger. As a result of the merger, Alloya recognized a bargain purchase gain of approximately $2,099,000 during the year ended December 31, 2013. The bargain purchase gain resulted from the individual balance sheet components having a higher fair value than the estimated value of the entity.

The following table summarizes the adjusted fair value premium or discount on assets received and liabilities assumed at the merger date.

		As of April 30, 2013
Fair value of entity:		
Entity valuation	$18,000,000	
Retained earnings	17,235,538	
Entity value above retained earnings		(764,462)
Loans to members		1,741,000
Investments		1,190,223
Primary Financial Investments		300,000
CU Investment Solutions Investment		100,000
CenCorp Business Solutions		200,000
Core deposit intangible		360,000
Members' certificate accounts		(1,028,000)
Bargain gain on acquisition		$2,098,761

The net effect of the amortization of the premiums on loans to members, premiums on members' certificates and the amortization of the core deposit intangible was a reduction to net income of approximately $356,000 for the year ended December 31, 2013.

★★★★★★★

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INDEPENDENT AUDITOR'S REPORT

March 4, 2014

To the Supervisory Committee, Board of Directors
and Management of Alloya Corporate Federal Credit Union

We have audited management's assertion, included in the accompanying Management Report on Annual Report that Alloya Corporate Federal Credit Union maintained effective internal control over financial reporting, including control over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 Call Report as of December 31, 2013 based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Alloya Corporate Federal Credit Union's management is responsible for maintaining effective internal control over financial reporting, and for its assertion about the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Annual Report. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management's assessment and our examination were conducted to meet the reporting requirements of Section 704.15(a)(3) of the National Credit Union Administration (NCUA) Regulations, our audit of Alloya Corporate Federal Credit Union's internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and with NCUA 5310 Call Report instructions. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Credit Union being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that Alloya Corporate Federal Credit Union maintained effective internal control over financial reporting as of December 31, 2013, is fairly stated, in all material respects, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated statements of financial condition and the related consolidated statements of income, comprehensive income, members' equity, and cash flows of Alloya Corporate Federal Credit Union and our report dated March 4, 2014, expressed an unqualified opinion.

Orth, Chakler, Murnane & Co.

Orth, Chakler, Murnane & Company
Certified Public Accountants
Miami, FL

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Corporate Federal Credit Union

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Alloya Corporate Federal Credit Union
Management Report on Annual Report
2013

We, the undersigned, certify that:

1. We have reviewed the annual report (2013 audited financial statements) of Alloya Corporate Federal Credit Union (Alloya);

2. Based on our knowledge, the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of Alloya as of, and for, the periods presented in the report;

3. We, the certifying officers, are responsible for preparing Alloya's annual financial statements, including reports filed in accordance with regulatory reporting (based on the 5310 Corporate Credit Union Call Report Instructions), for establishing and maintaining an adequate internal control structure and procedures for financial reporting, and for complying with the laws and regulations relating to safety and soundness in the following areas: affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends, and regulatory reporting that meets full and fair disclosure and have:

    a. Designed such internal controls over financial reporting, or caused such internal controls to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and regulatory purposes in accordance with the 5310 Corporate Credit Union Call Report Instructions, utilizing the COSO internal control framework;

    b. Evaluated the effectiveness of such internal controls and procedures; and

    c. Concluded that there were no material changes or weaknesses in financial reporting, including reports filed in accordance with regulatory reporting (based on the 5310 Corporate Credit Union Call Report Instructions), and internal controls that materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting in 2013, and, based on our knowledge, that Alloya is in compliance with the above designated safety and soundness laws and regulations during 2013.

Date: February 20, 2014

Todd M Adams

Todd M. Adams , CEO

Ronald W. Boehnlein, SVP, CFO