

TRUdifference

Every member has an opportunity to let their voice be heard by voting for our volunteer Board of Directors



Are you different? Do you like to be treated differently? Do you know why Truliant is different? It is living the credit union philosophy - not for profit, not for charity, but for service - that sets Truliant apart from the rest. In a world that has become so impersonal, you will be treated different when you come to Truliant because you are a member not a customer.

Our only objective is to provide needed financial services to you, our member. Our success is measured not by earnings or returns to shareholders but by each member we help to achieve their financial goals. And each member is different - with different needs and goals. Truliant continues to expand our services to meet those needs daily.

2004 was a successful year with strong growth, new services and new branches. Truliant's growth is simply the result of meeting each member's needs. The real success is each time a new member joins or an old member uses our services. Your trust in us keeps this Credit Union moving!

On behalf of Truliant's volunteer Board of Directors, I would like to say - thank you - to our members for their continued support and to our dedicated employees, who make the credit union philosophy a reality each and every day.

B. Noland Suddeth, Jr.
Chairman



The role of the Supervisory Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for (1) the integrity of the Credit Union's financial statements, (2) the Credit Union's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Credit Union's internal audit function and independent auditors.

To that end, the Supervisory Committee contracted with Clifton Gunderson LLP to conduct the Credit Union's 2004 annual audit. The results of the audit indicated that the financial statements present fairly the results of the operations and financial position for the period, and no material weaknesses in internal control were reported.

In addition to its external audits and regulatory examinations, the Credit Union also employs a full-time Internal Audit department which reports directly to the Supervisory Committee.

Respectfully submitted,

Ben C. Sutton
Chairman, Supervisory Committee



Serving over 170,000 members
and more than 800 business partners



TRULIANT®
Federal Credit Union
ANNUAL
REPORT

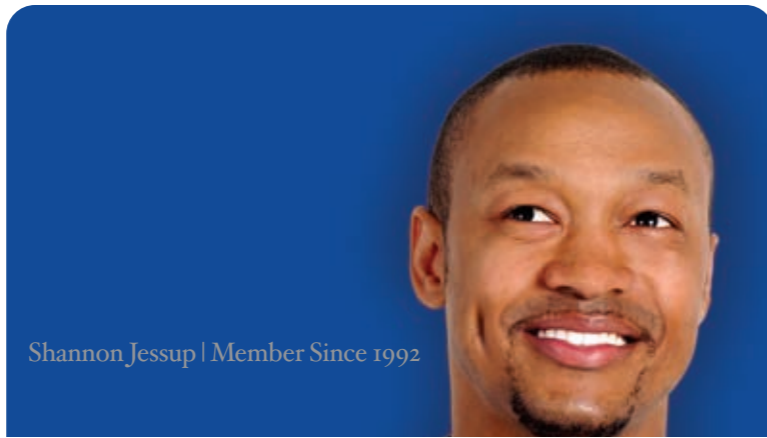
TRUdifference

2004

TRUdifference



Karen McFadden | Member Since 2004



Shannon Jessup | Member Since 1992

Our commitment to helping each and every member meet their financial needs and goals

TRUdifference # 35



Audry Flippin | Member Since 2004

MESSAGE FROM THE PRESIDENT



we expanded our Balance Checking program to all of our member financial centers.

Imagine a financial institution that takes the time to truly understand and meet your financial needs — from opening your first account to placing your assets in trust. Imagine, as the owner of your financial institution, you know that you will only be offered those services that make sense for you; you are not sold services that are irrelevant to your needs. You understand that your institution

offers you the best deal because they don't have outside investors or stockholders to consider when they share the benefit of operations. And you know your institution treats others fairly even if they may not be well off. You encourage everyone you know to open an account at this financial institution so that they can experience the same satisfaction you have. You've become an avid supporter of this financial institution — something you would have thought unlikely because of your previous experience with banks or even other credit unions.

At Truliant Federal Credit Union, this is our vision and commitment. We strive to become that financial institution — “your” Credit Union, in every sense of the word. We are fortunate to have a history and legacy that is rooted in our founding members’ desire to do nothing more than help one another achieve their financial goals. After fifty-three years, Truliant’s mission has expanded beyond one group of employees to over 800 companies, 170,000 members and several large communities. Our reach and responsibility is greater, as is the benefit to our membership.

In 2004, we relocated the Clanton Road member financial center in Charlotte to a better location on Tyvola Road with drive-thru service, ATMs and a state-of-the-art member financial center. We also added a full-service member financial center in Mebane, North Carolina to better serve the many Business Partners in the area. We acquired land for our first location in the High Point market. We also supplemented locations with new no-surcharge ATMs in Asheboro, McAdenville and in Greensboro off Wendover Road. We substantially completed our new 120,000 square foot Member Support Center scheduled to open in the first quarter of 2005, replacing the headquarters that we have outgrown. Members in the Winston-Salem market will enjoy the new member financial center in the building. The facility will accommodate our back office needs and growth for the decade to come and can be expanded as needed for future growth.

With large numbers of members accessing Truliant’s services remotely, it remains a priority to keep electronic services at or above industry standards. Members now have access to enhanced privacy and security features, such as immediate online credit reports at a discounted cost. We also added a direct connection for QuickBooks for our members who are small business owners and improved our National Auto Dealer Association (NADA) online capabilities.

