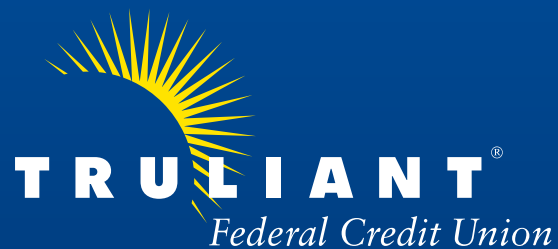


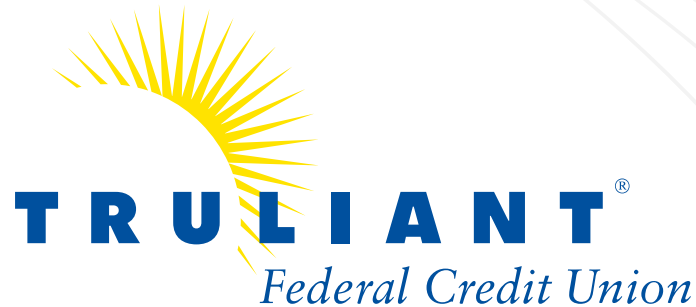


2015 ANNUAL REPORT

Your Community Credit Union.







YOUR COMMUNITY CREDIT UNION

Truliant Federal Credit Union is a mission-driven, not-for-profit financial institution that promises to always have its member-owners' best interest at heart. We strive to improve our members' lives through financial guidance and affordable financial services. Truliant was chartered in 1952 and now serves more than 199,000 members from 30 Member Financial Centers in North Carolina, South Carolina and Virginia.

**Our mission is to enhance the quality of life of our members
and become their preferred financial institution.**



ENHANCING ACCESS

STAYING AHEAD OF THE CURVE



ON YOUR TIME

Our convenient **Tru2Go mobile banking app** allows members to deposit checks, pay bills, transfer funds and more. We further **enhanced our app** in 2015 by adding features including a person-to-person payment service and **better camera recognition** for mobile check deposit. The Tru2Go app now includes secure **eye-scan or fingerprint login**, and screen swiping for quick balance information, without logging in. Members can also sign up for **suspicious activity text alerts**.



JOIN ONLINE OR NAVIGATE EASILY

We launched a **newly redesigned website** in 2015 that improves access to our life-improving financial materials. It includes interactive decision tools to help with budget management, debt consolidation, credit card payoff and more. The website's **responsive design** ensures it displays comfortably across mobile devices, laptops and personal computers. We now offer **Online Account Opening**, a streamlined process to open membership and a variety of account types safely, securely and conveniently, 24/7.



BETTER ACCESS

Truliant has expanded our **Member Financial Center (MFC)** network for **easy access** where our members live and work. Our new locations are smaller, more efficient and convenient, and reflect our Life ImprovedSM brand. Because they're mostly built in repurposed spaces – compared to freestanding locations built from the ground up – **more savings** are passed on to our member-owners.



IMPROVING INTERACTIONS

We designed our new MFCs with teller pods and an open design to improve interactions with member-owners. These locations have a sleek, modern look and café areas where members can relax or use free Wi-Fi at their convenience. We're also **remodeling existing locations** to incorporate our Life ImprovedSM brand and member experience.



ALWAYS OPEN

Our new branch locations include **Smart ATMs** that distribute **multi-denominational amounts and accept deposits** without envelopes. **Night Depository boxes** were added at most of our locations in 2015, allowing businesses to make deposits anytime.



BECOMING MORE LOCAL

EXPANDING TO BETTER SERVE GREATER CHARLOTTE



The majority of our members reside in two main metropolitan areas of North Carolina: the Charlotte-Mecklenburg region and the Piedmont Triad. In 2015, we continued adding new Member Financial Centers in the Charlotte-Mecklenburg region to supplement four locations. By the end of 2016, we will have 14 locations in the area.

