

BOONE AVENUE

MILWAUKEE-CUDAHY


GREEN BAY ROAD

HIGHLAND

LYN-LAKE

MAPLE GROVE

BURNSVILLE



TRUSTONETM
FINANCIAL

2015 ANNUAL REPORT

Your Neighborhood Credit Union

NORTHSIDE

NORTHEAST MINNEAPOLIS

NICHOLSON AVENUE

OAK CREEK

ROSEVILLE

ST. CLOUD



TruStone Financial is pleased to have shared another prosperous year with you, our members. Beginning eight decades ago as a handful of people looking to make a difference to approximately 95,000 members today with an expanding footprint throughout the Midwest, your neighborhood credit union has grown with you – for you. Whether you are looking to finance a new home, a car, borrow against the equity in your home to remodel, or a place to keep your money safe while earning industry leading returns on your investments, TruStone Financial will continue to supply the tools that you need. Our pledge from the beginning was to offer you a premier level of service, the greatest degree of accuracy and responsiveness to your evolving needs. This commitment stands as firm today as it did in 1939.

Our promise of service, precision and responsiveness stimulated growth over the past year – thanks to you. You spoke and we listened. You asked for more ways to access your account and a streamlined process to apply for loans, in addition to ensuring your accounts are safe. We are honored that you chose TruStone Financial as your trusted financial partner and we will continue to provide essential products and services that help you achieve success in every facet of your life.

Message from the Board Chair

Over the past year, your neighborhood credit union opened two new branches in the Twin Cities metro area. As the year came to a close, we expanded our reach in Wisconsin through mergers with two local credit unions. We welcome these approximately 5,000 new members to the TruStone Financial family. These additions not only strengthened our Midwestern footprint, but provided us with an opportunity to cultivate both fresh and longstanding relationships with individuals, like you, who share our values for financial achievements.

In addition to new locations, the credit union updated various features of existing digital technology both to comply with industry standards and to improve your banking experience. These innovative advances provided an additional line of security, continuing our overarching commitment in serving you safely and efficiently.

On behalf of your Board of Directors, TruStone Financial leadership and our hard-working staff, I want to thank you for your continued trust and support. We will remain steadfast in our mission to ensure your financial well-being for years to come.

We thank you.

A handwritten signature in black ink that reads "Thomas J. Alagna". The signature is fluid and cursive, with a long horizontal stroke at the end.

TOM ALAGNA, CPA, MBA
Board Chair



2015 was a historic year for TruStone Financial. The credit union surpassed \$1 billion in assets, making us one of the largest financial institutions in Minnesota. While this milestone is an impressive one, your friendly and trusted neighborhood credit union will continue to

provide committed service to all 95,000 members. I am honored to be a part of an organization that positively impacts the financial well-being of so many and am happy to inform you that TruStone Financial is in a solid place for the future.

This past year we originated more than 11,000 loans totaling \$520 million and took in more than \$2.7 billion in total deposits; more than ever before. With 5,831 checking accounts opened, a record number of new account holders were given a secure place to earn the best dividend possible. By sound financial management, the credit union's progress is climbing to impressive numbers year after year.

I understand that our members stand with TruStone Financial due to excellent rates and minimal fees, but also because our offerings constantly evolve to exceed banking expectations. In 2015, the credit union adopted an emerging digital technology to keep both personal and financial information safe. Cards were formatted with an EMV

chip which provides added security measures to credit and debit transactions. In the upcoming year, you will recognize a wide variety of other technology advances that update existing safety processes and contribute to simplifying banking as a whole.

A Letter from the CEO

TruStone Financial also recognizes that the needs of each member are different. Therefore the credit union implemented a new high-yield checking account in 2015, TruRate Checking. We wanted account holders who are comfortable maintaining a higher minimum balance to receive a high rate of return on their hard earned money while enjoying the benefits of an exclusive checking account.

As our offerings expand, so does our footprint. In 2015 we opened two new locations: Boone Avenue and Burnsville. We also began an exterior remodel of our Roseville location to better match the TruStone Financial branch brand. As 2016 approaches we will continue to keep the pulse on all locations to ensure a positive branch experience.

Just as we value your encounter with TruStone Financial, we value the experience of our staff. For the second consecutive year, TruStone Financial was named one of the Best Credit Unions to Work For by Credit Union Journal. Our institution was the sole credit union in Minnesota to receive this distinguished honor. From top management recognition to local newspaper Readers' Choice awards, the credit union acquired numerous honors – reiterating that your financial well-being is in good hands.

We could not have had such a successful 2015 without the highest level of commitment from our staff, management, our Board of Directors and our most valued members – you.

A stylized, handwritten signature in black ink, likely belonging to Tim Bosacki. The signature is fluid and cursive, with a large loop at the end.

