TRICORP FEDERAL CREDIT UNION
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Fourth Quarter 2005 Financial Review

Tricorp
Federal Credit Union

Quarterly Report
December 2005
Management Commentary

Tricorp FCU has stayed the course in terms of how our member's funds are managed. We continue to maintain a high quality balance sheet, which adheres to strict asset liability management guidelines. Asset quality and capital adequacy remain very strong while interest rate, liquidity and credit risk remain very low. Our balance sheet management also includes a strict financial discipline to keep the growth of operating expenses to a very appropriate level.

Tricorp's assets ended the fourth quarter up slightly by 2.30% from the same period last year partly due to the development of the new Premium Overnight Investment Account during the last month of the quarter and to record high loan volumes. Tricorp manages its balance sheet in accordance with member liquidity needs in order to fulfill its main mission of being a member liquidity provider and to that end, we have experienced the highest loan balances in our history.

Net income is down 12.96 and is a result of the decrease in assets during most of the quarter in a tight liquidity environment. Operating expenses are up slightly, 4.59%, from the same period last year but interest and dividend income are up 50.94% which is due in large part to the increase in rates. This also translated into a substantial increase in the amount of dividend expenses which are up 70.35% from the prior year. The results from the NEV testing demonstrate a balance sheet that is well positioned for any interest rate environment. The regulatory minimum for the NEV ratio in a base case scenario is 3% while Tricorp's base case ratio is 8.18% - another strong indicator of the safety and soundness position of Tricorp.

Tricorp FCU has always protected the value of membership by making it easy to manage your liquidity. We offer a new tiered rate overnight account structure, a new Premium Overnight Investment Account, free automated settlement, investment offerings and loan programs that accommodate a wide array of cash flow, return needs and liquidity for our membership and we do it in a hassle free straight forward manner. We continue to make sure that we meet the needs of all members in all situations with quality products and services. We look forward to continuing to work with you, our members, in a trusted partnership.

TRICORP Services

INVESTMENT

ALM Reporting Services - CNBS
Brokerage Services - CNBS
Certificates of Deposit
Member Capital Share Accounts
Overnight Accounts
Reverse Repurchase Transactions
SimpliCD
Securities Safekeeping
Structured Certificates
- Amortizing Certificates - ACPs
- Fixed Callable Certificates
- Step-Up Certificates
- Variable Rate Certificates - VRCs

FUNDS TRANSFER

Automatic Debit Transfer - ADT
Cash Concentration - CNCC
Foreign Wire Transfer
Member to Member Transfer
Western Union Quick Start
Wire Transfer Service

CORRESPONDENT

ACH Receipt/Origination
ACH/NEACH Transactions
Automated Settlement
- ATM/Debit Cards
- Federal Reserve Reg. D
- Food Stamp Redemption
- MasterCard®/Visa®
- Member Share Drafts
- Money Orders
- Student Loan Program
- Traveler's Checks
- Treasury Tax & Loan
- U.S. Savings Bonds

Check Collection - U.S., Canadian and Foreign
Coin and Currency
Corporate Share Drafts
Electronic Bill Payment
Express Currency

LIQUIDITY

CLF Loans
Demand Loans
Irrevocable Letter of Credit
Loan Buy Down
Reverse Repurchase Loans
Secured Loans - Certificate and Security Collateralized
Settlement Loans
Term Loan

INFORMATION

Bank Statement Analysis
Breakfast Meeting Presentations
Chapter Meeting Presentations
Market Valuations Securities
Monthly Statements
Open Door
On-Site Visits
Newsletter - TRICORP Times
Seminars
Quarterly Financial Review
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Portfolio Diversification by Investment Issuer
December 31, 2005

Issuer	Percent	Carrying Value	Market Value	Unrealized Gain (Loss)	Weighted Ratings
U.S. Central Credit Union	86.52%	329,278,148	327,440,130	(1,838,018)	*
SBA Pools	10.06%	38,296,593	38,296,593		AAA
CMO's - Floating Rate	1.18%	4,496,488	4,496,488	-	AAA
MBS's - Fixed Rate	1.37%	5,201,622	5,201,622	-	AAA
Total CMO's & MBS	2.55%	9,698,110	9,698,110	-	
CUSO and Other	0.77%	2,942,216	2,942,216	-	
Asset-Backed Securities:					
SPSAC 1998-2 A1	0.10%	382,226	382,226	-	AAA
Total Asset-Backed Securities	0.10%	382,226	382,226	-	
Total Investments	100.00%	380,597,293	378,759,275	(1,838,018)	

* 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.