MESSAGE FROM THE PRESIDENT AND CEO

MARC SCHAEFER



At a recent public meeting about toll roads, I was surprised when the presenters turned the tables on all of us who hate to pay tolls. They asked us what we would want from the improvements. How would we use it and what would we do with the estimated 30-to-45 minutes in time savings on those days that we chose to pay the toll? Would we spend more time with

our kids, volunteer at a local nonprofit, or just relax a bit more?

Financial institutions and especially credit unions that are owned by our members should constantly ask ourselves: what difference can we make in our members lives? At Truliant we've imbedded that approach into our culture over decades. We're not just interested in making you a car loan. We're interested in you securing the right transportation at the best overall cost to meet your needs. Or, if you're so inclined and able, we want to help you buy the car that gives you a thrill every time you get behind the wheel. We want to help you make the best decision within the broader context of your life and what you are trying to achieve.

Truliant has added a significant number of new Member Financial Centers in the last year while banks have generally been shuttering locations. Why are we adding locations? We have the same state-of-the-art online and mobile banking services that the large banks offer and consumers are using them for more and more transactions. However, the algorithm to help you decide on which course to take with your savings, investments and borrowing – placed in the context of your best interests – has yet to be written and delivered in a manner that you can trust. Having a trusted resource in person to help you make important financial choices large and small remains essential for most consumers.

By carefully attracting, retaining, training and trusting those key people who you turn to for advice with your best interest at heart, Truliant transforms the transaction-intensive branch bank model into a humanistic and relevant touch point for improving member lives.

“Having a trusted resource in person to help you make important financial choices large and small remains essential.”

Consider that in 2015 Truliant performed **177,590 TruFinancial Checkups uncovering over 130,000 specific needs** representing our members' financial hopes and dreams. We asked our members more than 46,000 relevant questions to get at the “real” need and to make sure this wasn't just a focus on product by the member (or us). We provided **23,000 No-Cost Credit Reviews** to unearth opportunities to lower members' cost of financing and restore some to a path of financial health and well-being. These are the metrics we use to determine whether or not we are meeting our mission. But the true judge of our success is your own assessment of financial progress and wellness. We remain as committed as ever to that journey with you.

With member outcomes taking the lead, we can look at some of the lag measures that reflect what personal financial progress looks like in a more traditional sense. We provided **19,720 auto, 2,223 home equity and 462 first mortgage loans** to our members. In addition, we helped our **small business members with 362 loans and \$43 million in capital** to build their businesses and provide jobs in our shared communities.

Given our roots in the telecommunication industry – Truliant was chartered in 1952 by a group of Western Electric Company employees – it's surprising to us when potential Truliant At Work Business Partners or members think we don't offer advanced

electronic banking services. We do. I recently added our retinal scanning login option to sign in to the Tru2Go mobile banking app. I had the option to use my fingerprint instead. I regularly use a smartphone and iPad to deposit checks remotely. Members **deposited more than 198,300 checks conveniently and securely that way in 2015**. From electronic bill pay to advanced alerts, our systems continue to meet our members' needs as they become more interested in the convenience of these types of services.

We're also surprised by how many consumers in our markets are not aware that they can join and immediately enjoy the benefits, especially our favorable deposit and loan rates and low fees. We hope that members who are aware of the benefits will continue to share their experiences – especially with family, friends and co-workers – so that they may also join.

In 2015 we had **32 new companies and organizations join us as Truliant At Work Business Partners**, bringing the availability of the **Credit Union's benefits to over 11,000 of their employees**. Our **1,500 Truliant At Work Business Partners** are essential to helping consumers sort through the “noise” of financial service providers trying to attract their business. Once a company recognizes that Truliant is a genuine, not-for-profit cooperative designed specifically to help their employees make better long-term financial decisions – and that we're not here to sell or push product – it's an easy choice to offer Truliant as a true partner benefit, not just another vendor. We are grateful for their support in informing their employees of the credit union option.

