



2017 Annual Report

Transitions – Leading into the future



2017: In Review

TruGuidance



Our new digital TruGuidance tool helps match members' financial goals with the right products and services, combining the benefits of a personal financial advisor with sophisticated technology.

Online Appointments



Online appointment scheduling now allows members to set appointments at any Truliant location to speak with a specialist on any number of items, when it's convenient for them.



Credit Card Conversion

In 2017, Truliant introduced a new credit card service provider to members, offering a comprehensive suite of innovative payment processing and technology solutions.



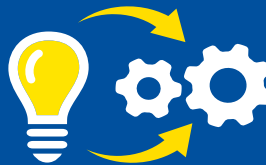
ATM Upgrades

All Truliant ATM machines now have EMV chip readers. EMV chip cards generate one-time use codes that are virtually impossible to counterfeit and help reduce fraud.



Expansion in Charlotte

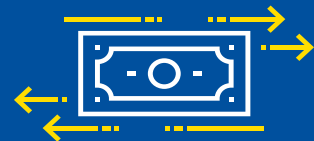
We opened our 10th new location in the Charlotte Metro region since Fall 2014, giving us a total of 14 locations in the market and 33 throughout our footprint.



Digital Team Expansion

We expanded our digital team, adding a Chief Digital Officer, Digital Marketing Director, Digital Channel Manager, Vice President of Digital Innovation, and a Digital Marketing Specialist.

Tru2Go Money Management



Our new, enhanced Money Management platform within Tru2Go Online and Mobile banking includes budgeting and loan payoff forecasting, guidance on savings and retirement goals, and more.

Enhanced Contact Center

Our industry partners now help with some routine transactional Member Contact Center calls, allowing our staff to better provide guidance to those with more complex banking issues and concerns.

A Year of Transitions

Since 1952, our member-owners have chosen Truliant Federal Credit Union to meet their financial needs.

In 2017, we set our sights on leveraging technologies to better serve you, our member-owners. We're committed to a seamless personal banking experience on the platforms you use. Anywhere. Anytime.

Thank you for recognizing the benefits of your mission-driven, not-for-profit financial cooperative. We're honored to play a role in your financial journey.

And to help you achieve your dreams and goals.



Message from the Chief Executive Officer



Marc Schaefer
Truliant CEO

As we reviewed our performance in 2017, we were cognizant that the past 65 years since we were chartered in 1952 — in addition to improving the lives of tens of thousands of members along the way — set the stage for our ability to carry out our mission into the future. If indeed the past is prologue to the future, Truliant has laid the groundwork to improve the lives of hundreds of thousands

of member-owners in future decades. Even as society and technologies advance rapidly, our commitment to aiding our members to make their best choices to build and strengthen their financial foundations remains at the core of our purpose. By not losing sight of our values and mission, we effectively convert rapid change into new opportunities for our members to excel in their life goals.

Our Member Financial Center network reflects the recognition that consumers of all ages prefer some interactions to be in person. While our mobile and online access is second to none — including the largest of financial institutions — our member focus requires us to be available to communicate in the form and manner they prefer wherever and whenever possible.

As noted in this report last year, the banking industry remains unrelenting in its desire to remove access to credit unions for most consumers. They have attempted, without success, to leverage the tax reform process to attack the tax structure of credit unions. It's important to remember that in addition to Truliant paying property and payroll taxes, our members pay taxes on the dividends we pay them (much like Subchapter S banks). Unfortunately, the banking industry's history of taxpayer bailouts and a new tax-reduction windfall only seems to have whetted their appetite to remove

the credit union option for consumers. Our members' vigilance and the support we received from our elected officials have foreclosed the bankers' self-serving attempts to deny consumers the choice of a viable credit union like Truliant.

They say that you get what you measure. At Truliant we are keen on measuring the ways that we are improving members' lives. Our Member Delight Index tracks if members believe we have their best interest at heart (92% agree), if they feel they "are a part of Truliant" (84% agree), if they would recommend us to their family members and friends (93% would) and if they are satisfied with the way we serve them (93% agree). Ninety percent of members agree that Truliant has improved or is improving their lives, giving as their top reasons that we treat them with respect and value their business, and that we end up saving them money with lower loan rates and lower fees.