We have added a variety of other services and programs that benefit our members such as a free Skip A Payment program (most financial institutions charge \$25 or more, plus the interest). We added several new mortgage offerings, including a Fannie Mae 100% LTV product, an 80/20 purchase money combo and a 7/1 ARM. Knowing that some members need a second chance at managing their checking accounts,

Recognizing that Business Partner Select Employers remain core to our mission, we added 53 new employer groups representing 32,000 potential new members this year. We continue to develop deeper relationships with our Business Partners in order to assist their employees in taking full advantage of their ability to access our affordable financial services. We initiated over 500 on-site meetings, events and enrollments during the year.

As we continue to serve our local communities, our involvement extends beyond the direct benefit of providing affordable financial services to include partnering with others in enhancing our neighborhoods. We sponsored numerous events such as Summer on Trade that brought music to downtown Winston-Salem every Saturday evening from May through September. We sponsored the River Run Film Festival and several art exhibits for Delta Fine Arts and the Sawtooth Center. In all of our communities from Virginia to North Carolina, staff volunteered numerous hours for Relay for Life, March of Dimes, Winston-Salem’s Fiesta 2004, Susan G. Komen Race for the Cure, Samaritan’s Purse Shoebox Campaign, and Samaritan Ministries Penny Campaign, just to name a few. We also exceeded our United Way giving goal for the second year in a row. We continued our support for Victory Junction Gang Camp, providing a welcome respite for sick children in a special camp setting. Truliant was present at parades in several of our communities along with our mascot, Top Dog, to the delight of hundreds of children. We also hosted over twenty talented students for the day from the West Forsyth High School Finance Academy.

As Truliant Federal Credit Union approaches \$1 billion in assets, we can reflect on our success in building a financial cooperative that meets the needs of our members. While that is indeed a milestone, our emphasis should be on what that really means to our membership. It means that thousands of members and their families have benefited from low cost loans, competitive savings and investments and member-focused service. It also means that we made \$42 million dollars in modest-balance car loans to households that average under \$40,000 in annual income so that they have transportation to work. It translates into another \$43 million in first mortgage loans to households with similar incomes so that they too can be homeowners.

Our management and staff extend a heartfelt “thank you” to our volunteer Board of Directors, Associate Directors and Supervisory Committee for their selfless dedication to representing our membership. Their vision, direction and consistency of purpose has guided our success in 2004, as in previous years. We are also grateful to our many Business Partners who encourage their employees to take advantage of this valuable employee benefit. The mutual benefit of our relationship reaffirms the value of a financial cooperative. Finally, our membership continues to support Truliant with not only their business but with referrals to their family, co-workers and neighbors. There is no greater compliment.

Marcus Schaefer
President and CEO

TRULIANT FEDERAL CREDIT UNION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

December 31, 2004 and 2003

ASSETS

Cash and cash equivalents	\$ 37,853,500	\$100,133,800
Investments	99,780,100	115,362,000
Federal Home Loan Bank stock	2,727,300	2,175,800
Mortgage loans held for sale	1,366,000	2,016,200
Loans to members, net of allowance for loan losses	787,698,400	666,925,300
Premises and equipment	39,102,500	25,529,100
Accrued income receivable	2,975,900	2,598,600
NCUSIF deposit	7,551,600	7,392,000
Other assets	4,642,000	4,997,800

TOTAL ASSETS

LIABILITIES AND MEMBERS' EQUITY

Members' savings accounts	\$ 843,082,000	\$802,444,700
Borrowed funds	32,595,300	21,600,000
Accounts payable and accrued expenses	8,692,400	8,322,600

Total liabilities

MEMBERS' EQUITY, substantially restricted	100,030,100	95,269,000
Unrealized losses on investment securities	(702,500)	(505,700)

TOTAL LIABILITIES AND MEMBERS' EQUITY

\$ 983,697,300	\$927,130,600
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CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2004 and 2003

INTEREST INCOME

Interest on loans	\$ 41,205,800	\$ 41,885,400
Interest on investments and cash equivalents	3,267,900	3,664,000

Total interest income

INTEREST EXPENSE

Interest on savings accounts	12,563,100	14,752,700
Interest on borrowed funds	758,000	797,200

Total interest expense

Net interest income

PROVISION FOR LOAN LOSSES

Net interest income after provision for loan losses	4,123,000	3,443,100
	27,029,600	26,556,400

NON-INTEREST INCOME

NON-INTEREST EXPENSE

NET INCOME

\$ 4,761,100	\$ 6,622,100
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	'04	'03
TOTAL ASSETS	\$ 983,697,300	\$927,130,600
LIABILITIES AND MEMBERS' EQUITY	\$ 843,082,000	\$802,444,700
Members' savings accounts	32,595,300	21,600,000
Borrowed funds	8,692,400	8,322,600
Total liabilities	884,369,700	832,367,300
MEMBERS' EQUITY, substantially restricted	100,030,100	95,269,000
Unrealized losses on investment securities	(702,500)	(505,700)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 983,697,300	\$927,130,600

