



2022

Annual Report

Chartered in 1952 in Winston-Salem to serve Western Electric employees as Radio Shops Federal Credit Union, Truliant celebrated its 70th anniversary in 2022. Truliant also surpassed 300,000 members, representing the success of multiple generations of employees and the continued loyalty of its members and their families.

As Truliant has grown, so too has its commitment to bring the finest technology, in-person guidance and development of strong relationships with local organizations. These important parts of our business help fulfill the credit union philosophy of *people helping people*.



Message from the President and Chief Executive Officer > Todd Hall

Those looking for stability in 2022 discovered a year with other plans.

High inflation, rising interest rates, world events, and more weighed on a re-emergent economy. Fortunately, Truliant had the means and the vision to adapt and thrive. In addition, we had plenty of good news of our own.

We celebrated a number of major milestones in 2022 – 300,000 members, \$4 billion in assets, the opening of our 35th location and our 70th anniversary. The credit union and the Truliant Foundation invested more than \$1.1 million into our communities last year. All of these achievements resulted from a continued focus on delivering value to our members and the strengths our years have added to Truliant’s culture: flexibility, responsiveness and resiliency.

Success means understanding our member’s wants and needs and our Member Satisfaction program sends thousands of surveys each year, giving us meaningful insight into how best to serve our communities. These have led to numerous improvements to include enhanced services, better products, re-engineered processes, fewer fees, and the development of digital tools that are more secure, consistent and frictionless.

All of this requires a high-quality work environment. Hundreds of employees now work in our beautiful new Operations Center at Hanes Mall in Winston-Salem. The adaptive re-use of that mall space and the installation of 740 solar panels highlight our commitment to being good community stewards.

Truliant’s intentional focus on diversity, equity and inclusion is bearing fruit. Our first employee resource group – which came together based on similar interests or experiences to foster a diverse and inclusive workplace – began in 2022. Representation by diverse groups has also increased at our senior and managerial levels, and in other areas throughout our workforce. This DEI area remains a major focus for us.

We added paternity and adoption leave to employee benefits last year and these combined with our existing strong employee benefits like the Employee Relief Fund, our pension plan, the employee loan program, top-notch healthcare, remote-work flexibility and 401k match provide important advantages for our employees and their families.

The principle of “people helping people” has long guided credit unions and we take this to heart. We have an army of employees dedicated to financial education as we believe financial literacy can create more equitable communities, break the paycheck-to-paycheck cycle and build financial confidence.

Employees in our Truliant at Work and community engagement areas regularly deliver financial education seminars across our regions. These tools help members build confidence, reduce financial stress and improve banking habits. Courses cover topics like identity theft, retirement planning, credit reports and budgeting.

Further underscoring the importance of education, we started a personal finance web series called “Money Burst” in 2022 that has reached thousands of viewers. Chris Browning, a personal finance expert and host of the popular Popcorn Finance podcast, offers tips and hacks on managing money.

We were also designated a Community Development Financial Institution (CDFI) by the U.S. Treasury’s CDFI Fund in 2022. This increases our ability to provide financial services to communities that need it most and gives Truliant access to grants and federal funds to provide financial products and services to residents and businesses in low-income communities.

To provide more convenience to our members, Truliant started an aggressive expansion along the I-85 corridor in Upstate South Carolina, adding a regional-operations office and a new branch as a compliment to the steady growth we have experienced in the market over the past several decades.

Two more locations will open in 2023, with additional branches planned in 2024. Upstate is our fourth regional concentration of branches, which includes the Piedmont Triad in North Carolina, the Charlotte-Metro area and southwestern Virginia.

It is amazing what can happen in communities over seven decades. With Truliant’s assistance, families have purchased homes, bought cars, saved for college, received business loans, built credit histories and been responsible for important progress in the communities we proudly serve. It is gratifying to know that Truliant played an important role.

As we continue to navigate the world around us, Truliant remains committed to making our members, our communities and our employees stronger and better prepared for the future.

**We have
an army of
employees
dedicated
to financial
education.**



Upstate Expansion

In 2022, Truliant furthered its commitment to Upstate South Carolina by opening a new branch and a regional operations office, shown above. The credit union’s presence here spans three decades. With plans for additional locations in the rapidly growing region, Truliant will provide even greater convenience through a stronger foothold in the state.



Powering Today

The Truliant Operations Center opened to provide a high quality work environment for the growing credit union. Among its features, Truliant installed a 740-panel solar installation utilizing 51,000-square feet of rooftop space – about the size of a football field. It will offset more than 740,000 pounds of carbon dioxide annually, equal to the carbon sequestered by more than 5,500 seedlings grown for a decade.

