

First Quarter 2009 Financial Review



This quarter's financials have been reissued to coincide with the NCUA charge of impairment to our capital at U.S. Central as of December 31, 2008

Statement of Financial Position (Unaudited)
 March, 2009 and 2008

	03/31/09	03/31/08	Change
Assets			
Loans to Members	3,553,962	4,147,841	-14.32%
Cash	1,167,634	1,185,166	-1.48%
Investments	804,819,508	886,240,879	-9.19%
Accrued Interest	2,172,789	5,325,840	-59.20%
Fixed Assets	657,299	778,711	-15.59%
NCUSIF Deposit	155,616	157,181	-1.00%
Other Assets	<u>2,199,348</u>	<u>1,727,305</u>	<u>27.33%</u>
Total Assets	<u>814,726,156</u>	<u>899,562,923</u>	<u>-9.43%</u>
Liabilities			
Accounts Payable	213,333	449,369	-52.53%
Line of Credit Loan (US Central)	1,000,000	11,000,000	-90.91%
Dividends Payable	1,504,784	3,417,905	-55.97%
Accrued Expenses	66,438	91,297	-27.23%
Other Liabilities	<u>123,411</u>	<u>(88,284)</u>	<u>-239.79%</u>
Total Liabilities	<u>2,907,966</u>	<u>14,870,287</u>	<u>-80.44%</u>
Members' Shares and Deposits			
Overnight Deposits	492,463,376	490,638,941	0.37%
MCS D	11,664,542	29,022,401	-59.81%
Share Certificates	<u>307,704,000</u>	<u>345,528,476</u>	<u>-10.95%</u>
Members' Shares & Deposits	811,831,918	865,189,819	-6.17%
Regular Reserves	0	6,059,927	-100.00%
Undivided Earnings	848,606	13,325,474	-93.63%
Unrealized Gain/Loss AFS	(862,334)	117,416	-834.43%
Total Liabilities & Members' Equity	<u><u>814,726,156</u></u>	<u><u>899,562,923</u></u>	<u><u>-9.43%</u></u>

Income Statement

Periods ended March 31, 2009 and 2008

	03/31/09	03/31/08	Change
Interest Income from Loans	57,259	88,928	-35.57%
Interest and Dividend Income from Investments	3,036,907	8,553,217	-64.49%
Total Interest Income	3,094,202	8,642,145	-64.20%
Dividend Expense	2,364,886	7,162,444	-66.98%
Interest on Borrowed Money	12,165	231,792	-94.75%
Total Interest Expense	2,377,051	7,394,236	-67.85%
Net Interest Income	717,151	1,247,909	-42.53%
Fees and Other Operating Income	150,982	129,267	16.80%
Gross Operating Margin before Operating Expenses	868,133	1,377,176	-36.96%
Operating Expenses			
Salaries and Benefits	309,426	314,466	-1.60%
Office Occupancy	14,560	23,616	-38.35%
Office Operations	43,112	63,453	-32.06%
Travel and Conference	24,485	32,307	-24.21%
Educational and Promotional	30,260	32,018	-5.49%
Professional and Outside Services	131,367	99,451	32.09%
Others	28,767	28,387	1.34%
Total Operating Expenses	581,977	593,698	-1.97%
Gain/(Loss) Investments	(163,587)	0	
Net Income Before Transfers	122,569	783,478	-84.36%
Extraordinary Expenses	-	-	-
Required Transfer to Regular Reserves	-	-	0.00%
Net Change to Undivided Earnings	122,569	783,478	-84.36%

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Portfolio Diversification by Investment Issuer · March 31, 2009

Issuer	Percent	Carrying Value	Market Value	Unrealized Gain (Loss)	Weighted Ratings
U.S. Central Credit Union	92.09%	741,120,045	781,859,891	40,739,846	*
SBA Pools	6.81%	54,839,899	54,839,899	-	AAA
Agency Securities	0.49%	3,982,960	3,982,960	-	
Total U.S. Government Agency	7.31%	58,822,859	58,822,859	-	
CMO's - Floating Rate	0.06%	520,958	520,958	-	AAA
MBS's - Fixed Rate	0.34%	2,775,419	2,775,419	-	AAA
Total CMO's & MBS's	0.41%	3,296,377	3,296,377	-	
CUSO and Other	0.19%	1,511,837	1,511,837	-	
Asset-Backed Securities:					
SPSAC 1998-2 A1	0.01%	68,390	68,390	-	BBB
Total Asset-Backed Securities	0.01%	68,390	68,390	-	
Total Investments	100.00%	804,819,508	845,559,354	40,739,846	

* U.S. Central CU was placed into conservatorship by NCUA effective 3/20/09. NCUA maintains a business as usual operating policy and intends to "bridge" the organization into a viable enterprise.

Statistical Changes in Financial Position

	As Of 03/31/09	As of 03/31/08
* Operating Expense Ratio	0.30%	0.28%
* ROA	0.06%	0.37%
* Equity Ratio	2.74%	2.38%
Average Assets	778,086,401	835,770,205
Net Economic Value (NEV)	02/28/09	Reg 704 Min/Max Requirements
+ 300 BP Shock		
Actual Dollar Change	47,791,252	44,029,422
% Change	-7.74%	***
NEV Ratio	5.29%	
Base Level Dollar Amount	51,799,320	N/A
Base Level NEV Ratio	5.65%	
- 100 BP Shock		
Actual Dollar Change	51,799,320	59,569,218
% Change	0.00%	***
NEV Ratio	5.65%	

* Based on Average Assets

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