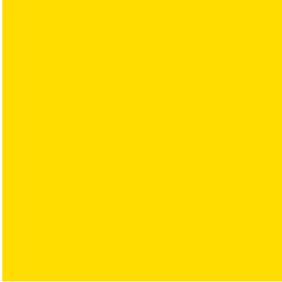


**2016
ANNUAL
REPORT**



MILESTONES

LIFE IMPROVEDSM _____



“You’ll have difficulty finding a credit union that better understands and more closely follows its mission to improve lives and help small businesses succeed.”

- Marc Schaefer, President and CEO



GREENVILLE, S.C. GRAND OPENING

After more than two decades in Greenville, S.C., we decided it was time to relocate for greater visibility and to better serve about 5,000 Truliant members in the area.

FEB

MAJOR TRU2GO APP UPGRADE

As digital technologies continue to simplify daily tasks, we rolled out a major upgrade to our Tru2Go mobile banking app, adding a biometric login, simplified balance viewing options and an upgraded tablet experience.

MAR

UNIVERSITY RENOVATION

Our University City location, near the University of North Carolina at Charlotte campus, has served our members since 2002. It was the first in a series of renovations updating to our Life ImprovedSM brand and member experience.

APR

CORNELIUS OPENS

The opening of our Cornelius full-service branch is our second in the Lake Norman area and serves a fast-growing community where our membership is increasing.

MAY



2016

A YEAR OF MILESTONES

Since 1952, our member-owners have chosen Truliant Federal Credit Union to be part of their personal financial milestones, representing their dreams, goals and accomplishments.

They helped us mark two milestones in 2016: growth surpassing \$2 billion in assets and membership reaching 200,000 people.

We thank you for recognizing the benefits of your mission-driven, member-owned, not-for-profit financial cooperative.

And, for allowing us to make a difference in your lives.



MESSAGE FROM THE PRESIDENT AND CEO



Marc Schaefer
President and CEO

Eight years into “financial recovery” from the crisis of 2008-2009, our members may be feeling somewhat comfortable – or at least optimistic – about what it means to be on track with their financial lives and more confident in their ability to stay on course to achieving their life’s goals. That usually implies strong employment opportunities, improved values of 401(k) plans and investments, along with appreciation in the value of homes.

Our Chairman of the Board has laid out the landscape for the average consumer if credit unions like Truliant did not exist (see *Chairman’s Message, page 4*). It is not unthinkable. Less than 20 years ago, our very existence was threatened by the banking industry’s efforts to eliminate credit unions as we know them by prohibiting all but a tiny fraction of consumers from having access. Only through a concerted and effective grassroots campaign by our members – one that resulted in sound national public policy – were we able to survive and focus our efforts on improving our members’ lives, particularly in the shadow of the financial crisis. Public policy, as enacted by Congress and the accompanying branches of government, determine our ability to serve you. In light of the disclosures by a large financial institution prevalent in Truliant’s markets that they have pushed products even when not in the best interests of their customers, it is imperative that credit union choice remain a clear option for consumers. We cannot take our availability to consumers for granted, because public policy is always subject to change. As is often said in Washington D.C.: “If you are not a voice at the table, you may be a choice on the menu.”

As we approach our 65th year of service to our members, the value of what we provide becomes even clearer. Just as with building Truliant’s reputation as a trusted partner to our members, building your personal financial security takes time and consistent commitment. Your focus on your future will need to continue through good times and

bad, with changes to public policy and governments, and changes to your personal circumstances and perhaps employment. Knowing that Truliant will be there with you and your family – advocating for your best interests – can be a powerful aid.

During 2016 alone, through **166,386 direct member engagements**, we discovered over 307,900 specific needs. Our Truliant team connected with our members on their “why” in life over **25,850 times – not to sell product, but to make sure we were helping them reach their goals**. We uncovered 40,295 mid-range goals and 28,466 personal milestones they wished to prepare for. As a pioneer in developing the No-Cost Credit Review for our members in 2009, we continued that work with **25,202 sessions with members in 2016**, assisting them in understanding how to secure loans and other services, and with better terms. The contrast remains stark between Truliant’s approach to understanding and improving members’ lives and the profit/product push consumers experience in traditional consumer banking.

We improved members’ lives with **20,407 auto loans and over \$404 million in financing**. We made **548 first mortgage loans** for our members to purchase homes with nearly **\$80 million in loans**, and **2,460 Home Equity loans** providing over \$136 million in credit access. For our members who own small businesses, we originated financing for **77 term loans – providing \$41 million in capital –** and over **225 lines of credit and working capital for \$1.9 million**. These are the members who help create business and jobs in our communities. We are proud to serve them.

