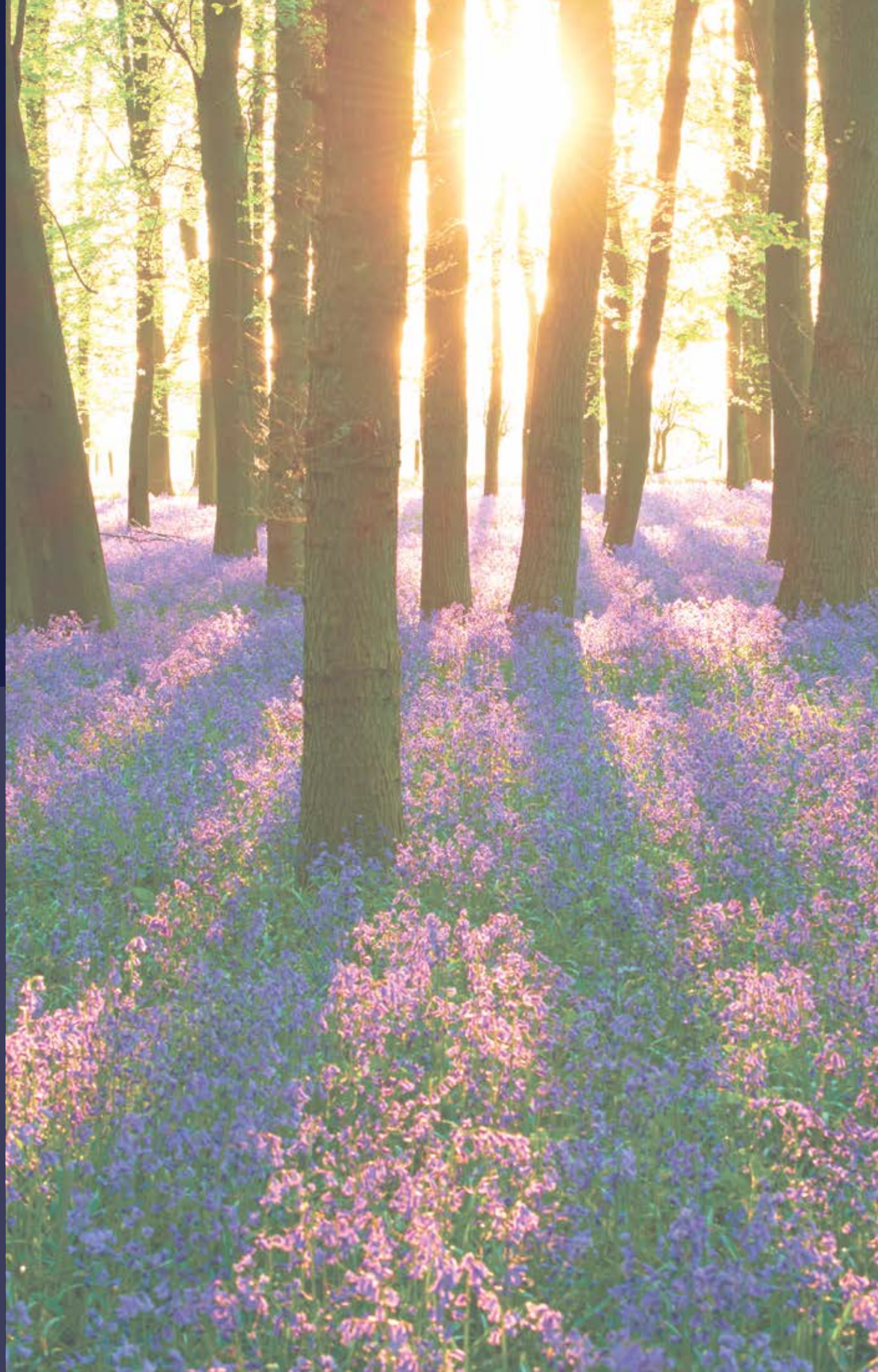
A photograph of a forest path covered in bluebells. The path is a narrow dirt trail that winds through a dense forest of tall, slender trees. The ground is covered in a thick carpet of small, vibrant blue flowers, likely bluebells, which are in full bloom. The trees have light-colored bark and their branches are bare, suggesting a late winter or early spring setting. The lighting is soft and natural, filtering through the canopy. The overall mood is serene and peaceful.

*If you want to succeed, you
should strike out on a new path,
rather than travel the worn paths
of accepted success.*

– John D. Rockefeller



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We are proud to report that 2017 was another successful year for your corporate credit union. Tricorp has stayed focused on the core services that have served you well throughout our history — short-term liquidity options, settlement, correspondent services and effective partnered solutions. A strong financial position is the foundation needed to deliver essential products and services, and Tricorp has continued its strong financial performance in 2017.