Message from the Chairman of the Board > James (Jimmy) T. Flythe, Jr.



The last few years were not for the weary. The aftershocks of the pandemic economy are still threatening the economic recovery. Through it all, Truliant Federal Credit Union remains committed to our members, with an eye on the future.

After 70 years in the business, you learn a few things. Truliant is healthy and strong – organizationally and financially. We are an important pillar in our communities, and we have protected our members' trust by paying attention to our own financial stability.

Our members are our strength. Nothing is more important to us than the safety and security of their accounts. We stay strong by investing in our members, through consumer and commercial lending, and by investing in financial wellness, local charities and schools. We will continue to responsibly serve our members, and work daily toward offering a value that helps them achieve a better future.

To that end, the Board of Directors prioritizes the importance of exposing Truliant to a broad base of ideas to create meaningful financial solutions for our more than 300,000 members. As Truliant's diversity, equity and inclusion program evolves, so too have the efforts of our Board. We have added more diverse voices, helping us to better reflect our communities, Truliant's workforce and our membership.

A broad range of views enhances decision-making in the boardroom. It gives us another powerful tool to respond to changing markets and the evolving needs of our members – and employees. Truliant's Board of Directors works to support employees by ensuring that they have the tools they need to perform their jobs well, and to help them feel welcome and supported at work.

As we navigate the challenges of the multifaceted business landscape, Truliant will stay the course to improve lives and build a brighter banking future.

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 set 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' accounts.

To that end, the Supervisory Committee contracted with Doeren Mayhew CPAs and Advisors to conduct the credit union's 2022 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 controls 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

Financial statements present fairly the results of the operations and financial position for 2022, and no material weaknesses in internal control were reported.

Will 'buy-now-pay-later' purchases hurt my credit score?



New Web Series

In 2022, Truliant started a web series called "Money Burst." It is hosted by Chris Browning, a personal finance expert who is also the host of his own popular national podcast called "Popcorn Finance." In Truliant's series, Browning offers short videos with tips to make managing money easier. There are no sales pitches or product pushes – just information on how to lead a better financial life.

2021-2022 Financial Results

Consolidated Statements of Financial Condition

December 31, 2022 and 2021

ASSETS

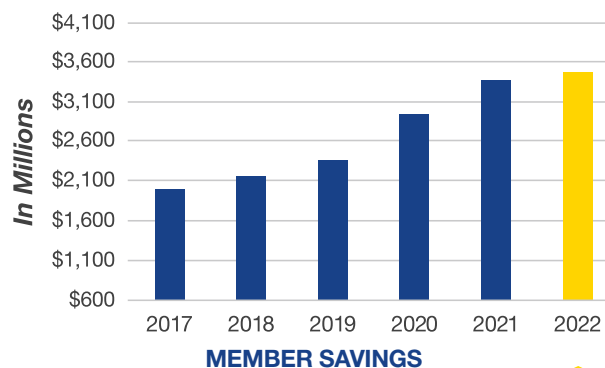
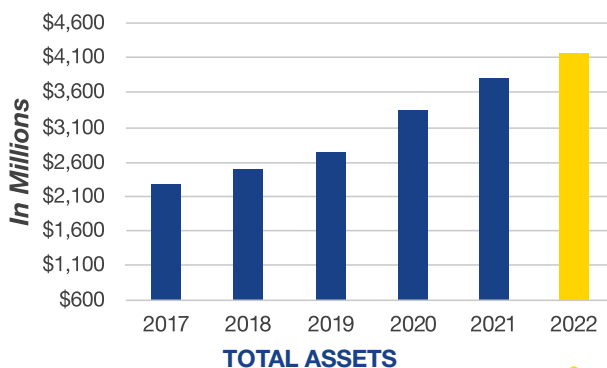
	2022	2021
Cash and cash equivalents	\$170,004,527	\$488,809,459
Interest bearing deposits	7,664,560	40,593,000
Available-for-sale investments	493,862,005	464,536,135
Federal Home Loan Bank (FHLB) stock	10,517,300	1,759,900
Loans held-for-sale	1,882,544	2,662,980
Loans to members, net of allowance for loan losses	3,187,764,108	2,596,239,123
Prepaid and other assets	123,291,167	82,309,615
Accrued interest receivable	11,359,328	8,017,365
Property and equipment, net	91,761,237	62,775,035
National Credit Union Share Insurance Fund (NCUSIF) deposit	33,127,234	30,246,498
TOTAL ASSETS	<u>\$4,131,234,010</u>	<u>\$3,777,949,110</u>