TRICORP FCU
Statement of Financial Position (Unaudited)
December 31, 2005 and 2004

	12/31/05	12/31/04	Change
Assets			
Loans to Members	**50,069,499**	25,261,085	98.21%
Cash	**957,286**	1,522,700	-37.13%
Investments	**380,597,293**	395,103,595	-3.67%
Accrued Interest	**2,207,531**	1,594,047	38.49%
Fixed Assets	**833,626**	885,515	-5.86%
NCUSIF Deposit	**175,836**	173,665	1.25%
Other Assets	**997,410**	1,485,091	-32.84%
Total Assets	**435,838,481**	426,025,698	2.30%
Liabilities			
Accounts Payable	**506,033**	17,932	272.96%
Overnight Borrowings	**-**	-	N/A
Notes Payable - Term Borrowing	**11,000,000**	11,000,000	N/A
Dividends Payable	**910,726**	375,870	142.30%
Accrued Expenses	**23,550**	25,701	-8.37%
Other Liabilities	**22,870**	729,986	-96.87%
Total Liabilities	**12,463,179**	12,149,489	2.58%
Members' Shares and Deposits			
Overnight Deposits	**229,018,532**	231,583,771	-1.11%
MCSD	**28,164,749**	27,377,150	2.88%
Share Certificates	**149,717,219**	139,001,147	7.71%
Total	**406,900,500**	397,962,068	2.25%
Regular Reserves	**6,059,927**	6,059,927	0.00%
Undivided Earnings	**10,591,546**	9,976,866	6.16%
Unrealized Gain/(Loss)AFS	**(176,671)**	(122,652)	44.04
Total Liabilities & Members' Equity	**435,838,481**	426,025,698	2.30%

Income Statement
Periods Ended December 31, 2005 and 2004

	12/31/05	12/31/04	Change
Interest Income from Loans	**1,167,199**	402,193	190.21%
Interest and Dividend Income from Investments	**13,809,328**	9,148,684	50.94%
Total Interest Income	**14,976,527**	9,550,877	56.81%
Dividend Expense	**12,010,101**	7,050,436	70.35%
Interest on Borrowed Money	**890,925**	401,966	121.64%
Total Interest Expense	**12,901,026**	7,452,402	73.11%
Net Interest Income	**2,075,501**	2,098,475	-1.09%
Fees and Other Operating Income	**473,363**	433,716	9.14%
Gross Operating Margin before Operating Expenses	**2,548,864**	2,532,191	0.66%
Operating Expenses:			
Salaries and Benefits	**974,229**	902,174	7.99%
Office Occupancy	**77,457**	74,850	3.48%
Office Operations	**352,151**	374,805	-6.04%
Travel and Conference	**101,775**	100,449	1.32%
Educational and Promotional	**113,668**	120,486	-5.66%
Professional and Outside Services	**219,335**	209,711	4.59%
Others	**100,920**	71,961	40.24%
Total Operating Expenses	**1,939,535**	1,854,436	4.59%
Gain/(Loss) Investment Sale	**5,350**	28,440	N/A
Net Income Before Transfers	**614,679**	706,195	-12.96%
Required Transfer to Regular Reserves	**-**	-	0.00%
Net Change to Undivided Earnings	**614,679**	706,195	-12.96%

Statistical Changes In Financial Position

	As Of 12/31/05	As Of 12/31/04	
* Operating Expense Ratio	**0.41%**	0.37%	
* ROA	**0.13%**	0.14%	
* Equity Ratio	**3.50%**	3.22%	
Average Assets	**476,126,380**	497,723,333	
Net Economic Value (NEV)	**11/30/05**		Reg 704 Requirements
+ 300 BP Shock			
Actual Dollar Change	**43,799,924**		Minimum = 38,386,163 ***
% Change	**-3.01%**		
NEV Ratio	**8.04%**		
Base Level Dollar Amount	**45,160,192**		N/A
Base Level NEV Ratio	**8.18%**		
- 300 BP Shock			
Actual Dollar Change	**45,726,630**		Maximum = 51,934,221 ***
% Change	**1.25%**		
NEV Ratio	**8.21%**		

* 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.