

First Quarter 2008 Financial Review



Safety and soundness continue to be priority number one at Tricorp FCU. We continue to manage and maintain a high quality balance sheet and continuously seek to pay competitive rates. Asset quality and capital adequacy remain strong while interest rate, liquidity and credit risk remain very low. A major strategic decision to change our position regarding our IT services created a temporary spike in operating expenses this quarter. This decision will lead us to the point of actually seeing these expenses reduced going forward from the levels we have seen in the past. You can be assured that Tricorp's balance sheet management includes a strict financial discipline to keep the growth of operating expenses to an appropriate level and our actions will bear that out.

Because we have remained true to our core competencies for which the Corporate Network was created we are able to provide quality products and services for our members even in this time of decreasing interest rates and low consumer confidence. We are here to serve our members no matter which way the liquidity cycle turns with investment and loan strategies that are cost effective, convenient, ready and available.

Tricorp's management team and staff strive to provide services that will enable our member credit unions to serve their members well. Tricorp's mission is "To provide quality financial products and services to meet the needs of its credit union members, while maintaining a strong financial position." Our strong financial position is reflected in this report. The rest we do by protecting the value of membership by making it easy to manage your liquidity.

We are proud that all members turn to Tricorp as their resource for their liquidity needs as is reflected in this report. Tricorp's assets have increased over this quarter last year. Earnings were very strong and at a historical high. This is good news as it



helped Tricorp maintain a capital level that is safely above the regulatory minimum. The strong earnings also continue to allow Tricorp to maintain a sound financial position to support future growth.

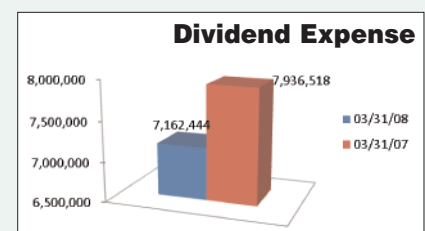
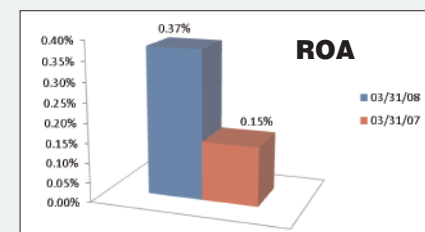
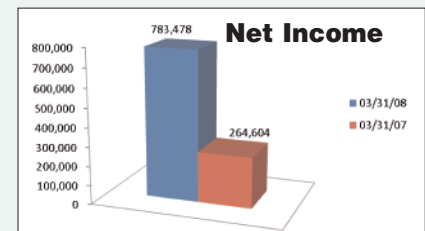
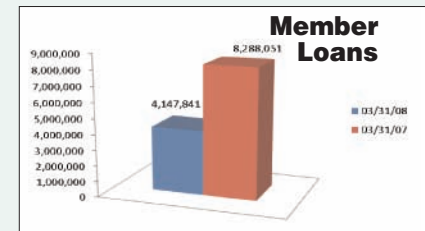
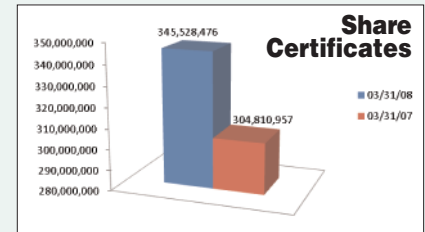
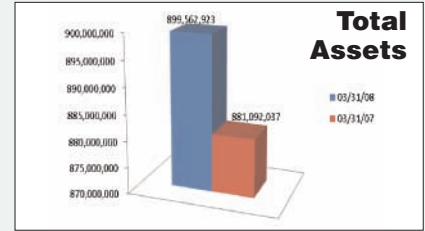
The first quarter of 2008 ended with assets up slightly 2.10% over the first quarter in 2007 to end at \$899,562,923. The increase is mostly due to member share certificates which are up 13.36% while our overnight account is down 5.01%.

Share certificates ended the quarter at \$345,528,476 and the overnight account ended at \$490,638,941. Liquidity is beginning to level off as evidenced by the slight increase in deposit balances and loan volumes to members showing a decrease of 49.95% from one year ago down to \$4,147,841.

Net income for this first quarter of 2008 was up 196.09% over the same 12 month period last year.

Tricorp FCU posted a return on average assets of 37 basis points, 22 basis points higher than the prior year, stable and well beyond our expectations. Operating expenses are up 16.75% from the same period last year. Interest and dividend income are up .32% while dividend expense is down 9.75% from the same period a year ago.

NEV results remain well within both NCUA's and Tricorp's limitations. The regulatory minimum for the NEV ratio in a base case scenario is 3% while Tricorp's base case ratio is 5.21% - another strong indicator of the safety and soundness position of Tricorp. The maximum allowable decline in NEV is a negative 15% and the positive 300 scenario is a minus 4.79%, well within the limitation as noted above.