Companies that offer Truliant as a benefit for their workforce grew by **17 new Business Partners** in 2016, and **20,816 of their staff** became eligible to join through their employer. These workplaces recognized the incredible value this program could offer without any expense to the sponsor company. Knowing that your workforce is in the hands of a member-owned, not-for-profit credit union with their best financial interests at heart is an easy choice.

As we round out efforts to be convenient to consumers in the rapidly growing and traffic-challenged Charlotte market with our 14th Member Financial Center (MFC) location, the question is again asked: Why is Truliant building MFCs while large banks are closing their

branches? The answer is simple. Our members want and need to engage with us from time to time to explore their roadmap to financial success. Yes, we have all of the state-of-the-art mobile applications (Tru2Go), online banking including remote check deposit, new account opening and electronic signature capability that you demand. But those do not substitute in all cases for the type of honest and complete conversations that our members need and deserve from their trusted financial services partner. A quick stop into any of our soon-to-be 33 locations demonstrates clearly that consumers are interested in face-to-face service, along with best-in-class mobile access.



As a part of each community we live in, care about and serve, Truliant leaders engage directly where it matters. To that end, we launched the Truliant Education Fund, pledging **\$200,000 in grant funding** directly to local teachers over the next five

years to improve financial education in public schools, grades 6-12. This recognizes that Truliant has reached over 200,000 member-owners but, more importantly, we care about the financial choices our children will be making as they find their way in life. In addition, we conducted **26 different financial education programs** including “reality fairs” throughout our markets. Our student-run credit unions at East Forsyth High School and Wiley Middle School continue to provide direct learning experience to participants.

I began by commenting on the “financial recovery.” Not everyone, and perhaps many, do not feel “recovered.” Those that feel like they’ve made good progress to become financially strong would like to stay on that track, and those who do not feel “recovered” would like to improve their financial position. There will be future recessions. Home values and investments, particularly those in the stock market, will go up and down. Truliant, through member-ownership, is structured and, through our mission-focus, culturally-oriented to be there for all of our members; helping them to get on track and stay on course to their financial destination. Sustained, life-time recovery and financial stability for our members is our primary goal.

Through the thoughtful work of our volunteers, including the Board of Directors, Associate Directors, Advisory Board and Supervisory Committee, we maintain our course and our strength to serve our members in good times and bad. On behalf of the staff and management of Truliant, we are grateful for the support of our Business Partners, our small businesses, our volunteers and most importantly, our member-owners for providing us with the opportunity to serve our communities.

Understanding how our mission makes us different — where and when it matters to the consumers and small businesses we serve — will ensure those important benefits will continue for decades to come.

Marc Schaefer
President and CEO

UNCOVERED OVER
307,900
NEEDS

25,200+
CREDIT REPORT
REVIEWS

20,400+
AUTO LOANS,
\$404 MILLION IN FINANCING

548
FIRST MORTGAGE LOANS

2,460
HOME EQUITY LOANS
\$136 MILLION IN CREDIT ACCESS

MESSAGE FROM THE CHAIRMAN OF THE BOARD



Greg Thrush
Chairman of the Board

As we reflect upon our success in 2016 and look forward to 2017 with a new president in place, many Americans are optimistic, while others are not. As Board Chairman, one of my main roles is to advocate for credit unions and ensure harmful legislation does not get passed that keeps us from doing what we do best: helping our members build strong financial futures. There is hope that future public policy will correct regulatory burdens that have made it more difficult for smaller financial institutions, like Truiliant and other credit unions, to easily serve their members.

Each year, we voice our concerns on Capitol Hill to protect and keep the credit union charter strong, while the big banks continue to challenge our not-for-profit, member-owned structure. Our profits are returned to you, our members, in the form of higher interest rates on savings, lower rates on loans, lower fees and with new products and services. This enables us to better serve your individual needs with your best interests at heart.

I shudder at the thought of the credit union model possibly going away. What would our members do without Truiliant to look out for them, to make sure their needs are met, to help them reach their goals and to help them build strong financial futures?

Without credit unions, more of our members' hard earned money would go to paying more fees and higher interest rates at banks. Some members may not have access to credit to make larger purchases. Many may not be able to realize the American dream of owning a home or may have to forego their dream home to settle for a smaller, less expensive home. Some members may not be able to finance a reliable vehicle to easily get to and from work.