Some key financial highlights are:

- Net Income was \$1,094,555 in 2017 — an increase of \$268,194 over 2016
- Retained Earnings Ratio is 2.47% at the end of 2017, up 40 bps over the prior year
- The Leverage Ratio increased to 6.40% during the same period with a regulatory minimum of 4%
- Total Risk Based Capital Ratio is 44.44%, far exceeding the regulatory minimum of 8%

Along with the very good financial highlights, our balance sheet management continues to be guided by a comprehensive ALM Policy Framework that provides for prudent management of the entire balance sheet. All qualitative measures of interest rate and credit risk along with Net Economic Value and Weighted Average Life demonstrate that Tricorp maintains a very safe and sound balance sheet and continues to be well positioned in various interest rate cycles.

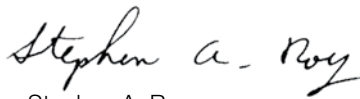
Partnerships continue to be a focus and we know the importance of the trust that you place in us in utilizing partners to deliver products and services. We have a number of partnered products and services that have been very beneficial to many of our members. We continuously work with other industry partners to look for additional products and services that can improve the effectiveness of our members in meeting their members' needs. We stay active with many industry providers, other corporate credit union partners, and our state credit union leagues and their affiliated organizations. By collaborating with strong partners, we are able to deliver valuable services to our members at a very competitive cost, while helping Tricorp to minimize infrastructure expenses.

As always, we want to recognize and thank our very dedicated team of Board and Committee members along with our hard-working dedicated team of employees. The entire team is dedicated to making sure that quality financial products and services, along with strong member service, is always the cornerstone of all that we do.

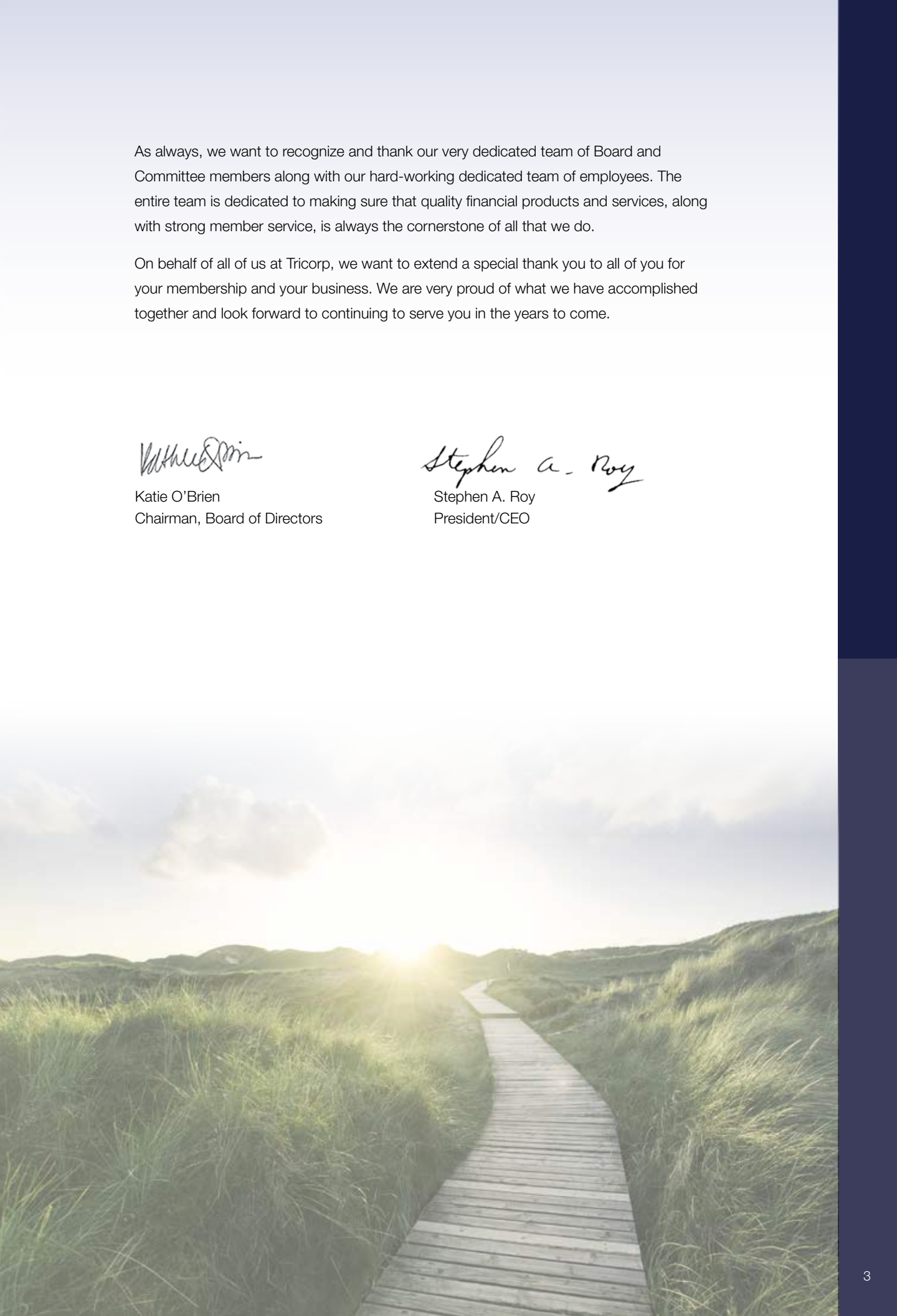
On behalf of all of us at Tricorp, we want to extend a special thank you to all of you for your membership and your business. We are very proud of what we have accomplished together and look forward to continuing to serve you in the years to come.



