



President's Message

Over the past several months, I have heard various predictions regarding interest rates and economic forecasts. The two most common predictions I am familiar with are that interest rates would rise in the third or fourth quarter of this year and that GDP would rise to a rate of between 3 and 4 percent into 2004. This would seem to suggest that loan growth will improve with increased economic activity and that liquidity growth would at least stabilize. However, given what Fed Chairman Greenspan describes as "geopolitical uncertainty," who really knows when the economic turnaround will begin? In fact, the latest predictions are that rates will go down at the next FOMC meeting. TRICORP wants to make sure we are there for you in all economic conditions.

To date in 2003, TRICORP continues to experience strong growth while achieving record asset and share deposit levels. It is just in times like these that TRICORP fills the very important role of helping our credit union members manage their liquidity. We would all like to see higher interest rates on deposit products but this strong growth is the very indicator that TRICORP is performing its primary mission of being a liquidity provider. TRICORP has a range of investment products from our overnight account to term certificates and structured certificates such as Fixed Callables. We offer a wide range of maturities from as short as overnight to as many years as you need. We have achieved record levels with our certificate products having surpassed \$106 million in total certificate balances. Additionally, we continue to make settling with TRICORP simple and straight forward by allowing you to utilize your overnight account without having to manage multiple accounts in order to achieve the highest earnings.

While we may be fat and happy today with record asset and share deposit growth, we know that the business cycle will eventually turn around and as a liquidity provider; TRICORP will be ready to assist you in times of tighter liquidity. We have a full compliment of borrowing options to fit your needs whether it is a fixed rate- fixed term loan or a variable rate- fixed term loan. In short, we have the flexibility to meet your borrowing needs at very competitive rates and we stand ready to make it happen when you need it the most.

The uncertainty of today's environment makes meeting your members' needs more challenging than ever. We want to take the challenge out of managing your corporate credit union relationship and we stand ready to in assist any way we can. Please do not hesitate to contact any member of our staff if we can be of assistance and we look forward to working with you for many years to come.

TRICORP offers 3 Scholarships For the First Ever International CNBS Institute

Corporate Network Brokerage Services (CNBS) is a CUSO owned by TRICORP FCU and 19 other corporates around the country. CNBS works only with credit unions to provide expert investment and ALM services needed in today's economic environment. TRICORP FCU is pleased to offer 3 scholarships to its membership to enable more members to attend this very important International Institute. It is an educational experience you should not miss.

CNBS, the leading provider of securities brokerage and risk management services to credit unions in the U. S., has joined forces with Level Five Strategic Partners, a team of multi-disciplined professionals focused entirely on solutions that meet the needs of credit unions and affiliated companies in Canada, to offer the first International Institute.

The Institute Series which CNBS first offered to U.S. credit unions in 1995, has grown to become the most widely attended investment and risk management education offering to credit unions, with nearly 1,000 attendees since its inception. Now, CNBS and Level Five are bringing the

Institution to both Canada and U.S. credit unions for the first time.

Besides providing the high quality, intensive portfolio management education the International Institute will provide credit union managers the opportunity to network with their peers across the border, sharing common issues and exploring opportunities to credit union managers operating in a global marketplace.

This International Institute will be held at the Metropolitan Hotel Toronto, Canada from August 20-22, 2003. To receive the special rate of \$130 U.S. fund per night, please be sure to reference the CNBS Institute when making reservations. For reservations to the hotel call 800-668-6600.

The fee for the Institute is \$850 U. S. and includes all materials and meals listed in the schedule. Deadline to register is July 16, 2003. With limited seating, applications are processed on a first come-first serve basis. For more information and to register please call CNBS at 800-222-0978, or go on-line to www.cnbsnet.com.

CNBS is a registered sponsor on the National

Association of State Boards of Accountancy National Registry of CPE Sponsors. Attendees can earn credits by attending the Institute Series.

For more information about the available scholarships please contact Denise Nowinski at Dnowinski@tricorp.org or 800-346-1936 ext. 210.



HAVE YOU LOOKED AT YOUR BANK ACCOUNT LATELY?

