

2020

Annual Report





Committed to Our Members

Truliant exists for the benefit of our member-owners. Throughout the COVID-19 pandemic, our commitment to them did not waver. We adapted services in an ever-changing environment to meet their needs. Our commitment to excellence is driven by being an outstanding partner.



Message from the President and Chief Executive Officer | Todd Hall

Rising to the Challenge

Times like these bring out the best in Truiliant.

While we couldn't anticipate COVID-19, we pivoted overnight. We adapted to our members' evolving needs time and time again.

Resilience became the key as work, family and social lives were upended. Through all of 2020's changes and challenges, we put ourselves in our members' shoes. Truiliant employees – whose mental and physical health, financial fitness, and daily commitments were always in the minds of our leaders – repeatedly stepped up to remove obstacles.

With COVID restrictions, hundreds of our employees worked remotely. The ability to adapt to the new business climate began instantaneously. We realized an immediate need for programs to alleviate some of the economic stress on our members. We created a Loyalty Loan program and expanded Skip-A-Pay options to bridge gaps in paychecks. Adjustments were made to our digital services to make signing up and accessing relief payments easier. We immersed ourselves in the Paycheck Protection Program with member-businesses, and partnered with restaurants and caterers to feed first responders and essential workers – including our own.

Employees were given special appreciation pay in recognition of their tireless commitment. On all fronts, our teams went beyond expectations, making thoughtful decisions in the face of rapidly arriving deadlines. I gave many video updates throughout the year to deliver on Truiliant's promise to be transparent throughout the crisis.

Major initiatives didn't take a backseat in 2020. We made good on becoming the first credit union in North Carolina to complete a digital mortgage eClosing, making the process faster, safer and more secure. We secured an operations center close to our headquarters that gives us more control over our future growth. We opened a new location, launched a new website, and introduced a new credit card – all items our members have asked for.

Protecting our 30+ branches and Member Contact Center – which took more than a million calls last year – from COVID required everyone working together, members and employees alike. Like many types of technology, we saw massive increases in member use of our comprehensive package of digital services – and their adoption sped us rapidly into the future.

On all fronts, our teams went beyond expectations.

In the year's sometimes tense social climate, we released a public statement against injustice, reaffirming our value that everyone should be treated with integrity, respect and empathy. In closing our branches early on Juneteenth – a holiday celebrating the emancipation of those who had been enslaved – we gave employees time to reflect on recent events and the causes behind them. This action is a harbinger of what's to come. We've hired our first senior executive dedicated to developing diversity, inclusion and equity programs to build our commitment to evolve these policies in tangible ways. As we amplify our focus, we will ensure these values are infused into our everyday business practices.

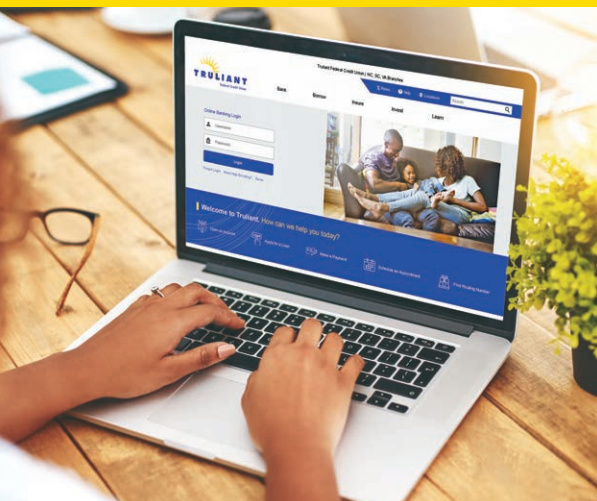
Yes, 2020 was a whirlwind. The pandemic showed us what real disruption is. We've created powerful muscle memory for adaptability.

So where does that leave us? I've seen what we can do. We plan to keep pushing the boundaries. We know who we are and we know more about our strengths. It was a year that no one could have anticipated, when we were pushed to become a much better credit union. I couldn't be more optimistic about Truliant's future.

Yes, 2020 was a whirlwind. The pandemic showed us what real disruption is. We've created powerful muscle memory for adaptability.

In 2020, Truliant

- ☀️ **Distributed a \$1,000 stipend to employees** in acknowledgment of their exceptional effort to continue serving members during the pandemic.
- ☀️ **Helped more than 900+ businesses** obtain Paycheck Protection Program loans to keep employees on their payrolls.
- ☀️ **Launched the fee-free Transparent Card** with simplicity in mind, to give cardholders more control of their spending and provide a more convenient credit card experience.
- ☀️ **Developed special programs** including an expanded Skip-A-Pay option for a variety of loans and a low APR Loyalty Loan program to replace lost paychecks.
- ☀️ **Completed the first end-to-end electronic mortgage eClosing**, becoming North Carolina's first credit union to offer this service.
- ☀️ **Opened a new branch in Gastonia, N.C.**, where we have operated for three decades.
- ☀️ **Saw a surge in Tru2Go mobile app logins**, with an almost 40 percent increase in 2020.