Katie O'Brien
Chairman, Board of Directors



Stephen A. Roy
President/CEO



In accordance with NCUA regulations, the annual audit of Tricorp Federal Credit Union was conducted by a Certified Public Accounting firm. The CPA firm of Macpage LLC performed the audit under the direction and control of the Supervisory Committee. The audited financial statements are included in this annual report.

On the basis of Macpage LLC audit, the National Credit Union Administration examination process, the internal auditor's findings, and the committee's own observations, we conclude that Tricorp Federal Credit Union is financially and operationally safe and sound.

The Committee would like to commend the Board of Directors, management and staff in their effort and level of commitment put forth in positioning Tricorp for the future, for success and for our members.

Respectfully submitted,



Brian Hughes, Chairman

Alaina Daisey

Jean Giard

Action is the fundamental key to all success. – Pablo Picasso

In accordance with NCUA Regulation 704.19, it is a requirement to annually disclose in dollar terms the compensation for Tricorp's top three employees for 2016. Compensation is defined as all salaries, fees, wages, bonuses, severance payments, current year contributions to employee benefit plans (for example, medical, dental, life insurance, and disability), current year contributions to deferred compensation plans, and other allowances (for example the personal use of an automobile or other assets owned by Tricorp). The total 2017 compensation for the top three employees is as follows: President/CEO \$273,562, the Chief Financial Officer \$130,239 and the Director of Operations \$125,515. Tricorp utilizes the Compease program from HRN Performance Solutions to determine its pay ranges and as the basis for periodic salary adjustments. Compease provides comparative information based on all corporate credit unions and the Northeast region.

Statement of Management's Responsibilities

The management of Tricorp Federal Credit Union (Tricorp) is responsible for preparing Tricorp's annual financial statements in accordance with accounting principles generally accepted in the United States of America, for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial reports in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report; and for complying with Federal and, as applicable, State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends and regulatory reporting that meets full and fair disclosure.

Management's Assessment of Compliance with Safety and Soundness Laws and Regulations

The management of Tricorp Federal Credit Union (Tricorp) has assessed Tricorp's compliance with the Federal and State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends and regulatory reporting that meets full and fair disclosure during the year that ended on December 31, 2017. Based upon its assessment, management has determined that Tricorp does comply with the Federal and State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends and regulatory reporting that meets full and fair disclosure during the year that ended December 31, 2017.

Management's Assessment of Internal Controls over Financial Reporting

Tricorp's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, i.e., NCUA 5310 – Corporate Credit Union Call Report. Tricorp's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Tricorp; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of Tricorp are being made only in accordance with authorizations of management and directors of Tricorp; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition of Tricorp's assets that could have a material effect on the financial statements.

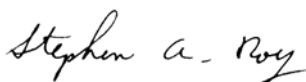
Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of an evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of Tricorp's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report as of December 31, 2017 based on the 2013 framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*.

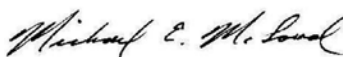
Based upon its assessment, management has concluded that, as of December 31, 2017, Tricorp's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report is effective based on the criteria established in *Internal Control – Integrated Framework*.

Management's assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report as of December 31, 2017 has been audited by Macpage LLC, an independent accounting firm, as stated in their report dated March 12, 2018.

Tricorp Federal Credit Union



Stephen A. Roy
President/CEO



Michael E. McLoud
Chief Financial Officer

Success is doing ordinary things extraordinarily well. – Jim Rohn

Board of Directors and Supervisory Committee
Tricorp Federal Credit Union
Westbrook, Maine

We have audited the accompanying financial statements of Tricorp Federal Credit Union (the Credit Union), which comprise the statements of financial condition as of December 31, 2017 and 2016, and the related statements of income, comprehensive income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the 2017 and 2016 financial statements referred to above present fairly, in all material respects, the financial position of the Credit Union as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited in accordance with attestation standards established by the American Institute of Certified Public Accountants, Tricorp Federal Credit Union's internal controls over financial reporting as required by the NCUA as of December 31, 2017, based on the internal control framework used by Management and our report, dated March 12, 2018, expressed an unmodified opinion.

A handwritten signature in black ink that reads "Magpore LLC". The signature is written in a cursive, flowing style.