In the year ahead, we'll stay focused on how to improve members' lives. We will be adding additional locations in the rapidly growing Charlotte market and considering others in all of our markets where we could reach the scale for viability. We'll continue to expand our online and mobile services to improve your access and convenience. Most importantly, we'll emphasize the well-being of our member-owners with every choice we make. It is what has made Truliant one of the most successful credit unions in the United States and will continue to guide us into future decades.

I'd like to express gratitude to our volunteer Board of Directors, Associate Directors, Supervisory Committee and Charlotte Advisory Board for their vision, leadership and commitment to serving the member-owner. Member-ownership, volunteer leadership and our one-member, one-vote governance structure, remain the three legs of the credit union stool that not only supports us well, but with constant relevant redesign, propels us into a future that upholds the mission to improve member lives.

Marc Schaefer

President and CEO

177,590 TRUFINANCIAL CHECKUPS
UNCOVERING OVER 130,000
MEMBER NEEDS

MESSAGE FROM THE CHAIRMAN OF THE BOARD

GREG THRUSH



Reflecting on the past year, I am grateful for the dedicated volunteers with whom I serve on Truliant's Board of Directors. Together we strategically guide and provide fiduciary oversight to Truliant to ensure that our mission to improve lives remains at the forefront of all we do. This requires a focus on always doing what is best for you, our member-owners.

Unlike a for-profit financial institution, your Board of Directors is not paid, which means we dedicate our time and energy out of a passion to provide a better banking alternative for you, for our business partners and for the communities we serve. Our volunteerism is fueled by this passion to provide you with a superior financial cooperative, one with your best interest at heart, as a choice. We want to give you an option to receive guidance from an organization that you can trust to help you with the things that matter most in your life.

Collectively, our board has contributed thousands of hours of volunteer time to Truliant and accumulated 130 years of combined annual service to the Credit Union. My involvement with Truliant and the credit union movement began in 1994 when I, as manager of transactional services, selected Truliant as the credit union for my fellow employees at The Timken Company. Truliant's mission-driven focus of improving lives and its advanced services exceeded those of other credit unions, and today, continues to stay ahead of our members' ever-changing technology needs.

As volunteer leaders, our passion for the credit union movement requires us at times to speak out, even when it may be uncomfortable, to protect Truliant and other credit unions from excessive regulatory burdens. Credit unions weren't responsible for any wrongdoing in the past financial crisis, but we are forced

to the same regulatory requirements as the mega banks that caused the problems in the first place. According to the Credit Union National Association's recent study, these regulatory burdens cost credit unions \$7.2 billion in 2014. Regulators are treating us the same as the extremely large banks, which costs us time, energy and resources, and most importantly, impedes our commitment and ability to best serve our members.

One of our main roles as volunteers is advocacy on behalf of our members to protect our ability to compete with the mega banks and to continue to improve our members' lives. We have to continue to fight to ensure that regulation intended to protect consumers doesn't in fact cause more harm by making services too expensive to offer or less available for our members.

Through my 22 years as a volunteer board member, I continue to be proud to serve you, our members, and most importantly I'm proud to see the difference Truliant has made for many of our members through providing financial guidance, building stronger financial lives, easing financial stress and helping to make dreams a reality.

Our passion will continue to fuel us to keep Truliant and the credit union movement strong. We resolutely support your right to be a part of a financial cooperative owned by its members. Remember, even though we are volunteers, you, the members still get to vote to choose the best volunteers to oversee your Credit Union.

Thank you for being a member-owner and for putting your trust in Truliant to improve your life.

Greg Thrush

Chairman of the Board

THE ROLE OF TRULIANT'S SUPERVISORY COMMITTEE

THOMAS G. HARDING

Primary responsibility for the Credit Union's financial reporting and internal operating controls is vested in the Board of Directors and in senior operating management as overseen by the Board. The Supervisory Committee, composed of a chairperson and up to four committee members, is a standing Committee of the Board established to assist the Board in fulfilling its statutory and fiduciary responsibilities.