Without credit unions, our members' interests would take a back seat to making a profit as for-profit financial institutions focus on making the most money for their shareholders. Who would be there to help our members through their potential hardships? **At Truiliant, we make every effort to assist our members through tough financial challenges. We work hard to find alternatives to foreclosing on homes and repossessing vehicles. We help our members restructure their debt and position them for a brighter financial future. The bottom line is, at Truiliant, our members always come first. They are our sole reason for existence.**

Without credit unions, small businesses who are instrumental in building our economy may not get the credit they need to expand their organizations, or for startup costs. During the 2008 financial crisis, banks were not lending to small businesses. Thankfully, many credit unions were there to help.

Consumers need a choice. As your Board Chairman, I promise you that your Board of Directors, Senior Management, and Truiliant's workforce will work hard to ensure credit unions maintain their not-for-profit structure. At times, we may even ask you to weigh in with your national legislators on how Truiliant has helped you financially improve your life as many of you have done in the past.

We are committed to you, our member-owners, and to our mission to improve your lives. Thank you for putting your trust in Truiliant.

Greg Thrush
Chairman of the Board

THE ROLE OF TRULIANT'S SUPERVISORY COMMITTEE

The Supervisory Committee, composed of a chairperson and up to four committee members, is a standing Committee of the Board. The role of the Supervisory Committee is to:

- (1) Ensure that the board and management meet required financial reporting objectives and establish policies and procedures to safeguard members' assets;
- (2) Determine whether internal controls are established, the records are promptly and accurately prepared, plans established by the board are properly administered, and policies are sufficient to safeguard assets;
- (3) Ensure that the credit union adheres to the filing requirements for reports filed with the NCUA, perform or obtain an audit, and verify or cause the verification of members' passbooks.

To that end, the Supervisory Committee contracted with CliftonLarsonAllen LLP to conduct the credit union's 2016 annual audit. Results of the audit indicate 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.

Mark Gabriel

Chairman, Supervisory Committee

TRULIANT MEMBER MILESTONE

It's never too early to start saving for the future. Just ask Carla Eustache (shown with husband Landon at far left). When her 18-month old daughter Naomi was gifted money from family, Carla decided to create a new memory and open an account for her.

"I thought it would be a fun and educational activity for her to walk to our community credit union in Cornelius, N.C., deposit money and watch it grow," said Eustache, owner of Style Perfect Events, an event planning firm in Charlotte. "Of course, she doesn't understand now, but as she gets older, I'll be able to use this as a teaching tool to help her learn the value of money, responsibility and savings."



2015-2016 FINANCIAL RESULTS

Consolidated Statements of Financial Condition

As of December 31, 2016 and 2015

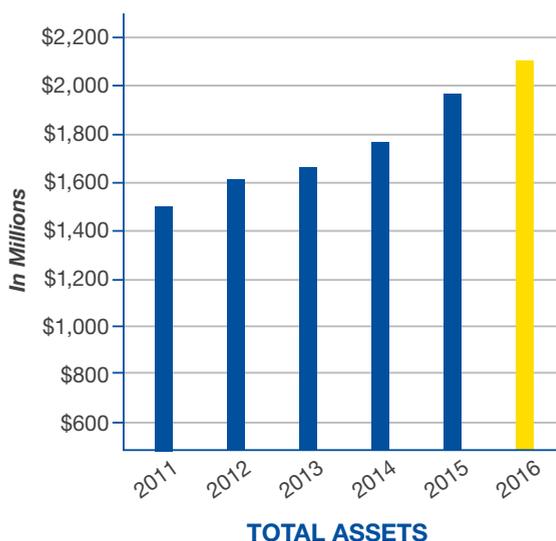
ASSETS	2016	2015
Cash and cash equivalents	\$193,222,900	\$220,558,300
Investments		
Available-for-sale	\$181,030,600	\$142,116,700
Other investments	\$30,034,600	\$10,567,300
Loans held-for-sale	\$5,245,000	\$3,237,100
Loans to members, net of allowance for loan losses	\$1,616,807,900	\$1,499,925,700
Accrued interest receivable	\$3,985,100	\$3,732,200
Premises and equipment	\$46,649,700	\$48,286,400
NCUSIF deposit	\$17,462,200	\$16,081,400
Other assets	\$6,021,800	\$11,898,100
TOTAL ASSETS	\$2,100,459,800	\$1,956,403,200