New Website

Truliant launched a new website to improve self-service capability and provide the best content to help member-owners access information. It features a mobile-first design approach, state-of-the-art functionality, improved navigation and engaging content focused on providing financial guidance and improving our members' lives well into the future.

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



Moving Forward

It's been said that in 2020, the living room replaced the board room. Video conferencing aside – in a year with no playbook, our talented employees, leadership, advisors and volunteer Board of Directors navigated Truliant through a challenging year.

The credit union was essential to our member-owners in new ways. They deserve our heartfelt thanks for choosing to weather the crisis with us.

Steadfast thoughtful decision-making at all levels moved us through the battery of changes and recalibrations. The acceleration of technology and digital transformation well

Truliant was essential to our member-owners in new ways.

underway at Truliant before the pandemic proved especially fortuitous in meeting challenges head on and quickly. In return, our members taught us in greater depth how they'll use our services in the future.

As much as the year was about the pandemic, it was also about embracing our values and making them a more tangible part of who we are. For example, we celebrated diversity, inclusion, and equity in new ways. We set in motion greater plans to address this area, knowing that active and meaningful strategies must be part of our culture for Truliant's value proposition to continue to resonate. The rewards for this commitment are better solutions and better outcomes for our members.

If the pre-pandemic days feel like a lifetime ago, it may be because several years feel like they were condensed into one. We at Truliant recognize the need to continue evolving. Alterations to all facets of life have taken place. We are thinking in less traditional ways about what the future will look like.

We know in many ways it won't resemble the past. But it will always start with prioritizing the needs of our member-owners.

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' accounts.

To that end, the Supervisory Committee contracted with Doeren Mayhew CPAs and Advisors to conduct the Credit Union's 2020 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

Financial statements present fairly the results of the operations and financial position for 2020, and no material weaknesses in internal control were reported.



Operations Center Purchase

To accommodate the need for additional operational space, Truliant purchased a 154,000-square-foot space near our Winston-Salem headquarters. The centrally located, three-story facility economically addresses several long-term needs and will provide a high-quality work environment for our employees. The location is highlighted above.

2019-2020 Financial Results

Consolidated Statements of Financial Condition

December 31, 2020 and 2019

ASSETS

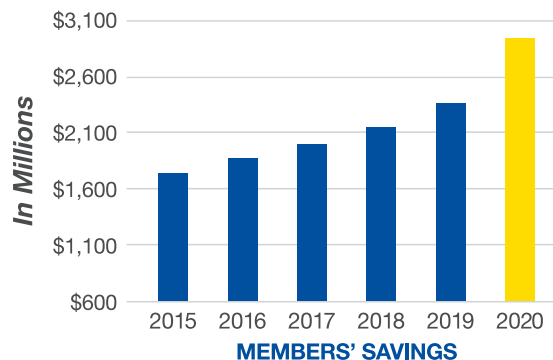
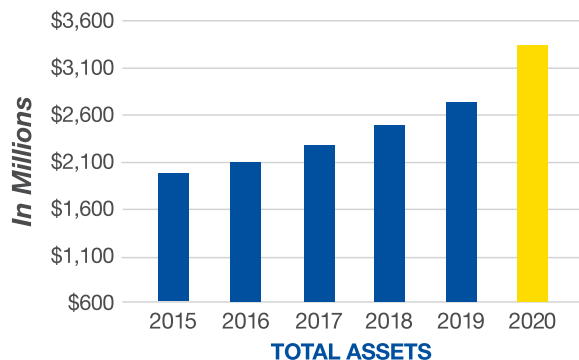
	2020	2019
Cash and cash equivalents	\$278,107,375	\$253,506,699
Interest bearing deposits	192,180,962	36,073,685
Available-for-sale investments	315,323,398	124,168,119
Federal Home Loan Bank (FHLB) stock	5,433,900	5,530,700
Loans held-for-sale	4,767,684	2,422,695
Loans to members, net of allowance for loan losses	2,366,052,808	2,190,789,048
Prepaid and other assets	60,882,939	31,336,483
Accrued interest receivable	7,870,046	6,569,979
Split-dollar life insurance (SDLI)	12,250,000	-
Premises and equipment, net	50,703,608	39,810,907
National Credit Union Share Insurance Fund (NCUSIF) deposit	26,373,850	21,515,103
TOTAL ASSETS	<u>\$3,319,946,570</u>	<u>\$2,711,723,418</u>