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 CliftonLarsonAllen LLP to conduct the Credit Union's 2015 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.

Thomas G. Harding

Chairman, Supervisory Committee



Shown above: Truliant officials and local representatives cut the ribbon at the grand opening of our Huntersville Member Financial Center in August 2015.

2014-2015

FINANCIAL RESULTS

ASSETS	2015	2014
Cash and cash equivalents	\$220,558,300	\$141,184,500
Investments		
Available-for-sale	\$142,116,700	\$153,581,400
Other investments	\$10,567,300	\$4,849,500
Loans held-for-sale	\$3,237,100	\$2,093,600
Loans to members, net of allowance for loan losses	\$1,499,925,700	\$1,390,919,200
Accrued interest receivable	\$3,732,200	\$3,869,700
Premises and equipment	\$48,286,400	\$45,846,100
NCUSIF deposit	\$16,081,400	\$15,202,300
Other assets	\$11,898,100	\$12,966,100
TOTAL ASSETS	\$1,956,403,200	\$1,770,512,400
LIABILITIES AND MEMBERS' EQUITY		
Members' savings accounts	\$1,740,539,500	\$1,570,265,000
Borrowed funds	\$7,500,000	\$7,500,000
Other liabilities	\$39,673,900	\$30,766,000
TOTAL LIABILITIES	\$1,787,713,400	\$1,608,531,000
MEMBERS' EQUITY		
Regular reserve	\$24,445,800	\$24,445,800
Undivided earnings	\$152,073,000	\$143,244,300
Accumulated other comprehensive loss	-\$7,829,000	-\$5,708,700
TOTAL MEMBERS' EQUITY	\$168,689,800	\$161,981,400
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$1,956,403,200	\$1,770,512,400

INTEREST INCOME**2015****2014**

Interest on loans	\$60,899,700	\$59,310,600
Interest on investments & cash equivalents	\$2,792,700	\$2,427,100
TOTAL INTEREST INCOME	\$63,692,400	\$61,737,700

INTEREST EXPENSE

Interest on savings accounts	\$9,507,400	\$8,923,300
Interest on borrowed funds	\$281,400	\$281,300
TOTAL INTEREST EXPENSE	\$9,788,800	\$9,204,600
NET INTEREST INCOME	\$53,903,600	\$52,533,100

