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2023 ANNUAL REPORT



EXPANSION



Truiant's regional footprint continued to grow with the opening of locations in Easley, S.C. (shown above) and Lexington, N.C. The credit union now has more than 35 branches in the central Carolinas and southwest Virginia.

TECHNOLOGY



Truiant's technology partners are helping us make decisions about loans faster than ever, expand automated phone options, and offer improvements like digital banking in Spanish. These time saving improvements allow employees to have more meaningful conversations and increase member satisfaction.

RESPONSIBILITY



Truiant released its first Corporate Social Responsibility report. Called "Brighter Together," it focused on the impact of charitable giving; diversity, equity and inclusion (DEI); community engagement; financial wellness; and environmental stewardship.

Founded in 1952, Truliant has proudly served generations of members. Our growth reflects our dedication to providing the finest technology, personalized guidance, and strong relationships with local organizations. These core values embody the credit union philosophy of “people helping people.” We go beyond products and strive to make a positive impact. We hold this purpose close to our hearts. We believe it strengthens our culture, builds trust with members and employees, and fuels our commitment to giving back.

This purpose translates into action through initiatives like supporting underserved communities, financial education programs, environmental responsibility through green practices, economic development initiatives, and building a diverse and inclusive workplace.

From utilizing solar-power at our Operations Center to fostering a welcoming environment for all, these efforts contribute to Truliant’s unique approach – a “brighter banking formula.”





Message from the President and Chief Executive Officer Todd Hall

As I reflect on the accomplishments and challenges of 2023, I am filled with gratitude for the unwavering confidence of our members. Our team's relentless efforts fueled excellence at Truiliant, putting our members in a greater position to prosper. I – along with our board of directors and the entire management team – am optimistic about our future.

It was a year of significant accomplishments in a challenging environment. We redefined a new normal and are reinventing the office. We've done it in a way that aligns with the values of our company: respect for the individual, community engagement, financial wellness, environmental stewardship and sustainability.

Inflation and higher rates were the big themes of 2023. This environment made it difficult for new borrowers and for homeowners locked into lower rate mortgages. Homeowners were reluctant to move because of a tight housing inventory, higher prices and more expensive loans.

Higher interest rates drove up competition among our financial peers. Truiliant weathered the season, returning value to our members at each turn.

Several high-profile regional banks failed, unsettling markets and shaking the financial community. We reminded our members that for more than 70 years, Truiliant has protected their trust by following conservative principles that prioritize financial stability.

Unlike the failed institutions, Truiliant did not have a large concentration of business in technology startups, venture capital or crypto firms. Like many credit unions, we focus on “people helping people” and strengthening our local communities. We invest in the financial wellness of our members, their schools and local charitable organizations.

Despite the challenges of 2023, Truiliant had a great year. Many important projects came to fruition.

Our new Operations Center transformed an empty retail store into a thriving workspace that supports growth, employee well-being, sustainability and brand identity. Employees enthusiastically embraced it, and it's quickly become a go-to spot for gatherings, celebrations and meetings. An additional benefit is that in its first year, our rooftop solar installation saved more than 300 tons of carbon-dioxide emissions.

The success of our expansion into Upstate South Carolina was another bright spot. Our growing branch footprint is an economic boon to development that is creating good paying jobs, supporting commercial lending, communities, downtowns, engagement and expansion of the Truiliant at Work benefits program.

One of our primary values is financial education. We continue to empower people with the knowledge to take control of their finances. From budgeting basics to investing insights, Truliant at Work – our workplace financial education program – makes members smarter and more confident about their finances. One area of particular pride is a program the Truliant Foundation debuted last year for students at UNC Charlotte. It offers incentives for meeting financial milestones, and it nurtures the work that Truliant has done in high schools to help students become more financially confident.

With our fintech partners, Truliant has improved its digital tools. Utilizing sophisticated modeling, our loan decision process is now better equipped to more equitably evaluate member finances across our diverse communities – helping diminish the biases that sometimes come with traditional models. With this increased efficiency comes more time and resources to better serve our members.

We continue to empower people with the knowledge to take control of their finances.

We had key accomplishments in diversity, equity and inclusion. Our work to create a more inclusive workplace is paying off. We started our first employee business resource group (BRG) in 2022 to support the military, their families and allies. Since then, we have added LGBTQ+ and Hispanic/Latino BRGs, and more recently a Women and Allies BRG. These are intentional efforts to create a more inclusive workplace. Truliant's culture thrives when it reflects the diversity of our communities.

At the end of 2023, Truliant surpassed \$5 billion in assets and 323,000 members. We were noted as the 80th largest credit union in the United States by the leading industry trade group.