Specifically in 2017, we engaged members **163,450 times with our TruFinancial Check-up, uncovering 270,438 specific needs.** We directly matched **148,317 needs.** We explored our members' key objectives — or their "why" in life — **34,035 times, uncovering 36,966 mid-range goals and 24,925 personal milestones.**

Our proactive No-Cost Credit Review was provided **20,896 times**, helping to improve access and guide members on how to lower the cost of credit.

We provided **\$440 million in financing for 21,620 cars and \$72 million for 481 first mortgages, and another \$167 million in home equity financing.**

These are numbers that represent how we help to improve our members' daily lives, particularly as we lower their cost of credit and provide avenues for building savings.

We also helped our small business owners with **\$49 million in member business loans.**

Fifteen new companies were added as Business Partners in 2017, extending our valuable services to **4,477 of their employees.**

With financial literacy at the heart of our mission, **we conducted 25 financial education programs reaching 1,472 teens and young adults.**

The Truliant Education Fund mentioned in last year's report has been widely accepted and utilized by teachers and students to provide better financial education in public schools, grades 6-12, throughout our geographic footprint.



We are particularly mindful that many younger Truliant members are challenged

by college debt and struggle to build credit histories, start families, purchase homes, and afford dependable transportation. Truliant is well-positioned to provide low- to no-cost checking and debit accounts, low-cost auto and home loans, and guidance in the genuine best interest of our members to help them build strong financial lives. Part of the legacy to our members from 1952 forward is the capital we can now invest in these younger members who lack some of the benefits of employment (like pensions) and the appreciation of real estate previous generations of members may have enjoyed.

None of this would be possible without the consistent and able support of our volunteers, including the Board of Directors, the Supervisory Committee and our Advisory Board. Our other key stakeholders are the more than 1,000 Business Partner companies that sponsor Truliant as a valued employee benefit and the many small businesses we serve.

Truliant remains a shining example of how consumers and small businesses can form and operate an institution that serves their individual purposes while also providing an impressive societal value to our communities. More than 65 years ago, a small group of individuals envisioned the value of collaborating to serve each other's financial needs and those of their communities through a structure of self-help. Their hopes and dreams have been realized and, more importantly, will continue to bear fruit in the form of improving the lives of countless members into the future.

Marc Schaefer
CEO

uncovered over
270,400
needs

20,800+
credit report
reviews

Message from the Chairman of the Board



Greg Thrush
Chairman of the Board

As I look back on 2017, I have never been more proud to be a part of Truliant, both as a member and as the Chairman of the Board.

In the past year, Truliant has positioned itself to fulfill its mission of improving members' lives as we transition into the future. From the opening of our 14th branch in Charlotte as a part of our 10-branch expansion, to introducing new digital guidance tools, everything we do is driven by a desire to keep our members' best interest at heart by providing them with products and services to help guide their financial futures. And now, it is more critical than ever that we continue to fulfill this mission.

Last year, we saw the consolidation of nearly two dozen banks throughout our operating area. It seemed that a new merger was being announced nearly every week. In one instance, one of the larger community banks was merging with another smaller bank, but before that merger was completed, yet another large, out-of-state bank swooped in and swallowed them both.

These bank mergers were done for one reason and one reason only: to increase shareholder profits. And for affected customers, these changes could be particularly painful. Their bank name changed, the services offered may be different, and they may be charged with higher rates and fees. Suddenly, their bank is not their bank and they are working with strangers.

That is why who we are, what we do, and what we stand for at Truliant is so important to our members and our communities. **As a Truliant member-owner, you have the security of knowing that we will remain Truliant, a credit union that will always have your best interest at heart, will help you make better financial choices and build a stronger financial future.** As owners of the Credit Union, our net income after required reserves is returned to you in the form of low-interest rates on loans, higher interest rates on savings/investments, lower fees, new technology, and new products and services designed to make your life easier and better.

In short, our members know that we are, and will always be, their trusted financial champion. We're here to help you achieve your fantastic future faster.

Now, more than ever, consumers need a partner to help them build strong financial futures, and credit unions continue to be a tremendous alternative to the ever-changing bank landscape. Unlike banks, we are committed to you, our member-owners, in everything we do, and will continue to serve our mission of improving our members' lives.

Thank you for allowing Truliant to be your financial institution of choice.

Greg Thrush
Chairman of the Board

Supervisory Committee Message

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, verify or cause the verification of members' passbooks.

