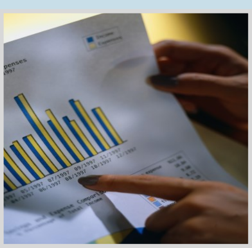
Fourth Quarter 2021 Financial Review



Yet another unusual year comes to an end leaving Tricorp with plenty of liquidity, plenty of income and a very bright looking future. The BIG news for the past year of course is the ongoing recovery of the 2009 US Central investment losses that were passed through to Tricorp and its members. To date Tricorp and all our recapitalized members have recovered 55% of those losses and we have recently been told that we should see even more payouts in the coming year. These recovered amounts in conjunction with our MDANA returning to a more normal level by year-end has had a dramatic, positive impact on our Retained Earnings and Capital ratios.

As expected, normal net income from operations was somewhat low this year due to the continued low interest rate environment for the entire year. As the economy continues to recover and interest rates start to rise in 2022, so too will our net income from normal operations rebound quickly.

As always, our balance sheet is well positioned to thrive in any interest rate environment as we can adjust quickly to any changes in interest rates. We continue to focus on operating in a safe and sound manner while providing our members with solutions to meet their needs.

Income Statement Highlights

- Income from investments for the year is $1,724,064 which is down 52.27% compared to 2020 when it was $3,612,148. This was caused by the Feds reduction in rates in March 2020 as our average investments for 2021 were between 9% and 10% higher than in 2020.
- Dividends paid to member credit unions of $204,860 was also down 82.71% compared to the same time period last year ($1,184,563).
- There has been no interest on borrowed funds for either year.
- CUSO income for the year is $149,723 which is excellent but still below last year's $206,784. This was the result of members suddenly having more liquidity to invest.
- Higher liquidity has also greatly improved our fee Income which is showing a 45.85%% increase compared to last year at year-end. Other Non-interest Income also showed an increase of 36.67%.
- The pandemic has understandably caused certain expenses like Education/ Promotion and Travel to decrease for most of 2020 and all of 2021 while certain office related expenses have increased. The accounting for pandemic assistance in the form of Employee Retention Credits, totaling just over $142,000, has reduced our Salaries and Benefits compared to last year by 3.23% even with the addition of a new employee in June 2021. This credit also helped reduce operating expenses overall to almost exactly the same as 2020.
- As noted in the introductory paragraphs, the recovery of losses experienced in 2009, which were caused by the write down of investment values at US Central, continues. This recovery has been shared with our current members so that everyone has recovered 55% of those losses to date. In early January 2022 we've been informed that there will be additional monies being distributed in the coming year and possibly into 2023. At this time, an eventual full recovery of all previous losses is expected.

Tricorp Federal Credit Union

Balance Sheet Highlights

Total Assets as of December 31, 2021 are $445 million which is 14.08% lower than a year ago. This decrease was not only welcome but intentional. Since December

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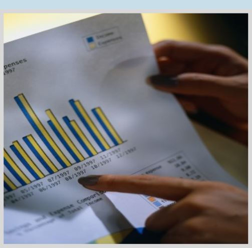

2020 we have purposely been moving assets off our Balance Sheet to be more in line with normal asset levels. Due to the volatility in the size of our balance sheet we rely on a 12 month Moving Daily Average Net Assets (MDANA) to more accurately reflect balance sheet trends. MDANA of $435 million at year-end is approximately 30.4% lower than the balance of $625 million at 12/31/20. With the excessive inflow of liquidity starting in March 2020, MDANA grew dramatically and hit its peak around January 2021 when it was $629.3 million. By moving much of our excess liquidity to the Federal Reserve Bank's Excess Balance Accounts, MDANA has been slowly declining since last January and we now feel like our MDANA has reached its new normal range.