South Portland, Maine

March 12, 2018

Years Ended December 31,	2017	2016
ASSETS		
Assets		
Cash - Federal Reserve Bank	\$ 48,380,214	\$ 61,472,081
Cash - Money Market Accounts	15,352,915	13,177,788
Cash - Other Institutions	10,783,217	5,231,804
Certificates of Deposit	992,000	1,240,000
National Credit Union Share Insurance Fund Capitalization	230,713	217,825
Loans	3,497,724	1,869,918
Investment securities		
Securities available-for-sale	193,080,052	217,018,134
Securities - Credit Union Service Organizations	1,839,908	1,915,712
Accrued interest receivable	330,103	250,924
Deferred and prepaid expenses	54,889	271,727
Property and equipment - net	580,094	669,001
Federal Home Loan Bank stock, at cost	1,761,800	1,918,900
Other assets	4,256,673	3,590,524
Total Assets	\$ 281,140,302	\$ 308,844,338
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	\$ 755,574	\$ 438,268
Members' share accounts	255,974,280	285,719,228
Total Liabilities	256,729,854	286,157,496
Members' Equity		
Perpetual contributed capital	16,861,345	16,861,345
Undivided earnings	7,670,120	6,575,565
Accumulated other comprehensive income		
Unrealized losses on securities available-for-sale	(121,017)	(750,068)
	24,410,448	22,686,842
Total Liabilities and Members' Equity	\$ 281,140,302	\$308,844,338

Years Ended December 31,	2017	2016
Interest Income		
Investment income	\$ 3,997,442	\$ 2,531,852
Interest on loans	91,309	62,494
	<u>4,088,751</u>	<u>2,594,346</u>
Cost of Funds		
Dividends on members' share accounts	1,373,789	423,742
Interest on borrowed funds	280,447	58,032
	<u>1,654,236</u>	<u>481,774</u>
Net Interest Income	<u>2,434,515</u>	<u>2,112,572</u>
Noninterest Income		
Fee and other income	837,750	836,743
Net gain on investments in Credit Union Service Organizations	66,187	15,832
Net gain on sale of investment securities available-for-sale	20,356	837
Write down of CNBS stock		(24,598)
	<u>924,293</u>	<u>828,814</u>
Operating Expenses		
Employee compensation	854,130	804,829
Data processing and audit services	264,769	250,381
Employee benefits	254,028	223,073
Education and promotional expense	71,552	63,990
Travel and conference expense	78,375	66,740
Depreciation	105,341	111,785
Bank charges and fees	60,282	60,370
Communications	39,968	35,996
Office operations expense	35,940	28,821
Payroll taxes	58,509	54,796
Insurance	80,983	78,090
Professional and outside services	239,507	220,761
Information systems	24,786	21,949
Operating and examination fees	23,329	23,285
Building maintenance	28,133	29,006
Miscellaneous	24,434	22,111
Annual meeting	10,047	9,221
Building taxes	10,140	9,821
	<u>2,264,253</u>	<u>2,115,025</u>
Net Income	<u>\$ 1,094,555</u>	<u>\$ 826,361</u>

Statements of Comprehensive Income

Years Ended December 31,	2017	2016
Net Income	\$ 1,094,555	\$ 826,361
Other Comprehensive Income:		
Change in unrealized losses on securities available-for-sale	649,407	479,655
Reclassification adjustment for net gain on sale of securities available-for-sale included in net income	(20,356)	(837)
	629,051	478,818
Total Comprehensive Income	\$ 1,723,606	\$ 1,305,179

Statements of Changes in Members' Equity

Years Ended December 31, 2017 and 2016	Perpetual Contributed Capital	Undivided Earnings	Accumulated Other Comprehensive Income	Total
Balance at January 1, 2016	\$ 16,861,345	\$ 5,749,204	\$(1,228,886)	\$ 21,381,663
Comprehensive income		826,361	478,818	1,305,179
Balance at December 31, 2016	16,861,345	6,575,565	(750,068)	22,686,842
Comprehensive income		1,094,555	629,051	1,723,606
Balance at December 31, 2017	\$ 16,861,345	\$ 7,670,120	\$ (121,017)	\$ 24,410,448

Years Ended December 31, 2017 2016

Cash flows from operating activities:		
Net income	\$ 1,094,555	\$ 826,361
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	105,341	111,785
Amortization (accretion) of investment premium (discount), net	275,463	198,759
Net gain on investments in Credit Union Service Organizations	(66,187)	(15,832)
Net gain on sale of investment securities available-for-sale	(20,356)	(837)
Write-down of CNBS stock		24,598
(Increase) decrease in operating assets:		
National Credit Union Share Insurance Fund Capitalization	(12,888)	22,962
Accrued interest receivable	(79,179)	(61,476)
Deferred and prepaid expenses	216,838	(60,140)
Other assets	(666,149)	(621,807)
Increase in operating liabilities:		
Accounts payable and accrued expenses	317,306	299,104
Total adjustments	70,189	(102,884)
Net cash from operating activities	1,164,744	723,477

Cash flows from investing activities:		
Net (increase) decrease in loans	(1,627,806)	1,502,582
Purchase of investment securities available-for-sale	(42,293,043)	(50,235,635)
Proceeds from sales and maturities of investment securities available-for-sale	66,605,069	39,899,832
Distributions from Credit Union Service Organizations	141,991	180,000
Proceeds from sale of FHLB stock	157,100	508,300
Purchase of property and equipment	(16,434)	(57,532)
Net cash from investing activities	22,966,877	(8,202,453)