Many credit unions pay fees for banking services without even knowing it. These services include corporate checking, corporate share drafts, ACH, check collection and more. Financial institutions can keep hidden charges from their customers. In many cases their pricing is higher than TRICORP FCU for the same services.

How do they hide the fees?

Minimum balance sound familiar? If you are not paying hard dollars for services, look to

the minimum balance you are required to carry and look at the yield that is paid. Many times the yield is credited to your payment of fees. Do you know what those fees are? Are they itemized on your statement?

The funds in such an account generally don't earn a rate that is comparable with other interest bearing accounts, which is in fact paying fees with hard dollars.

Other accounts might require a minimum balance that pays you nothing but don't charge fees. This certainly presents a loss of

interest income and a greater overall expense to your credit union.

TRICORP FCU has proven time and time again that a credit union was paying several times more in fees in the form of lost earnings. If you'd like a free cost analysis of what it really cost you to do business with your local bank versus using your corporate for the same services, please call or email either Denise Nowinski at 800-346-1936 ext 210 or Dnowinski@tricorp.org or Deb Vogt at 800-551-9332 or dvogt@net1plus.com.

TRICORP 2003 Holiday Schedule

New Year's Day Wednesday, January 1
Martin Luther King, Jr. Day . Monday, January 20
Presidents' Day Monday, February 17
Memorial Day Monday, May 26
Independence Day Friday, July 4
Labor Day Monday, September 1
Columbus Day Monday, October 13
Veterans' Day Tuesday, November 11
Thanksgiving Day Thursday, November 27
Christmas Day Thursday, December 25

Member Services Reminders:

Currency:

If you or the person handling currency would like to be put on our currency alert email list (for changes in ordering denominations etc.) please email Sonja at Snielsen@tricorp.org or call 800-346-1936 ext. 205.

Statements:

With the ease of credit union balancing using Open Door on a daily basis all users are still encouraged to print out monthly statements or save them to a file for use in auditing purposes. Questions? Please email Carol Ann at Clamontagne@tricorp.org or call 800-346-1936 ext 200.

The Community Investment Fund (CIF)

The Community Investment Fund (CIF) is the National Credit Union Foundation's primary funding mechanism for local, state and national credit union development activities. A partnership of the Foundation, U.S. Central Credit Union, the Association of Corporate Credit Union's (ACCU) and the American Association of CU Leagues (AACUL), CIF is a unique, win/win/win investment opportunity for credit unions.

Credit unions investing in CIF through their corporate, provide funds- at the national and state level-that are earmarked specifically for development initiatives that increase credit

unions' capacity to impact the financial lives of consumers, including education, small credit union programming, community outreach and international development.

At the end of 2002, the fund's balance was \$153 million. Investors include 350 credit unions, three state leagues, one state foundation, one chapter and 17 corporate credit unions.

If you would like more information about the CIF, please contact Fred Johnson, TRICORP's CFO at 800-346-1936 ext 209 or Fjohnson@tricorp.org.

On line-Real time power & flexibility

That's what CNBS's interactive website provides credit union managers. The website called "My CNBS" utilizes the latest technology to give the user real power and flexibility.

It features:

The ability to purchase Agency New Issues, Agency Secondary Offerings, Mortgage-Backed Securities and Collateralized Mortgage Obligations online

- The ability to track purchase history online.
- The ability to view market indicators, updated every 15 minutes.
- The ability to chat online in real-time with a CNBS trader.
- The ability to customize "MY CNBS" by selecting viewing preferences.
- Secure access to current and archived reports 24 hours a day.

The feature of viewing current market indicators, updated every 15 minutes, is the premier site for credit union managers to get up-to-date and accurate investment offerings without even picking up the phone. With all the time constraints on credit union executives today, CNBS continues to show its dedication to making the purchase of securities not only cost efficient but time efficient as well.

CNBS is an NASD-member broker/dealer

and SEC-registered investment advisor owned by nineteen corporate credit unions. CNBS is the leading provider of securities brokerage, investment advisory, investment and risk management reporting and consulting, and training and education to credit unions nationwide.

To check out this powerful site, logon to My CNBS @cnbsnet.com or call Brian Hague, President/CEO, CNBS at 800-222-0978 for more information.