Being a leading credit union is a delicate balance. Our goal has never been to be the biggest, but to continue striving to be the best at fulfilling our mission: improve lives, provide great service and offer straightforward financial solutions.



As a longtime corporate citizen of Winston-Salem, we took our brand to a whole new level in 2023. The addition of our name and sunburst to a historic skyscraper on the city skyline highlights Truliant's long legacy of service to the city. We are using the lights to create stunning LED displays that shine a colorful spotlight on community events, causes, and organizations.





Message from the Board Chairman

James (Jimmy) T. Flythe, Jr.

In 2023, Truliant's outward accomplishments were clear for all to see. The opening of our new Operations Center at Hanes Mall. The lighting of a Winston-Salem skyscraper with our name. These are symbols of trust, reliance, forward-thinking and innovation.

But to truly appreciate our accomplishments we need to peek behind the curtain. We need to look at the quiet but powerful maintenance of key pillars in our business model: staying relevant, meeting the needs of our workforce, remaining the financial provider of choice, strategic growth and being more effective and efficient for our members.

As technology eliminates barriers to convenience, we are giving Truliant employees the necessary digital tools to compete in the constantly changing landscape of financial services. To grow, we are changing with the environment, and working more efficiently to ensure our strong financial health through responsible practices.

We have always been and will always be a people business. The entire board of directors recognizes the need to balance the growth of digital innovation with a commitment to personal service. We are laser focused on increasing Truliant's ability to use real-time data to solve our members' needs more quickly. And, we are continuing to strengthen our ability to grow by enhancing community relationships throughout our corporate footprint.

One of several long-term efforts to better reflect the communities we serve came to fruition last year. For the first time in our history, with the election of two new members to our board of directors, a majority represents racial and gender diversity. This long-term effort helps us more closely align with our members and allows more diverse perspectives into the boardroom. Board diversity plays a crucial role in the shaping and development of Truliant's strategic direction.

While a recession did not materialize in 2023, it was still a volatile economic environment. The year was spent adapting to waves of rolling interest rates, inflation and the persistent challenges that have remained from the last few business cycles. We did not stray from our mission of improving lives by putting our members first.

One of our most important jobs as a board is to anticipate challenges. We look several years down the road and take actions that best serve our members and employees as we traverse the tricky evolutions of our economic environment. We are fortunate that Truliant is a resilient organization, with a strong set of values built around member service. Creating more meaningful relationships with our members is the key to ensuring their financial lives are secure and continue to improve.

Truliant opened our new Operations Center in 2023. The result of converting a former three-story Macy's, it solidifies our commitment to providing a state-of-the-art workplace for flexible hybrid, on-site and remote work employees.



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 2023 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 2023, and no material weaknesses in internal controls were reported.

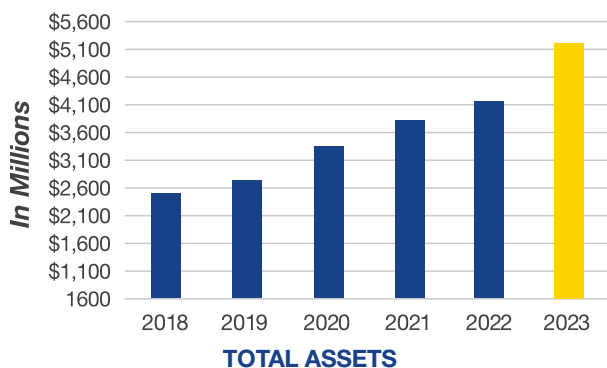


2022-2023 Financial Results

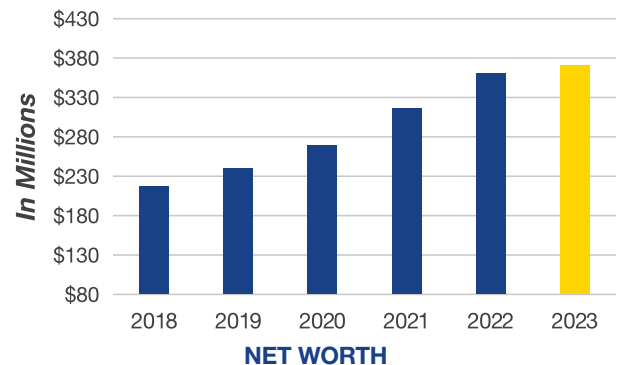
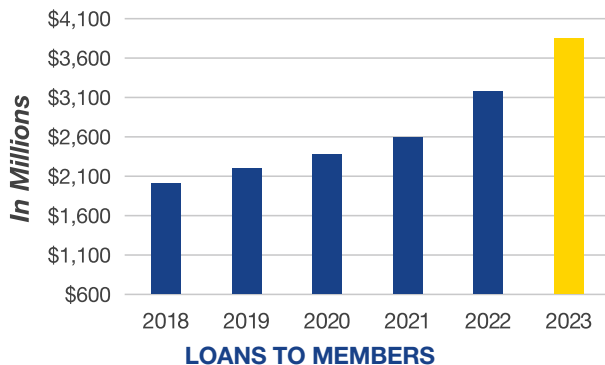
Consolidated Statements of Financial Condition