Cash flows from financing activities:		
Net decrease in members' share accounts	(29,744,948)	(16,811,631)
Net cash from financing activities	(29,744,948)	(16,811,631)

Decrease in cash and cash equivalents **(5,613,327)** (24,290,607)

Cash and cash equivalents at beginning of year **81,121,673** 105,412,280

Cash and cash equivalents at end of year **\$ 75,508,346** \$ 81,121,673

Components of cash and cash equivalents at end of year:		
Cash - Federal Reserve Bank	\$ 48,380,214	\$ 61,472,081
Cash - Money Market Accounts	15,352,915	\$ 13,177,788
Cash - Other Institutions	10,783,217	5,231,804
Certificates of Deposit	992,000	\$ 1,240,000
	\$ 75,508,346	\$ 81,121,673

Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Dividends on members' share accounts and interest on borrowed funds	\$ 1,654,236	\$ 481,774

NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Tricorp Federal Credit Union is a corporate Credit Union that serves member Credit Unions throughout New England. Its purpose is to provide a broad range of financial services and products to its members consistent with the philosophy of the Credit Union movement.

The Credit Union is a federally chartered Credit Union subject to the laws and regulations of the United States of America and regulated by the National Credit Union Administration (NCUA), an independent agency within the executive branch of the federal government.

Basis of Accounting

The records are maintained in accordance with the rules and regulations of the NCUA as prescribed in the "Accounting Manual for Federal Credit Unions" and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specifically, management has made estimates based on the assessment of other than temporarily impairment on investments. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Credit Union uses various methods, including market, income and cost approaches. Based on these approaches, the Credit Union often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Credit Union utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Credit Union is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements – Continued

In determining the appropriate levels, the Credit Union performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2017 and 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investment Securities

The fair value of investments, including fixed or floating rate collateralized mortgage obligations (CMO), U.S. Government agency bonds, Federal Home Loan Mortgage Corp. (FHLMC) mortgage pool, Federal Family Education Loan Program (FFELP) loan pool, asset backed securities (ABS) which are backed by pools of credit cards and vehicle loans, and Small Business Administration (SBA) loan pools are valued using inputs by the independent pricing service under Level 2 include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data including market research publications.

Investment Securities

The Credit Union's investments in securities are classified and accounted for as follows:

Available-for-Sale – Asset backed securities, which include debt securities collateralized by real estate, credit card and student loans, are classified available-for-sale when the Credit Union anticipates that the securities could be sold in response to rate changes, prepayment risk, liquidity, and availability of and the yield on alternative investments and other market and economic factors. These securities are reported at fair value. Unrealized gains and losses on securities available-for-sale are recognized as direct increases or decreases in other comprehensive income. Cost of securities sold is recognized using the specific identification method.

Equity Method – Shares in several credit union service organizations (CUSO) are recorded using the equity method. Income or losses are recognized based on the Credit Union's ownership percentage applied to the earnings in the CUSO for the applicable period.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Credit Union to retain its investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and the costs of securities sold are determined using the specific identification method.

The Credit Union does not maintain held-to-maturity and trading portfolios.

NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Loans

Loans are made to members primarily through unsecured revolving lines-of-credit agreements. Loans are reported at the amount of unpaid principal outstanding. Interest on loans is recognized using the simple interest method on the amount of principal outstanding. No provision for loan losses is provided on these loans as historically there have been no loan losses and none are anticipated; however, management will continue to analyze the borrower's financial capacity to repay the debt.

As of December 31, 2017 and 2016, there were no outstanding loans past due or deemed impaired.

Property and Equipment

Property and equipment are recorded at cost. Expenditures which do not extend the useful lives of these assets are charged to an appropriate expense account in the year incurred.

Depreciation is computed under the straight-line method utilizing the following lives:

Building and improvements	10 – 31.5 years
Building expansion	39.5 years
Furniture, fixtures and equipment	3 – 7 years

Members' Share and Savings Accounts

Members' shares are subordinated to all other liabilities of the Credit Union upon liquidation. Interest on members' share and savings accounts is based on available earnings at the end of an interest period and is not guaranteed by the Credit Union. Interest rates on members' share accounts are set by the Board of Directors, based on an evaluation of current and future market conditions.

Perpetual Contributed Capital

Members of the Credit Union are required to contribute perpetual contributed capital, which is carried as part of member's equity. Perpetual contributed capital is not required to be paid back in the event that membership is terminated.

Income Taxes

The Credit Union is exempt from federal and state income taxes in accordance with the Federal Credit Union Act.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Credit Union considers all highly liquid debt instruments with original maturities of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

NCUSIF Deposit

The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is in accordance with National Credit Union Administration (NCUA) regulations, which require the maintenance of a deposit by each insured Credit Union in an amount equal to one percent of its insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board.

NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Federal Home Loan Bank Stock

The Credit Union is a member of the Federal Home Loan Bank (FHLB) and as required by their membership agreement and in order to obtain the necessary borrowing capacity, the Credit Union acquired shares of FHLB stock valued at \$1,761,800 and \$1,918,900 as of December 31, 2017 and 2016, respectively. The stock is carried at cost and has not been evaluated for impairment because the Credit Union did not identify any events or changes in circumstances that might have a significant adverse effect on fair market value.

NCUSIF Insurance Premiums

A credit union is generally required to pay an annual insurance premium equal to one-twelfth of one percent of its total insured shares, unless the payment is waived or reduced by the NCUA Board.

Comprehensive Income

Comprehensive income or loss consists of net income or loss and other comprehensive income or loss that includes unrealized gains and losses on securities available-for-sale.

Off-Balance Sheet Financial Instruments

In the ordinary course of business, the Credit Union has entered into off-balance sheet financial instruments consisting of agreements to extend credit. Such financial instruments are recorded in the financial statements when they become payable. Tricorp reserves the right to refuse any requested advances without affecting the borrower's obligation to repay other advances previously made. In addition, the Credit Union may terminate any existing agreements to extend credit to members based on adverse re-evaluation of the borrower's creditworthiness, failure of the borrower to satisfy any of the terms of their note and credit line agreement, or at the sole discretion of the Credit Union.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standard (IFRS). The core principle of the guidance requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for all nonpublic entities' annual periods beginning after December 15, 2018. Management is currently evaluating the impact of adoption on its financial statements.

NOTE 1 – NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recent Accounting Pronouncements – Continued

Leasing

In February 2016, FASB issued ASU 2016–2, *Leases*. The new standard provides users of the financial statements a more accurate representation of the assets and the long-term financial obligations of entities that lease. The proposal is for a dual-model approach; a lessee would account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both would be reported on the balance sheet of the company. Lessors will also see some changes, largely made to align with the revised lease model. For nonpublic companies, the new leasing standard would apply for fiscal years beginning after December 15, 2019. The standard requires retroactive application to previously issued financial statements for 2019 and 2018, if presented. Management is currently evaluating the impact of adoption on its financial statements.

Current Expected Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*, which introduces new guidance for accounting for credit losses on financial instruments that are within its scope. The core principle of the guidance requires entities to record the full amount of credit losses that are expected in their loan portfolio. This standard also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The guidance is effective for all nonpublic entities' annual periods beginning after December 15, 2020. Management is currently evaluating the impact of adoption on its financial statements.

NOTE 2 – CASH

The Credit Union maintains seven cash accounts with various financial institutions, including two credit unions, three commercial banks, the Federal Home Loan Bank, and the Federal Reserve Bank. The accounts at the three commercial banks and the two credit unions are guaranteed up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Share Insurance Fund (NCUSIF), respectively. At various times throughout the year, the Credit Union had cash balances in excess of insurance. The Credit Union has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. The Credit Union's cash deposits at the Federal Reserve Bank and the Federal Home Loan Bank are guaranteed by the full faith and credit of the U.S. Government.

As a corporate credit union, Tricorp was allowed an exemption by the Federal Reserve Bank from carrying a reserve requirement. During 2014, Tricorp elected to waive this exemption and, as of December 31, 2017 and 2016, the Credit Union had a reserve requirement of \$11,782,000 and \$19,508,000, respectively.

NOTE 3 – FEDERAL RESERVE BANK COLLATERAL

As of December 31, 2017 and 2016, securities with collateral value totaling approximately \$41,189,000 and \$42,513,000, respectively, were pledged as collateral to the Federal Reserve Bank. As of December 31, 2017 and 2016, the Credit Union's borrowing capacity with the FRB was approximately \$40,000,000 for an emergency line of credit. As of December 31, 2017 and 2016, Tricorp had no advances on this line of credit.

NOTE 4 – INVESTMENT SECURITIES – AVAILABLE-FOR-SALE

The amortized cost and estimated fair value of investment securities available-for-sale are as follows:

2017	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
SPSAC 1998-2 A1		\$ 22,438		\$ 22,430
Floating rate CMOs	\$ 23,861,456	11,682	\$ 56,972	23,816,166
Fixed rate CMOs	8,333,879		116,734	8,217,145
Floating rate CMBS	13,998,90	18,971	2,190	14,015,685
Floating rate U.S. Government Agencies	10,500,000	33,828	3,949	10,529,879
FFELP loan pools	14,327,126	526	55,316	14,272,336
Floating rate ABS-credit card pools	52,037,588	171,509		52,209,097
Floating rate ABS–auto pools	20,109,468	72,187		20,181,655
SBA pools	50,032,648	31,121	248,118	49,815,651
	\$ 193,201,069	\$ 362,262	\$ 483,279	\$ 193,080,052