LIABILITIES

Members' shares and savings accounts	3,480,022,198	3,382,285,840
Subordinated debt	48,564,583	48,375,000
Borrowed funds	203,000,000	-
Accrued expenses and other liabilities	82,223,137	43,994,191
TOTAL LIABILITIES	<u>\$3,813,809,918</u>	<u>\$3,474,655,031</u>

MEMBERS' EQUITY

Regular reserve	-	24,445,783
Undivided earnings	362,584,978	292,999,981
Accumulated other comprehensive loss	(45,160,886)	(14,151,685)
TOTAL MEMBERS' EQUITY	<u>\$317,424,092</u>	<u>\$303,294,079</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$4,131,234,010</u>	<u>\$3,777,949,110</u>



INTEREST INCOME

	2022	2021
Loans to members	\$145,674,496	\$122,232,913
Investments and cash equivalents	10,150,104	4,444,289
TOTAL INTEREST INCOME	\$155,824,600	\$126,677,202

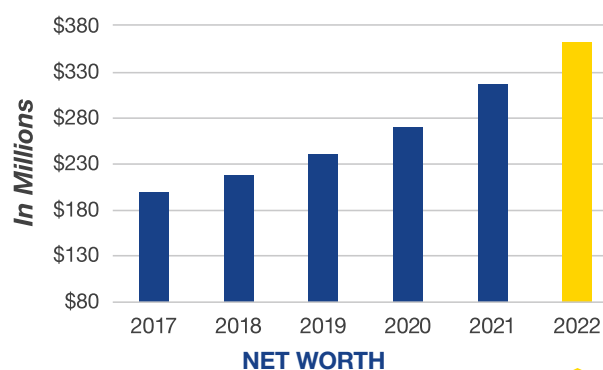
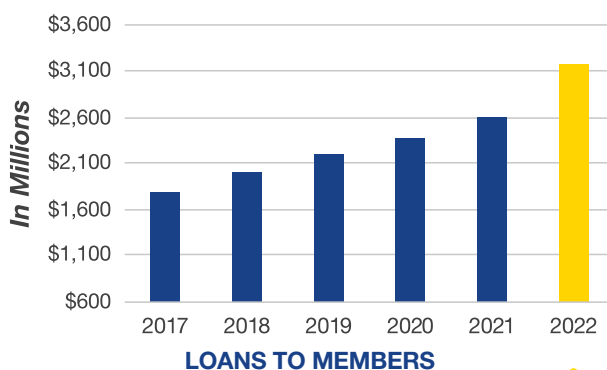
INTEREST EXPENSE

Members' shares and savings accounts	14,836,306	18,201,868
Borrowed funds	3,276,501	949,526
Borrowed funds early termination costs	-	3,506,886
TOTAL INTEREST EXPENSE	\$18,112,807	\$22,658,280

NET INTEREST INCOME	\$137,711,793	\$104,018,922
Provision for loan losses	22,612,179	6,625,067

NET INTEREST INCOME (after provision for loan losses)	\$115,099,614	\$97,393,855
Non-interest income	77,805,603	70,289,197
Non-interest expense	147,766,003	120,366,949

NET INCOME	\$45,139,214	\$47,316,103
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Making a difference

Truliant's commitment to excellence extends to our communities. Being involved and engaged where our members live, work, play and worship is essential.



By finding ways to deepen connections with community partners, Truliant expands on the “people helping people” philosophy of credit unions, and grows our legacy of helping underserved populations.

In 2022, Truliant Federal Credit Union and the Truliant Foundation combined to invest more than \$1.1 million to strengthen nonprofit organizations and local communities across the Carolinas and southwest Virginia.

The Truliant Foundation provided scholarships, grants, charitable donations and funds distributed to employees facing financial hardship through the Employee Relief Fund. In 2022, the Foundation supported more than 115 nonprofit organizations across Truliant's footprint totaling more than \$643,500. Among them:

- 68% of grants and donations were distributed in low-income communities
- 62% of all donations and grants went to minority-led organizations.

Truliant's Community Engagement program includes corporate sponsorships, financial education, volunteerism and government affairs. In these efforts, the credit union supported nearly 200 nonprofit organizations, business associations and Truliant business partners, giving financial education workshops for more than 2,000 individuals while also successfully advocating for policies and regulations that support Truliant's ability to serve its members' financial needs.

Additionally, Truliant employees volunteered more than 500 total hours to support nonprofit organizations and schools across our communities since May of 2022, when the Employee Volunteer Program reopened after a hiatus during the pandemic.