TIM BOSACKI, Chief Executive Officer



Burnsville OPENED OCTOBER 2015
14300 Nicollet Court, Suite 100 | Burnsville, MN 55306

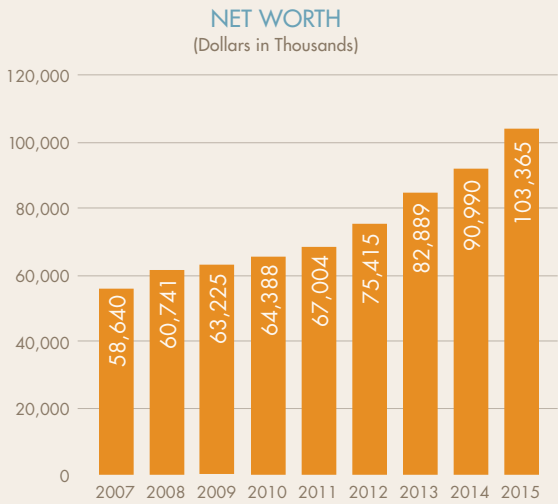
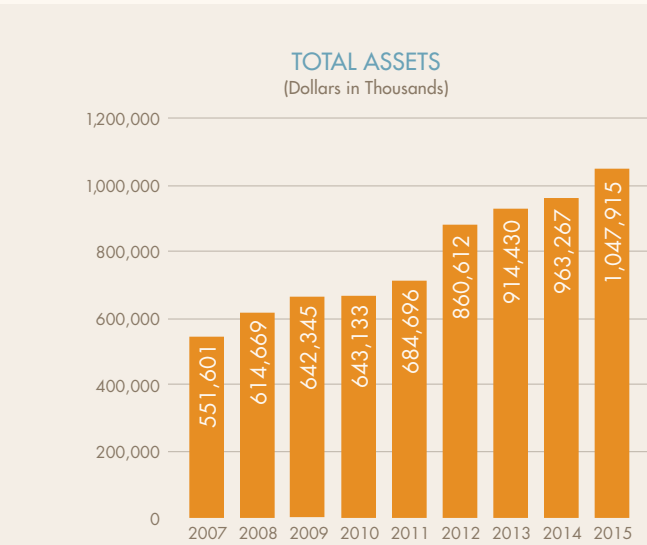
Boone Avenue OPENED AUGUST 2015
605 Boone Avenue North | Golden Valley, MN 55427



Balance Sheet

As of December 31, 2015, and 2014

	(\$ in thousands)	
	2015	2014
Assets		
Loans, Net	715,341	623,759
Investments	251,080	266,756
Cash and Cash Equivalents	11,255	11,442
Property and Equipment, Net	29,215	27,638
Other Assets	41,024	33,672
Total Assets	1,047,915	963,267
Liabilities & Members' Equity		
Member Shares & Deposits	873,287	805,521
Borrowed Funds	60,469	56,800
Other Liabilities	12,564	9,754
Total Liabilities	946,320	872,075
Members' Equity	101,595	91,192
Total Liabilities and Members' Equity	1,047,915	963,267



Income Statement

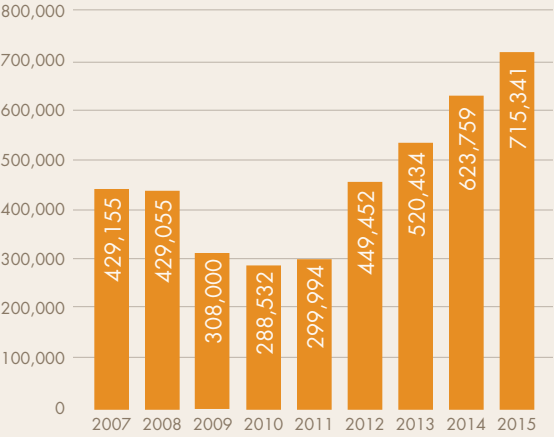
As of December 31, 2015, and 2014

(\$ in thousands)
2015 2014

Interest Income		
Loans	30,825	27,503
Investments	5,454	7,261
Total Interest Income	36,279	34,764
Dividend/Interest Expense	3,727	3,558
Net Interest Income	32,552	31,206
Provision for Loan Losses	1,606	1,824
Net Interest Income After Provision for Loan Losses	30,946	29,382
Non-Interest Income		
Service Fees	5,152	4,257
Other Non-Interest Income	15,100	9,859
Gain/Loss on Investments	643	1,607
Total Non-Interest Income	20,895	15,723
Non-Interest Expenses		
Compensation and Benefits	20,798	19,218
Occupancy and Office Operations	9,825	9,776
Other	8,824	8,011
Total Non-Interest Expenses	39,447	37,005
Net Income	12,394	8,100

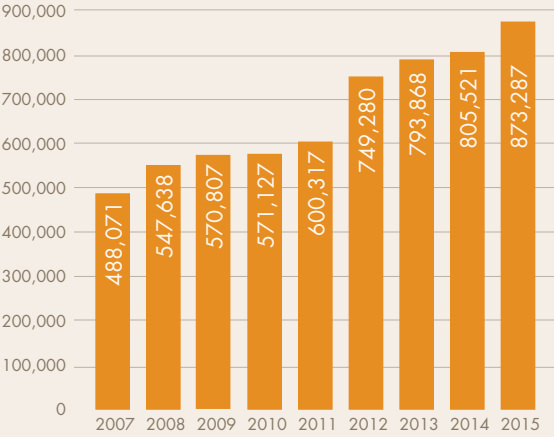
LOANS

(Dollars in Thousands)