2016	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
SPSAC 1998-2 A1		\$ 22,430		\$ 22,430
Floating rate CMOs	\$ 29,303,327	6,481	\$ 152,858	29,156,950
Fixed rate CMOs	9,068,054	13,275	102,019	8,979,310
Floating rate CMBS	9,698,476		73,233	9,625,243
Fixed rate U.S. Government Agencies	8,500,000	33,377	3,269	8,530,108
FFELP loan pools	23,158,794		339,101	22,819,693
Floating rate ABS-credit card pools	65,989,591	45,651	15,034	66,020,208
Floating rate ABS–auto pools	20,127,796	26,031	12,962	20,140,865
Fixed rate ABS - auto pools	341,690		106	341,584
SBA pools	51,580,474	78,166	276,897	51,381,743
	\$ 217,768,202	\$ 225,411	\$ 975,479	\$ 217,018,134

Management determined that there were no impairments during 2017 and 2016.

NOTE 4 – INVESTMENT SECURITIES – AVAILABLE-FOR-SALE – CONTINUED

The following table shows the gross unrealized losses and fair value of the Credit Union's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31:

2017	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Floating rate CMOs	\$ 898,153	\$ 637	\$ 15,836,592	\$ 56,335	\$ 16,734,745	\$ 56,972
Fixed rate CMOs	988,120	20,420	7,229,025	96,314	8,217,145	116,734
Floating rate CMBS	2,989,036	906	4,821,440	1,284	7,810,476	2,190
Floating rate U.S. Government Agencies	1,998,188	1,812	997,863	2,137	2,996,051	3,949
FFELP loan pools			12,561,286	55,316	12,561,286	55,316
SBA pools	11,075,124	53,527	34,241,336	194,591	45,316,460	248,118
	\$ 17,948,621	\$ 77,302	\$ 75,687,542	\$ 405,977	\$ 93,636,163	\$ 483,279

2016	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Floating rate CMOs	\$ 12,345,957	\$ 67,034	\$ 12,800,341	\$ 85,824	\$ 25,146,298	\$ 152,858
Fixed rate CMOs	4,191,434	35,725	2,771,838	66,294	6,963,272	102,019
Floating rate CMBS	9,625,243	73,233			9,625,243	73,233
Floating rate U.S. Government Agencies			996,731	3,269	996,731	3,269
FFELP loan pools	2,876,133	92,991	19,943,561	246,110	22,819,694	339,101
Floating rate ABS - credit card pools			21,536,095	15,034	21,536,095	15,034
Floating rate ABS - auto pools	5,010,300	7,547	5,007,600	5,415	10,017,900	12,962
Fixed rate ABS - auto pools			341,584	106	341,584	106
SBA pools	19,352,566	109,369	23,383,555	167,528	42,736,121	276,897
	\$ 53,401,633	\$ 385,899	\$ 86,781,305	\$ 589,580	\$ 140,182,938	\$ 975,479

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Credit Union to retain its investment in the issuer for a period sufficient to allow for any anticipated recover in fair value.

NOTE 4 – INVESTMENT SECURITIES – AVAILABLE-FOR-SALE – CONTINUED

The unrealized losses on the Credit Union's investments in asset backed securities and agencies were caused by interest rates being higher than when the securities were originally purchased. The Credit Union purchased these investments at premiums and discounts relative to their face amount. The contractual cash flows of U.S. Government Agencies and SBA pools investments are guaranteed by an agency of the U.S. Government. It is expected that all of the securities would not be settled at a price less than the amortized cost of the Credit Union's investment. Because the decline in market value is attributable to changes in interest rates and not credit quality and because the Credit Union has the ability and intent to hold these investments until a recovery of fair value, which may be maturity, the Credit Union does not consider these investments to be other-than-temporarily impaired at December 31, 2017.

Investment Maturities

The contractual maturities of asset backed securities cannot be estimated due to the nature of these investments. The estimated fair values of the Credit Union's investments in U.S. Government Agencies as of December 31, 2017, by contractual maturity, are shown below.

Description of Securities	1 Year	1 - 5 Years	5 - 10 Years	More than 10 Years	Total
U.S. Government Agencies		\$ 4,002,448	\$ 6,527,431		\$ 10,529,879
Total	\$ -	\$ 4,002,448	\$ 6,527,431	\$ -	\$ 10,529,879

NOTE 5 – INVESTMENT IN CREDIT UNION SERVICE ORGANIZATIONS (CUSO)

The following investments in CUSOs are recorded using the equity method of accounting based on the Credit Union's ownership percentages and overall influence. The following represent the carrying cost for each investment as of December 31:

	2017	2016
CU Investment Solutions, LLC	\$ 192,584	\$ 223,181
Primary Financial Company, LLC	1,647,324	1,562,186
Core Network Processing, LLC (CNP)		130,345
	\$ 1,839,908	\$ 1,915,712

As of December 31, 2017 and 2016, Tricorp's ownership percentages in CU Investment Solutions, LLC was 8%.

As of December 31, 2017 and 2016, Tricorp's ownership percentages in Primary Financial Company, LLC was 12.50% and 11.11%, respectively.