December 31, 2023 and 2022

ASSETS	2023	2022
Cash and cash equivalents	\$630,095,007	\$170,004,527
Interest bearing deposits	3,836,000	7,664,560
Available-for-sale investments	393,929,444	493,862,005
Federal Home Loan Bank (FHLB) stock	6,454,400	10,517,300
Loans to members, net of allowance for loan losses	3,863,729,568	3,187,764,108
Prepaid and other assets	122,409,525	125,173,711
Accrued interest receivable	16,420,004	11,359,328
Property and equipment, net	99,215,326	91,761,237
National Credit Union Share Insurance Fund (NCUSIF) deposit	36,713,456	33,127,234
TOTAL ASSETS	<u>\$5,172,802,730</u>	<u>\$4,131,234,010</u>
LIABILITIES		
Members' shares and savings accounts	4,463,216,876	3,480,022,198
Subordinated debt	48,727,083	48,564,583
Borrowed funds	232,400,000	203,000,000
Accrued expenses and other liabilities	87,198,368	82,223,137
TOTAL LIABILITIES	<u>\$4,831,542,327</u>	<u>\$3,813,809,918</u>
MEMBERS' EQUITY		
Undivided earnings	373,394,656	362,584,978
Accumulated other comprehensive loss	(32,134,253)	(45,160,886)
TOTAL MEMBERS' EQUITY	<u>\$341,260,403</u>	<u>\$317,424,092</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$5,172,802,730</u>	<u>\$4,131,234,010</u>



INTEREST INCOME	2023	2022
Loans to members	\$225,960,622	\$145,674,496
Investments and cash equivalents	28,711,169	10,150,104
TOTAL INTEREST INCOME	\$254,671,791	\$155,824,600
INTEREST EXPENSE		
Members' shares and savings accounts	62,116,004	14,836,306
Borrowed funds and subordinated debt	13,187,960	3,276,501
TOTAL INTEREST EXPENSE	\$75,303,964	\$18,112,807
NET INTEREST INCOME	\$179,367,827	\$137,711,793
Provision for loan losses	45,246,474	22,612,179
NET INTEREST INCOME (after provision for loan losses)	\$134,121,353	\$115,099,614
Non-interest income	79,293,846	77,805,603
Non-interest expense	182,605,521	147,766,003
NET INCOME	\$30,809,678	\$45,139,214



Truliant: Investing in Our Communities

We are committed to making a positive difference in the lives of our members and the communities we serve.

We believe in the credit union philosophy of “people helping people.” That’s why we actively partner with organizations where our members live, work, and play. Our efforts focus on supporting communities and building a lasting legacy of support.

In 2023, Truliant and the Truliant Foundation invested in nearly 120 organizations strengthening communities across the Carolinas and southwest Virginia. The Foundation provided scholarships, grants, and financial assistance to local non-profits and even our own employees facing hardship.

Here’s a closer look at the impact:

- Reaching Communities in Need: 71 percent of grants and donations supported low-income communities.
- Empowering Minority-Led Organizations: More than 60 percent of all donations and grants went to organizations led by minorities.

Our commitment extends beyond financial contributions. Truliant’s Community Engagement program also includes:

- Corporate sponsorships of events and initiatives.
- Financial education classes: Empowering over 4,500 individuals in 2023.
- Advocacy: Supporting policies that benefit our members’ financial well-being.

Truliant is proud to be a partner in building strong and vibrant communities.



PEOPLE



We are committed to our employees. Truliant strives to provide an enjoyable workplace where they are valued, empowered and rewarded. We continue to receive high marks for employee satisfaction.

SUPPORT



Truliant was North Carolina's second largest supporter of Sponsor-A-Highway signs on local roadways. This provides support to clean thousands of state roads and the removal of hundreds of thousands of pounds of litter from highways.

GROWTH



During a year where high inflation and rising rates grabbed the headlines, Truliant surpassed another major financial milestone. In 2023, we reached \$5 billion in assets, demonstrating the loyalty of our members and their trust in our ever-expanding menu of services.

Federally insured by NCUA.