LIABILITIES AND MEMBERS' EQUITY

Members' savings accounts	\$1,880,618,300	\$1,740,539,500
Borrowed funds	\$7,500,000	\$7,500,000
Other liabilities	\$36,168,000	\$39,673,900
TOTAL LIABILITIES	\$1,924,286,300	\$1,787,713,400

MEMBERS' EQUITY

Regular reserve	\$24,445,800	\$24,445,800
Undivided earnings	\$161,622,200	\$152,073,000
Accumulated other comprehensive loss	(\$9,894,500)	(\$7,829,000)
TOTAL MEMBERS' EQUITY	\$176,173,500	\$168,689,800
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,100,459,800	\$1,956,403,200



INTEREST INCOME

	2016	2015
Interest on loans	\$66,417,300	\$60,899,700
Interest on investments & cash equivalents	\$3,000,900	\$2,792,700
TOTAL INTEREST INCOME	\$69,418,200	\$63,692,400

INTEREST EXPENSE

Interest on savings accounts	\$10,201,700	\$9,507,400
Interest on borrowed funds	\$282,100	\$281,400
TOTAL INTEREST EXPENSE	\$10,483,800	\$9,788,800

NET INTEREST INCOME

	\$58,934,400	\$53,903,600
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Provision for loan losses	\$8,217,100	\$6,065,500
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NET INTEREST INCOME (after provision for loan losses)

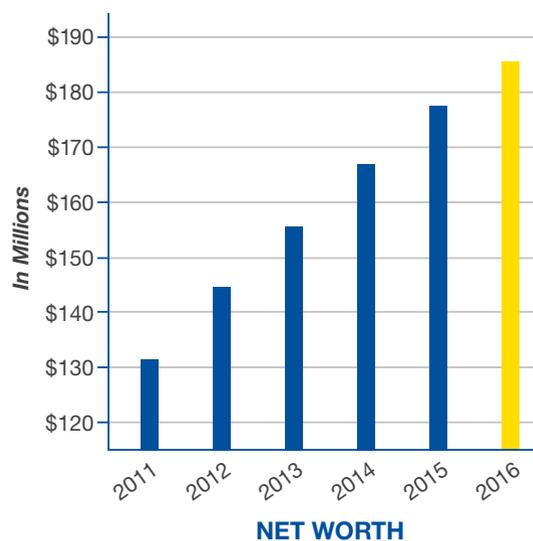
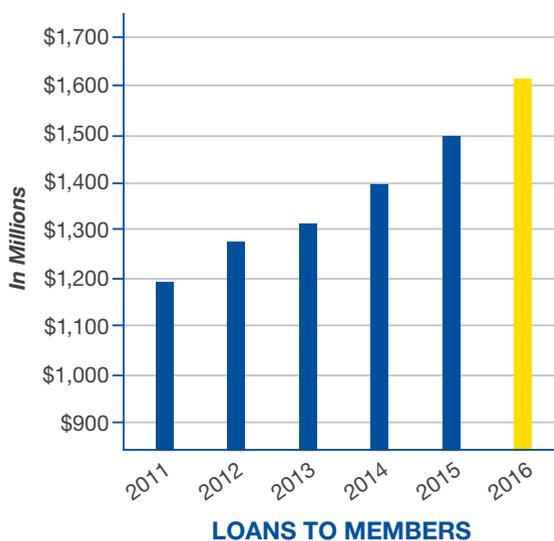
	\$50,717,300	\$47,838,100
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Non-interest income	\$30,731,800	\$29,427,800
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Non-interest expense	\$71,899,900	\$68,437,200
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NET INCOME