SHARES

(Dollars in Thousands)



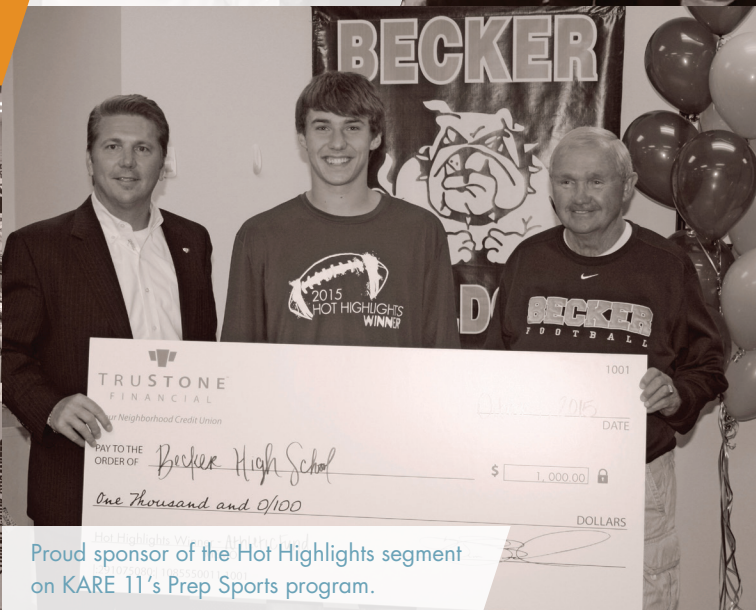
Community Involvement



Teaching young students the importance of saving.



2015 Teacher Appreciation winner enjoying his shopping spree.



Proud sponsor of the Hot Highlights segment on KARE 11's Prep Sports program.



Supporting the communities we call home.



TruStone Financial provided \$11,000 in scholarships to high school seniors.

*Whether it's donating to local schools,
marching in a parade or running in a 5K,
we're here to support you – our neighbors.
As your neighborhood credit union, we strive
to encompass your communities with
encouragement and our everlasting gratitude.*

Locations

BOONE AVENUE

605 Boone Avenue North
Golden Valley, MN 55427

BURNSVILLE

14300 Nicollet Court, Suite 100
Burnsville, MN 55306

GREEN BAY ROAD

6715 Green Bay Road
Kenosha, WI 53142

HIGHLAND

757 Cleveland Avenue South
St. Paul, MN 55116

LYN-LAKE

2817 Lyndale Avenue South
Minneapolis, MN 55408

MAPLE GROVE

7851 Elm Creek Boulevard
Maple Grove, MN 55369

MILWAUKEE-CUDAHY

5570 South Packard Avenue
Cudahy, WI 53110

NICHOLSON AVENUE

4580 South Nicholson Avenue
Cudahy, WI 53110

NORTHEAST MINNEAPOLIS

301 Main Street Northeast
Minneapolis, MN 55413

NORTHSIDE

2707 30th Avenue
Kenosha, WI 53144

OAK CREEK

2121 East Rawson Avenue
Oak Creek, WI 53154

ROGERS – COMING SOON

14115 James Road, Suite 300
Rogers, MN 55374

ROSEVILLE

2150 Lexington Avenue North
Roseville, MN 55113

ST. CLOUD

620 Roosevelt Road
St. Cloud, MN 56301

Leadership

BOARD OF DIRECTORS

Tom Alagna
Chair
Samuel Stern
Vice Chair
Fred Sulzbach
Treasurer
Doug Nesbit
Secretary
Stephen Bohlig
Roger Cersine
Darrick Metz

SUPERVISORY COMMITTEE

John Christenson
Chair
Brian Lee
Secretary
Stephen Hunziker

EXECUTIVE VICE PRESIDENTS

Tim Bosiacki, *CEO*
Hans Iverson, *COO*
Steve Steen, *CBO*
Dan Zaczkowski, *CFO*
Nathan Grunzke
Director of Mortgage Operations
Phil Young
General Counsel

SENIOR VICE PRESIDENTS

Katie Grindeland
Director of Marketing
Gary Maki
Director of Human Resources
Jeff Rothmeyer
Director of Commercial Lending
Jeff Smrcka
Director of Consumer Lending
John Verplank
Director of Information Technology

VICE PRESIDENTS

Sheloa Fieldseth
Matt Krauter
Gina Leyda
Lisamarie Meyer
Kelly Smith
Kim Williams
Lisa Zimbeck



TRUSTONE[™]
FINANCIAL

Your Neighborhood Credit Union