To that end, the Supervisory Committee contracted with CliftonLarsonAllen LLP to conduct the Credit Union's 2017 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

Commitment to Sustainability

In 2017, we completed the retrofit and replacement of over 1,100+ fixtures and bulbs with LED lighting at our 120,000 square foot headquarters in Winston-Salem, N.C. and at several locations in our 33 branch footprint. We estimate annual savings on our energy bills of 25% and realized annual savings in excess of \$38,000.

This achievement is grounded in our goal of passing cost savings on to our members and also helps to reduce the credit union's carbon footprint. We continue to work on several other sustainability projects to benefit our members.



2016-2017 Financial Results

Consolidated Statements of Financial Condition

As of December 31, 2017 and 2016

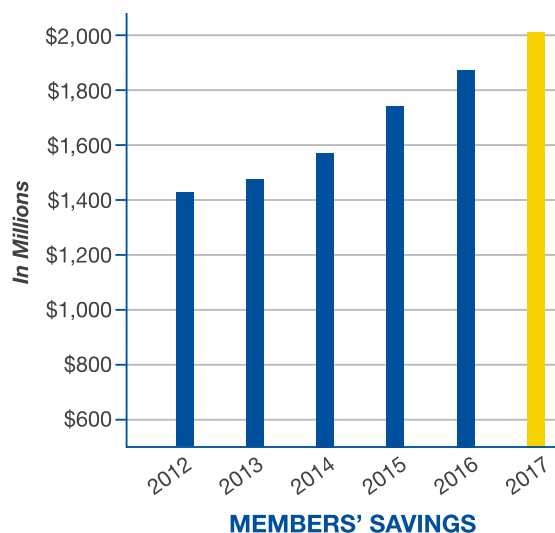
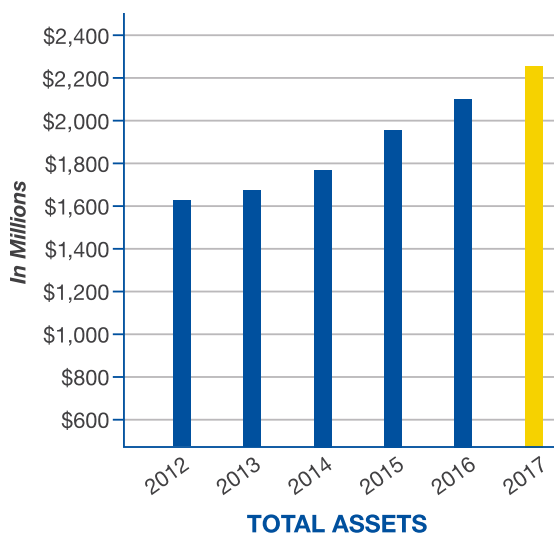
ASSETS	2017	2016
Cash and cash equivalents	\$162,656,300	\$193,222,900
Investments		
Available-for-sale	\$174,312,400	\$181,030,600
Other investments	\$35,551,200	\$30,034,600
Loans held-for-sale	\$820,000	\$5,245,000
Loans to members, net of allowance for loan losses	\$1,783,409,300	\$1,616,807,900
Accrued interest receivable	\$4,884,500	\$3,985,100
Premises and equipment	\$44,241,400	\$46,649,700
NCUSIF deposit	\$19,042,300	\$17,462,200
Other assets	\$33,644,800	\$6,021,800
TOTAL ASSETS	\$2,258,562,200	\$2,100,459,800

LIABILITIES AND MEMBERS' EQUITY

Members' savings accounts	\$2,003,536,200	\$1,880,618,300
Borrowed funds	\$22,500,000	\$7,500,000
Other liabilities	\$43,985,600	\$36,168,000
TOTAL LIABILITIES	\$2,070,021,800	\$1,924,286,300

MEMBERS' EQUITY

Regular reserve	\$24,445,800	\$24,445,800
Undivided earnings	\$174,845,600	\$161,622,200
Accumulated other comprehensive loss	(\$10,751,000)	(\$9,894,500)
TOTAL MEMBERS' EQUITY	\$188,540,400	\$176,173,500
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,258,562,200	\$2,100,459,800



INTEREST INCOME**2017****2016**

Interest on loans	\$74,154,200	\$66,417,300
Interest on investments & cash equivalents	\$4,749,100	\$3,000,900
TOTAL INTEREST INCOME	\$78,903,300	\$69,418,200

INTEREST EXPENSE

Interest on savings accounts	\$10,495,800	\$10,201,700
Interest on borrowed funds	\$347,300	\$282,100
TOTAL INTEREST EXPENSE	\$10,843,100	\$10,483,800