PROVISION FOR LOAN LOSSES

\$6,065,500 \$7,492,000

Net interest income after provision for loan losses \$47,838,100 \$45,041,100

NON-INTEREST INCOME

\$29,427,800 **\$27,581,000**

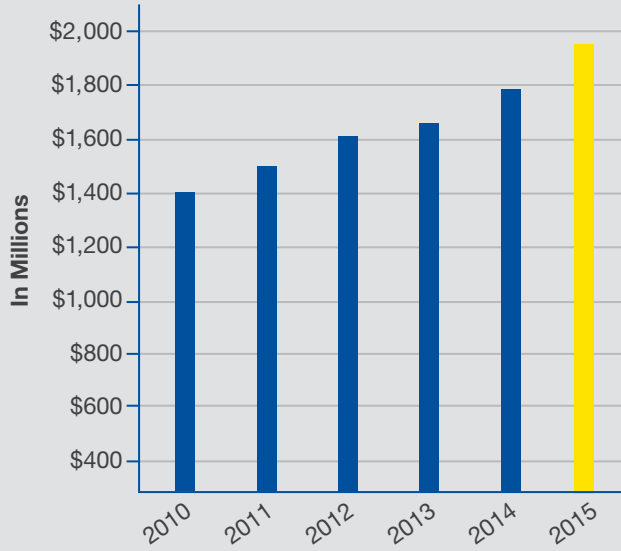
NON-INTEREST EXPENSE

\$68,437,200 **\$60,990,900**

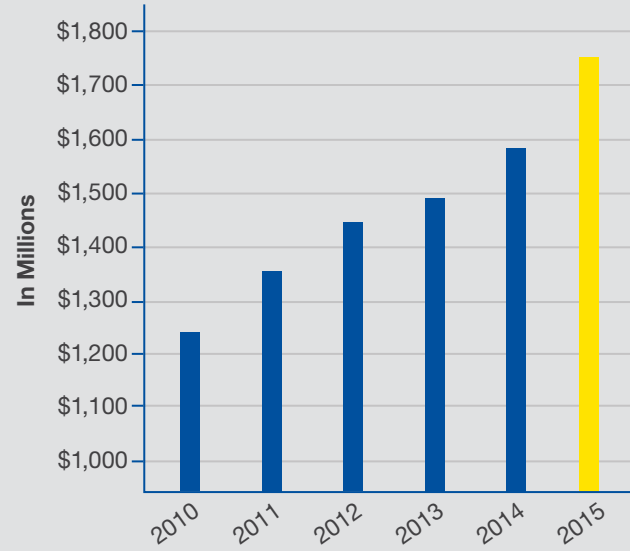
NET INCOME

\$8,828,700 **\$11,631,200**

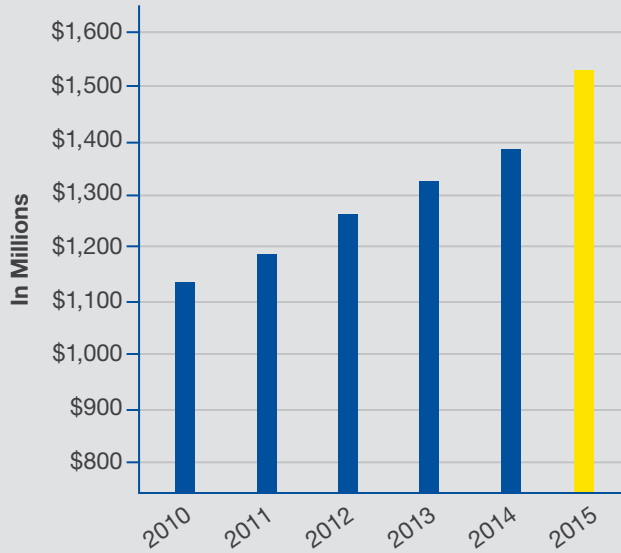
TOTAL ASSETS



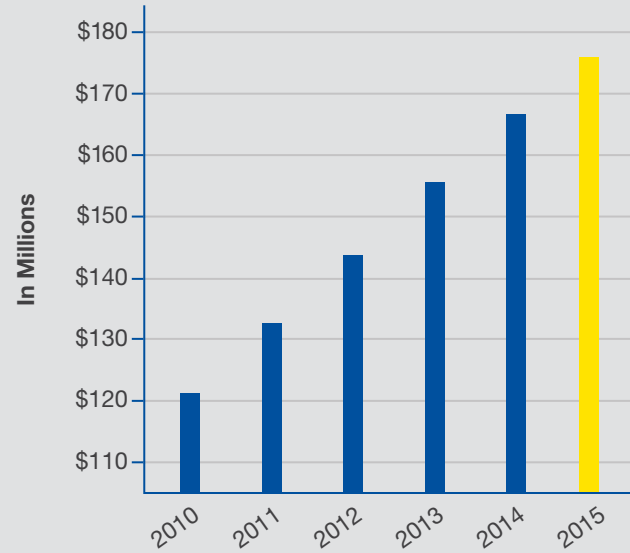
MEMBERS' SAVINGS



LOANS TO MEMBERS



NET WORTH



HELPING BUSINESSES GROW

WORKPLACE AND COMMERCIAL LENDING SOLUTIONS

TRULIANT AT WORK **32 NEW BUSINESS PARTNERS** **REPRESENTING 11,000 EMPLOYEES**

When an employer becomes a **Truliant At Work** Business Partner, their employees can take advantage of Credit Union benefits that build strong financial futures. This complimentary program is available to companies located in the communities we serve.