- Net Fixed Assets at December 31 is 13.94% lower than it was one year ago. Currently the net book value of Furniture and Equipment is 31.8% of its cost indicating that, on average, those assets have just under a third of their estimated economic life remaining.
- The variance in Other Liabilities shows 32.3% growth compared to last year. This is due primarily to net ACH future dated transactions. The balance in this account is normally very volatile but is mostly offset by a roughly equal dollar variance in other assets.
- Undivided Earnings are $12,815,944 (107.31%) higher at December 31, 2021 than the balance one year ago which represents our unaudited net income for the year. This includes our net recovery of the 2009 US Central losses of roughly $11.97 million.
- The Unrealized Gain on our Available for Sale securities of $1,380,186 compares very favorably to year-end 2020 when it was an Unrealized Gain of $549,691.

Capital and Other Ratios Highlights

- Our Retained Earnings ratio shows an increase in the past 12 months from 1.91% to 5.69% as of year end. The Capital Ratio at is 9.06% compared to 4.28% last year. A year ago the ratios were in a downward trend caused by the huge influx of liquidity. Currently these ratios are much higher due to the intended decrease in MDANA and recovery of 2009 US Central pass-through losses.
- The NEV ratio as of year-end is 9.66% with a regulatory minimum requirement of 2.00%. In a scenario that projects a rate increase of 300 basis points (3.0%) our NEV changes by –7.23% to 9.03%. The maximum regulatory decrease based on our level of authority is -20.00%.
- Tricorp currently has Tier 1 and Total Risk Based Capital ratios of 78.50%. These ratios far exceed the regulatory minimum of 8%. The Weighted Average Life (WAL) of our balance sheet at December 31 is currently 1.41 years which is well below the regulatory maximum of 2 years.

We sincerely appreciate your continued support and business. Tricorp's Board and Staff are committed to providing products, services and member service that enable you to serve your members well. We look forward to continuing to work with you our members in a trusted partnership.

Attached you will find condensed financial information as of and for the year ended December 31, 2021 and 2020 to provide a more complete picture of our financial condition and the results of our operations. This internal data is unaudited.

Tricorp
Federal Credit Union

Tricorp Federal Credit Union – 4th Quarter 2021 Financial Review

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Statement of Financial Position (Unaudited)
DECEMBER 31, 2021 and 2020

	12/31/21	12/31/20	Change
Assets			
Loans to Members	**0**	**35,919**	-100.00%
Cash	**149,555,595**	**222,321,766**	-32.73%
Investments	**281,070,382**	**282,958,459**	-0.67%
Accrued Interest	**155,734**	**183,051**	-14.92%
Net Fixed Assets	**663,400**	**770,850**	-13.94%
NCUSIF Deposit	**208,282**	**210,350**	-0.98%
CUSO Investments	**2,196,668**	**2,046,945**	7.31%
Other Assets	**11,138,383**	**9,389,231**	18.63%
Total Assets	**444,988,444**	**517,916,571**	-14.08%
Liabilities			
Members' Shares and Deposits			
Overnight Deposits	**397,773,672**	**485,372,800**	-18.05%
Borrowed Funds	**0**	**0**	-
Interest Payable	**0**	**0**	-
Accounts Payable	**28,138**	**11,175**	151.80%
Accrued Expenses	**96,381**	**86,752**	11.10%
Other Liabilities	**4,089,404**	**3,091,433**	32.28%
Total Liabilities	**401,987,596**	**488,562,161**	-17.72%
Members' Equity			
PCC	**16,861,345**	**16,861,345**	0.00%
Undivided Earnings	**24,759,318**	**11,943,374**	107.31%
Unrealized Gain/(Loss) AFS	**1,380,186**	**549,691**	151.08%
Total Members' Equity	**43,000,849**	**29,354,410**	46.49%
Total Liabilities & Members' Equity	**444,988,444**	**517,916,571**	-14.08%