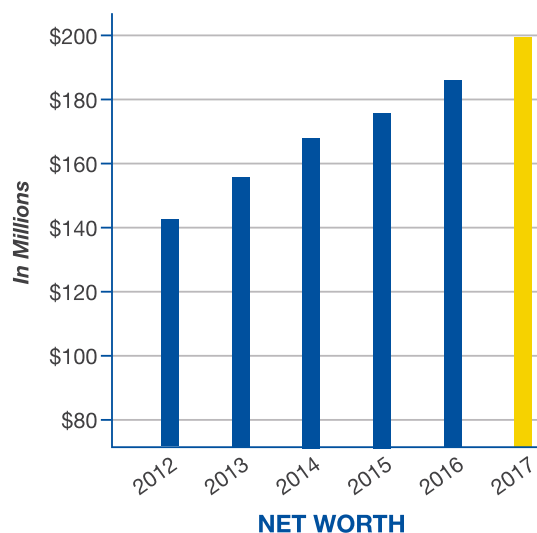
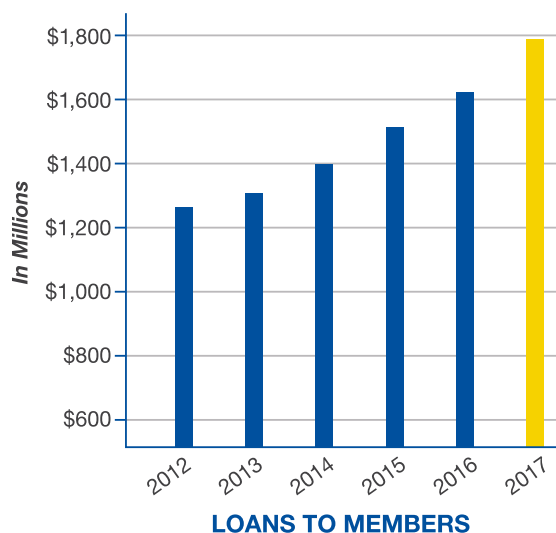
NET INTEREST INCOME**\$68,060,200****\$58,934,400**

Provision for loan losses	\$9,738,200	\$8,217,100
---------------------------	-------------	-------------

NET INTEREST INCOME (after provision for loan losses)**\$58,322,000****\$50,717,300**

Non-interest income	\$32,416,100	\$30,731,800
---------------------	--------------	--------------

Non-interest expense	\$77,514,700	\$71,899,900
----------------------	--------------	--------------

NET INCOME**\$13,223,400****\$9,549,200**

Serving the Community

Giving Back

Truliant supports financial education and giving back through volunteering, sponsorships and support to local businesses and nonprofits. In 2017, those efforts included:

Conducting more than 25 financial education workshops impacting more than 1,472 teens and young adults.

Sponsoring more than 192 events in the Piedmont Triad, Charlotte region and other communities.

Awarding eight scholarships to outstanding high school seniors from across our footprint; and hosting two interns in Winston-Salem from area National Academies of Finance programs.

Truliant awarded 23 Community Mini Grants to local nonprofit organizations across the Carolinas and Virginia, totaling \$20,000.

Truliant continued its Financial Education Grant program, a five-year commitment to award \$200,000 to public school teachers incorporating financial education in classrooms. The program awarded \$40,750 among nine schools and was recognized in 2017 by the Carolinas Credit Union Foundation with a prestigious Desjardins Youth Financial Education Award.

Finally, Truliant employees generously supported local communities by contributing more than \$108,000 in 2017 in support of the American Heart Association, March of Dimes, Relay for Life, the United Way and area food banks/pantries.



Truliant shows support for Hospitality House of Charlotte at our South End Member Financial Center grand opening.

Resources to Help You Grow

Workplace Benefits & Commercial Lending

Truliant At Work

15 New Business Partners | Representing 4,477 Employees

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

Truliant Business Services

\$49 Million in Member Business Loans

In business lending, relationships matter. We work hard to match our business lending services to the unique needs of our partners. Truliant Business Services provides business lending solutions for commercial and owner-occupied real estate needs, operating lines of credit, debt refinancing and restructuring loans, SBA 7a/USDA government guarantee programs, and more.

Truliant provided more than \$25 million in direct financial benefits to its 217,000+ member-owners in 2017 – the equivalent of \$249 per member household, according to the Credit Union National Association.





Federally insured by NCUA.