	\$9,549,200	\$8,828,700
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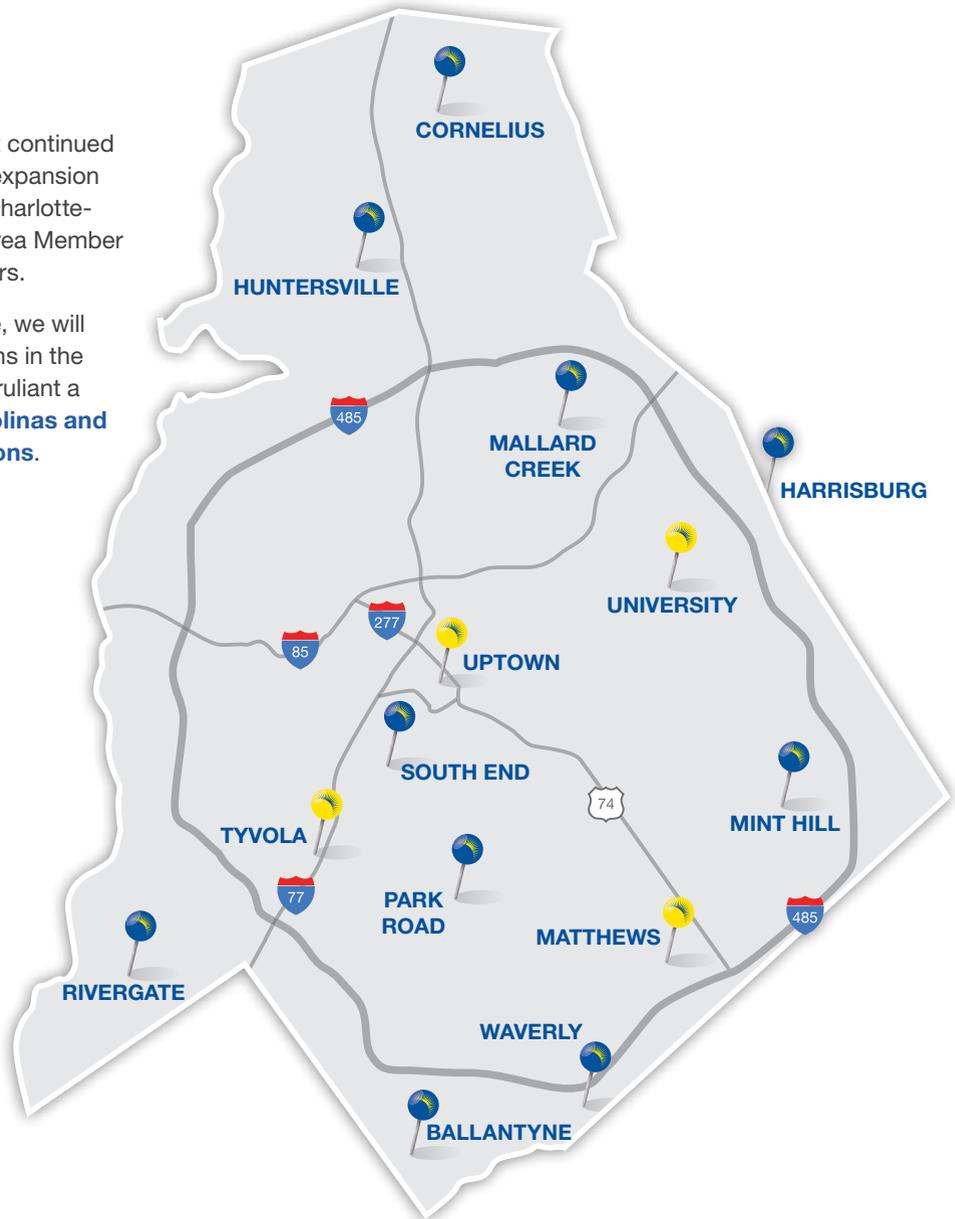


CHARLOTTE-AREA EXPANSION

TRULY LOCAL

In 2016, Truliant continued the three-year expansion and retrofit of Charlotte-Mecklenburg area Member Financial Centers.

When complete, we will have 14 locations in the region, giving Truliant a total of **33 Carolinas and Virginia locations.**



-  Pre-Expansion Locations
-  Expansion Locations

REACHING MILESTONES

LAUNCHING THE TRULIANT EDUCATION FUND

We launched the Truliant Education Fund to thank our membership for reaching 200,000 people and \$2 billion in assets. The grant fund – a five-year, \$200,000 commitment – supports financial literacy projects in schools in member communities.

Truliant distributed \$39,000 in grants to 13 schools in 2016. Grant projects earned votes through a social media contest – with more than 111,000 votes cast. A sample of winning projects is listed below.

Eastern Guilford Middle School in Gibsonville, N.C., is purchasing role-playing simulation materials that give students jobs and money to learn real-life budgeting skills.

Hopewell High School in Huntersville, N.C., developed a start-up competition to spark students' entrepreneurial spirit.

Central Cabarrus High School near Harrisburg, N.C., is developing a library of personal finance books for use by teens inside – and out – of the classroom.

Cox Mill High School in Concord, N.C., is purchasing materials to help students learn how to make effective sales and marketing presentations.