Tricorp Federal Credit Union – 4th Quarter 2021 Financial Review

Income Statement
For the Years Ended DECEMBER 31, 2021 and 2020

	12/31/21	12/31/20	Change
Interest Income from Loans	**2,886**	3,164	-8.78%
Interest and Dividend Income from Investments	**1,724,064**	3,612,148	-52.27%
Total Interest Income	**1,726,949**	3,615,311	-52.23%
Dividend Expense	**204,860**	1,184,563	-82.71%
Interest on Borrowed Money	**0**	0	-25.00%
Total Interest Expense	**204,860**	1,184,563	-82.71%
Net Interest Income	**1,522,089**	2,430,748	-37.38%
CUSO Equity Method Income	**149,723**	206,784	-27.59%
Fee Income	**1,336,472**	916,363	45.85%
Other Operating Income	**183,946**	134,589	36.67%
Gross Operating Margin before Operating Expenses	**3,192,231**	3,688,484	-13.45%
Operating Expenses:			
Salaries and Benefits	**1,191,039**	1,230,777	-3.23%
Office Occupancy	**91,431**	88,490	3.32%
Office Operations	**226,181**	218,730	3.41%
Travel and Conference	**31,306**	33,602	-6.83%
Educational and Promotional	**59,823**	53,017	12.84%
Professional and Outside Services	**594,300**	579,536	2.55%
Other	**151,937**	142,073	6.94%
Total Operating Expenses	**2,346,018**	2,346,224	-0.01%
Gain/(Loss) Investment Sales	**0**	0	-
Recovery of 2009 US Central OTTI loss (Net)	**11,969,731**	0	-
Net Change to Undivided Earnings	**12,815,944**	1,342,260	854.80%

Portfolio Diversification by Investment Issuer
12/31/21

Issuer	Percent	Amortized Cost	Market Value	Unrealized Gain (Loss)
SBA Pools	16.01%	44,788,647	45,182,980	394,333
Agency Debentures - Floating rate	18.06%	50,500,000	51,338,947	838,947
Agency Debentures - Fixed rate	1.07%	3,000,000	2,914,110	(85,890)
Total U.S. Government Agency	35.14%	98,288,647	99,436,036	1,147,390
CMO/MBS - Floating Rate	10.65%	29,782,096	29,950,575	168,479
CMO/MBS - Fixed Rate	4.84%	13,528,858	13,332,250	(196,608)
CMBS - Floating Rate	24.45%	68,381,263	68,501,100	119,836
CMBS - Fixed Rate	0.98%	2,754,709	2,772,858	18,149
Total CMO's, MBS & CMBS	40.92%	114,446,927	114,556,783	109,856
FFELPs	1.50%	4,198,625	4,132,252	(66,373)
Variable Rate Credit Card ABS	17.54%	49,057,663	49,246,081	188,417
Variable Rate Auto loan ABS	1.07%	3,000,545	3,001,440	895
Total Asset-Backed Securities	20.11%	56,256,833	56,379,773	122,939
FHLB Stock	0.10%	281,600	281,600	0
CLF Stock	3.72%	10,416,189	10,416,189	0
Total Other	3.82%	10,697,789	10,697,789	0
Total Investments	100.00%	279,690,196	281,070,381	1,380,185

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Statistical Changes In Financial Position

	As of 12/31/21	
* Operating Expense Ratio	**0.65%**	
* ROA	**3.53%**	
*Retained Earnings ratio	**5.69%**	
* Capital ratio	**9.06%**	
YTD Average Assets	**435,163,213**	
Net Economic Value (NEV)	**12/31/21**	Reg 704 Min Requirements ***
+ 300 BP Shock		
Actual Dollar Change	**39,890,722**	34,400,546
% Change	**-7.23%**	
NEV Ratio	**9.03%**	2.00%
Base Level Dollar Amount	**43,000,682**	
Base Level NEV Ratio	**9.66%**	
- 300 BP Shock		
Actual Dollar Change	**43,000,682**	34,400,546
% Change	**0.00%**	
NEV Ratio	**9.66%**	2.00%

* Based on Moving Daily Average Net Assets

*** NEV cannot decrease more than twenty percent in any rate shock scenerio.
Minimum amount is based on current year levels.