LIABILITIES

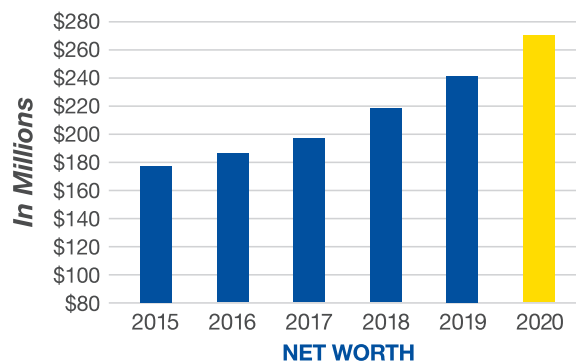
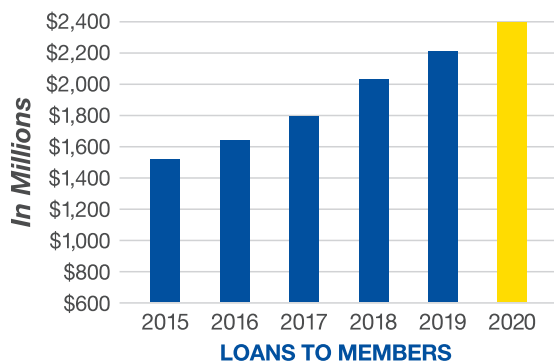
Members' shares and savings accounts	2,954,415,415	2,369,300,180
Borrowed funds	70,428,966	77,822,151
Accrued expenses and other liabilities	40,765,679	36,742,233
TOTAL LIABILITIES	<u>\$3,065,610,060</u>	<u>\$2,483,864,564</u>

MEMBERS' EQUITY

Regular reserve	24,445,783	24,445,783
Undivided earnings	245,683,878	216,722,582
Accumulated other comprehensive loss	(15,793,151)	(13,309,511)
TOTAL MEMBERS' EQUITY	<u>\$254,336,510</u>	<u>\$227,858,854</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$3,319,946,570</u>	<u>\$2,711,723,418</u>



INTEREST INCOME	2020	2019
Loans to members	\$114,609,647	\$106,047,454
Investments and cash equivalents	4,019,419	7,410,279
TOTAL INTEREST INCOME	\$118,629,066	\$113,457,733
INTEREST EXPENSE		
Members' shares and savings accounts	23,009,183	19,130,890
Borrowings	2,064,214	1,920,499
TOTAL INTEREST EXPENSE	\$25,073,397	\$21,051,389
NET INTEREST INCOME	\$93,555,669	\$92,406,344
Provision for loan losses	20,349,812	15,692,432
NET INTEREST INCOME (after provision for loan losses)	\$73,205,857	\$76,713,912
Non-interest income	60,507,995	43,061,807
Non-interest expense	104,752,556	97,046,436
NET INCOME	\$28,961,296	\$22,729,283



Giving Back

Serving the Community

In 2020, Truliant invested more than \$600,000 in community engagement and philanthropic activities to support organizations in the Carolinas and Virginia. More than a quarter of the total supported nonprofit organizations directly impacted by the COVID-19 pandemic.

The demands on our nonprofit partners were greater than ever. Funding was provided to address financial wellness and stability, food insecurity, utility and rent assistance, online learning and education, critical home repairs, small business support and COVID-19 recovery efforts.

Two outreach efforts are of special note. At the start of the pandemic, we launched a program called “People Helping People” to feed essential workers. Named after a guiding principle for credit unions, Truliant partnered with local businesses to deliver 1,800 meals and worked with 109 different restaurants from April until June 2020. First responders, hospital workers, and our own employees were fed.

Additionally, during the holidays we partnered with community organizations to spread a message of better things to come through our “Brighter Days” initiative. In November and December, Truliant worked with nearly 40 community organizations and nonprofits, impacting more than 10,300 individuals.

Our nonprofit partners are essential to our communities. They provide a crucial safety net. We applaud them for doing an outstanding job in 2020.

Truliant Business Services

Truliant Business Services offers a variety of solutions tailored to meet the needs of both small and large business owners. Our experienced commercial lending officers can help you grow your business and our community. We offer financing solutions with fast and local lending decisions to help business member-owners achieve their goals.

Truliant At Work

When an employer partners with Truliant At Work, their employees can take advantage of benefits that build strong financial futures. Our program’s educational tools can be customized to fit your company and employees’ needs. Perks include financial seminars and webinars and personal financial checkups to ensure all employees can take advantage.