Truliant headquarters in Winston-Salem, N.C.

RESOURCES TO HELP YOU GROW

WORKPLACE BENEFITS & COMMERCIAL LENDING

TRULIANT AT WORK: 17 NEW BUSINESS PARTNERS REPRESENTING 20,816 EMPLOYEES

Truliant At Work gives employers a benefit that helps employees achieve their financial goals. Our program is rich with benefits, offering onsite financial education seminars, credit report review days, updates on special Truliant promotions and information on financial planning with the Financial Advisors at Truliant. This complimentary program helps create a more positive working environment for both management and employees.

TRULIANT BUSINESS SERVICES: 77 TERM LOANS, 225 LINES OF CREDIT \$43 MILLION IN CAPITAL

With Truliant, small-to-mid-size businesses work hand-in-hand with our team of experts to achieve financial success. We take time to understand your unique business lending needs.

Truliant is among the largest providers of SBA Express and 7a loans in the markets we serve. We provide loans in rural areas to businesses under USDA Business and Industry programs. Commercial Real Estate (CRE), Owner-Occupied Real Estate, Manufacturing, C&I companies and family-owned businesses are also a primary focus for Truliant.

If you want to reposition debt to take advantage of growth opportunities and historically low interest rates, and are looking to own and create future equity, we can help.



In 2016, we introduced an exclusive Truliant At Work business partner portal on our website. It allows businesses we serve to more easily access beneficial workplace materials.

SEAMLESS BANKING

INNOVATIVE SERVICES



ONLINE APPOINTMENTS

Truliant now offers online appointment scheduling allowing members to choose a time to visit locations when it's convenient for them.



MOBILE WALLET

Members can now upload credit and debit cards into Apple Pay™ to make purchases. We plan to continue expanding mobile wallet offerings.



FINANCIAL TECHNOLOGY

Our Tru2Go mobile banking app now offers eye-scan and fingerprint login, quick balance swiping, multitasking enhancements and upgraded functionality.



MEMBER SERVICE

Truliant now offers an upgraded online loan application system for ease of use. We also expanded our menu of text and email alert options.

SERVING THE COMMUNITY

GIVING BACK

Truliant supports financial education and giving back through volunteering, sponsorships and support to local businesses and nonprofits. In 2016, those efforts included:

Conducting more than 32 financial education seminars and workshops, reaching more than 1,118 individuals;

Providing professional development training to teachers in Gaston County Schools and Winston-Salem/Forsyth County Schools, reaching 2,035 total students;

Sponsoring more than 179 events in the Piedmont Triad, Charlotte region and other communities. These included Symphony in the Park in Cornelius for Independence Day, Carousel Festival in Burlington, Summer on Liberty, a 12-week summer outdoor music series in Winston-Salem and Downtown in December, a month of holiday events taking place in and around downtown Greensboro.

Truliant also awarded eight scholarships to outstanding high school students who were entering college for the first time in Fall 2016. These awards affirm our commitment to helping high school students pursue academics in higher education.

Finally, Truliant remains committed to four causes at the center of our mission to help improve members' lives. In 2016, Truliant employees raised \$111,462 to support these charitable organizations: American Heart Association, March of Dimes, Relay for Life and United Way. Truliant remains the largest corporate donor to Relay for Life in Forsyth County, and one of the largest corporate donors supporting March of Dimes in Winston-Salem.



Truliant honors scholarship winners at our 2016 Annual Meeting.

COMMUNITY HONORS

In addition to our President and CEO Marc Schaefer being named one of the Triad's Most Admired CEOs by Triad Business Journal, we were named Best Credit Union in Reader's Choice Awards by communities in Winston-Salem, Burlington, and Wythe County, Va.

Additionally, in celebration of reaching the 200,000 member-owner milestone and \$2 billion in assets, we launched the Truliant Education Fund, dedicating \$200,000 for financial literacy in classrooms.

JUL



THE TRUTONES PLAY SUMMER ON LIBERTY

While Truliant is a longtime sponsor of Winston-Salem's Summer on Liberty concert series, we became a participant in September when our house band – The TruTones – played the event in the final concert of the season.

SEP

MATTHEWS RELOCATION

We celebrated the opening of a new full-service branch location in the Greater Charlotte area community of Matthews, N.C.

OCT

LAUNCHES MOBILE WALLET

We began offering Apple Pay™ to allow our members to more conveniently make purchases with mobile devices.

NOV





LIFE IMPROVED™



Federally insured by NCUA.