Truliant At Work officers provide onsite educational tools, financial seminars, updates on Truliant's special promotions and technology upgrades, and information on financial planning with our non-commissioned based, salaried financial advisors. These perks help an employee benefits package stand out in the marketplace.

Shown right: Our President and CEO, Marc Schaefer, speaks at the Winston-Salem, NC headquarters of Inmar during a 2015 Truliant At Work Business Partner anniversary celebration.



TRULIANT BUSINESS SERVICES **362 BUSINESS LOANS, \$43 MILLION** **IN CAPITAL TO HELP SMALL BUSINESSES**

Business owners like Jerry Smith, of Le Bleu, a 25-year-old, nationally-distributed water bottling company, turn to **Truliant Business Services** for a dedicated partner who listens and values relationships.

Experienced business lending officers like Truliant's Jack Smith provide 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.

Shown left: Jerry Smith, left, President and CEO of Le Bleu, with Jack Smith, Senior Business Services Officer of Truliant Business Services, at the water bottler's headquarters in Advance, NC.

SERVING THE COMMUNITY

IMPROVING LIVES IN MEMBER COMMUNITIES

We support financial literacy and giving back to our communities through volunteer efforts, sponsorships and support to local businesses and nonprofits. A few of the ways we helped in 2015 included:

- Conducting more than 115 hours of financial education programs, reaching 1,022 total participants.
- Sponsoring over 144 events in the Piedmont Triad, Charlotte-Mecklenburg and other regions, among them: the National Black Theater Festival, the Hispanic League's Fiesta in Winston-Salem, Mint Hill Madness and Harrisburg's July 4th Celebration.
- Partnering with local Chambers of Commerce to sponsor business networking events in Asheboro, Ballantyne, Clemmons, Harrisburg, Huntersville, Kernersville, Matthews, Mint Hill, South Park and University City communities.

Shown right: In 2015, Truliant employees raised more than **\$97,182** to benefit March of Dimes, Relay for Life, the American Heart Association and United Way. Truliant was the single-largest corporate donor for both March of Dimes and Relay for Life in Forsyth County in 2015.



Truliant's **Mini Grants** program is now in its seventh year and has awarded more than \$200,000 in funding to nonprofit organizations for operating, programming and other needs. In 2015, **Mini Grant** winners were chosen by online votes submitted in a social media contest. More than 19,000 votes were submitted in less than a month.

Shown right: Truliant Manager Terrance Rogers presents a **Mini Grant** check to Safe Harbor of Richmond to support essential services for survivors of sexual and domestic violence.





THE MYWHY CAMPAIGN

We refer to the purpose, causes and beliefs behind our members' financial goals and actions as their **whys**. In 2015, we unveiled an awareness campaign to learn more about our members' **whys** and help them take steps toward realizing their life-improving goals.



1

In late 2014, Truliant began seeking members to “star” in an upcoming advertising campaign. The member families shown above became the face of our 2015 **MyWhy** Campaign.



3



More than 1,000 contest entries and over 30,000 votes for **MyWhy** entries were collected at the **TruliantMyWhy.com** microsite. The site was visited by more than 100,000 people. The final winners were selected by a panel of Truliant business partners, employees and others.



2

We unveiled the **MyWhy** campaign in March 2015. For two months we asked residents in the regions where Truliant offers membership to submit photo and video entries detailing the motivations behind their life-improving dreams and goals – their **why**. Four winners would receive \$25,000 to make their **MyWhy** entries come true. We debuted a photo booth that made its way through local communities gathering **whys**.



4

Winners were named in June 2015. Kaylan Frazier, above left, and Chandra McCloud were named winners in the contest's Charlotte region. McCloud, an educator at a performing arts magnet school, used the funds to start a scholarship that helps underserved students with costs for summer dance programs.

LIFE IMPROVEDSM