Statement of Financial Position (Unaudited)
 March 31, 2008 and 2007

	3/31/08	3/31/07	Change
Assets			
Loans to Members	4,147,841	8,288,051	-49.95%
Cash	1,185,166	2,914,946	-59.34%
Investments	886,240,879	863,564,373	2.63%
Accrued Interest	5,325,840	4,194,023	26.99%
Fixed Assets	778,711	784,058	-0.68%
NCUSIF Deposit	157,181	171,506	-8.35%
Other Assets	<u>1,727,305</u>	<u>1,175,080</u>	46.99%
Total Assets	<u>899,562,923</u>	<u>881,092,037</u>	<u>2.10%</u>
Liabilities			
Accounts Payable	449,369	140,653	219.49%
Line of Credit Loan (US Central)	11,000,000	11,000,000	
Dividends Payable	3,417,905	2,551,037	33.98%
Accrued Expenses	91,297	35,748	155.39%
Other Liabilities	-88,284	39,088	-325.86%
Total Liabilities	<u>14,870,287</u>	<u>13,766,526</u>	<u>8.02%</u>
Members' Shares and Deposits			
Overnight Deposits	490,638,941	516,517,023	-5.01%
MCSD	29,022,401	28,385,562	2.24%
Share Certificates	<u>345,528,476</u>	<u>304,810,957</u>	<u>13.36%</u>
Members' Shares & Deposits	865,189,819	849,713,542	1.82%
Regular Reserves	6,059,927	6,059,927	0.00%
Undivided Earnings	13,325,474	11,567,904	15.19%
Unrealized Gain/Loss AFS	117,416	-15,862	-840.23%
Total Liabilities & Members' Equity	<u><u>899,562,923</u></u>	<u><u>881,092,037</u></u>	<u><u>2.10%</u></u>

Income Statement
Periods ended March 31, 2008 and 2007

	3/31/08	3/31/07	Change
Interest Income from Loans	88,928	165,357	-46.22%
Interest and Dividend Income from Investments	8,553,217	8,525,843	0.32%
Total Interest Income	8,642,145	8,691,200	-0.56%
Dividend Expense	7,162,444	7,936,518	-9.75%
Interest on Borrowed Money	231,792	<u>103,784</u>	<u>123.34%</u>
Total Interest Expense	7,394,236	8,040,302	-8.04%
Net Interest Income	1,247,909	650,898	91.72%
Fees and Other Operating Income	<u>129,267</u>	<u>122,231</u>	<u>5.76%</u>
Gross Operating Margin before Operating Expenses	<u>1,377,176</u>	<u>773,129</u>	<u>78.13%</u>
Operating Expenses:			
Salaries and Benefits	314,466	286,830	9.63%
Office Occupancy	23,616	19,880	18.79%
Office Operations	63,453	56,187	12.93%
Travel and Conference	32,307	15,978	102.20%
Educational and Promotional	32,018	24,886	28.66%
Professional and Outside Services	99,451	87,081	14.21%
Others	<u>28,387</u>	<u>17,683</u>	<u>60.53%</u>
Total Operating Expenses	<u>593,698</u>	<u>508,525</u>	<u>16.75%</u>
Gain/(Loss) Investment Sales	0		
Net Income Before Transfers	783,478	264,604	196.09%
Required Transfer to Regular Reserves	<u>-</u>	<u>-</u>	<u>0.00%</u>
Net Change to Undivided Earnings	<u><u>783,478</u></u>	<u><u>264,604</u></u>	<u><u>196.09%</u></u>

TRICORP Federal Credit Union · First Quarter 2008 Financial Review

Portfolio Diversification by Investment Issuer · March 31, 2008

Issuer	Percent	Carrying Value	Market Value	Unrealized Gain (Loss)	Weighted Ratings
U.S. Central Credit Union	94.94%	841,360,400	845,518,293	4,157,893	*
SBA Pools	4.33%	38,337,446	38,337,446	-	AAA
Total U.S. Government Agency	4.33%	38,337,446	38,337,446	-	
CMO's - Floating Rate	0.17%	1,464,618	1,464,618	-	AAA
MBS's - Fixed Rate	0.39%	3,492,416	3,492,416	-	AAA
Total CMO's & MBS	0.56%	4,957,034	4,957,034	-	
CUSO and Other	0.16%	1,411,837	1,445,241	-	
Asset-Backed Securities:					
SPSAC 1998-2 A1	0.02%	174,162	174,162	-	AAA
Total Asset-Backed Securities	0.02%	174,162	174,162	-	
Total Investments	100.00%	886,240,879	890,432,176	4,157,893	

* U.S. Central CU carries a Medium Term Note Program rating of "AAA", the Commercial Paper Program carries a rating of "A-1+/P-1". These ratings do not apply to member shares and share certificates. U.S. Central CU does maintain an issuer rating of "A" from Bankwatch.

Statistical Changes in Financial Position

	As Of 3/31/08	As of 3/31/07
* Operating Expense Ratio	0.28%	0.29%
* ROA	0.37%	0.15%
* Equity Ratio	2.38%	2.94%
Average Assets	835,770,205	711,806,671
Net Economic Value (NEV)	2/29/08	Reg 704 Min/Max Requirements
+ 300 BP Shock		
Actual Dollar Change	48,095,860	42,938,728
% Change	-4.79%	***
NEV Ratio	5.03%	
Base Level Dollar Amount	50,516,150	N/A
Base Level NEV Ratio	5.21%	
- 300 BP Shock		
Actual Dollar Change	51,305,403	58,093,573
% Change	1.56%	***
NEV Ratio	5.28%	

* Based on Average Assets

*** NEV cannot fluctuate more than eighteen percent in either rate shock scenerio. Minimum and maximum amounts are based on current year levels.