As of December 31, 2016, Tricorp's ownership percentages in Core Network Processing, LLC was 12.61%. During 2017, the CUSO was liquidated and Tricorp's share of CNP's equity at the time of the liquidation was distributed to the Credit Union.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following at December 31:

	2017	2016
Land	\$ 22,802	\$ 22,802
Building (condominium unit in office complex)	888,892	885,878
Furniture, fixtures and equipment	635,330	621,909
	1,547,024	1,530,589
Less accumulated depreciation	966,930	861,588
Property and equipment - net	\$ 580,094	\$ 669,001

NOTE 7 – BORROWING CAPACITY

Tricorp is a member of the Federal Home Loan Bank of Boston and under their membership agreement, the Credit Union has an available short-term borrowing capacity. Borrowings from the FHLB are required to be collateralized by securities held in safekeeping by the FHLB. As of December 31, 2017 and 2016, Tricorp had securities held in safekeeping at FHLB with a fair value of approximately \$84,200,000 and \$93,600,000, respectively. As of December 31, 2017 and 2016, the Credit Union's borrowing capacity was approximately \$80,407,000 and \$88,805,000, respectively. Borrowing capacity is based on a formula published periodically by FHLB. At December 31, 2017 and 2016, Tricorp had no outstanding short-term advances.

Tricorp is a member of Corporate One Credit Union and under their membership agreement, the Credit Union has an available short-term borrowing capacity. Borrowings from Corporate One Credit Union are required to be collateralized by securities held in safekeeping by Alaska USA Trust. As of December 31, 2017 and 2016, Tricorp had securities held in safekeeping with a fair value of approximately \$59,453,000 and \$54,242,000, respectively. As of December 31, 2017 and 2016, the Credit Union's borrowing capacity was approximately \$50,000,000. At December 31, 2016 and 2015, Tricorp had no short-term advances from Corporate One Credit Union.

NOTE 8 – MEMBERS' SHARE ACCOUNTS

Members' share accounts at December 31, 2017 and 2016 totaled \$255,974,280 and \$285,719,228, respectively. The aggregate amount of deposit accounts with a balance in excess of \$250,000 was \$234,699,558 and \$263,108,020 at December 31, 2017 and 2016, respectively. The rates on members' share accounts ranged from .00% to 1.50% and .00% to .50% during the years ended December 31, 2017 and 2016, respectively.

NOTE 9 – REGULATORY CAPITAL

The Credit Union is subject to regulatory net worth ratio requirements administered by the NCUA. Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain three ratios: a 4% leverage ratio, a 4% Tier 1 capital ratio, and an overall 8% total capital ratio with a risk-based element. Effective October 20, 2016, new regulations require augmenting of Perpetual Contributed Capital (PCC) when calculating the leverage ratio and Tier 1 capital ratio. Per the regulation, the Credit Union must deduct any amount of PCC that causes PCC, minus retained earnings, all divided by moving daily net average assets, to exceed two percent.

NOTE 9 – REGULATORY CAPITAL – CONTINUED

The Credit Union's leverage ratio as of December 31, 2017 and 2016 was 6.40% and 5.60%, respectively. The leverage ratio for 2017 and 2016 without the PCC reduction was 7.30% and 6.77%, respectively. The Credit Union's Tier 1 risk-based capital ratio as of December 31, 2017 and 2016 was 44.91% and 39.08%, respectively. The Credit Union's total risk-based capital ratio as of December 31, 2017 and 2016 was 51.67% and 47.80%, respectively. As of December 31, 2017 and 2016, the Credit Union was in compliance with the regulatory capital requirements.

NOTE 10 – PENSIONS

The Credit Union maintains a 401(k) plan, which covers substantially all of its employees. Employees may contribute a percentage of their annual wages up to the annual limit established by the Internal Revenue Service. The employer contribution is based on 8% of eligible salary. Each year, the Credit Union may elect to make a discretionary contribution to the Plan. During 2017 and 2016, the Credit Union made contributions to the 401(k) plan of \$68,267 and \$65,477, respectively.

During 2002, the Credit Union implemented a supplemental executive retirement plan (SERP) covering the chief executive officer. The plan was funded using split dollar life insurance arrangements that require the Credit Union to pay annual life insurance premiums of \$63,000 for a ten-year period, effective as of 2002. No premiums were required to be paid in 2017 and 2016. The Credit Union received a collateral assignment of the cash surrender value from the insured. Under the collateral assignment arrangement, the Credit Union is entitled to receive the cash surrender value of the policy. The cash surrender value of the policy included in other assets was \$913,540 at December 31, 2017 and 2016.

During 2014, the Credit Union implemented an additional supplemental executive retirement plan (SERP) covering the chief executive and chief financial officers. The plan is funded using split dollar life insurance arrangements that require the Credit Union to pay annual life insurance premiums of \$255,000 for a ten-year period, if funded on an annual basis. The Credit Union received a collateral assignment of the life insurance policies from the chief executive and chief financial officers. Under the collateral assignment arrangements, premiums paid on behalf of the executives are considered a demand loan and the Credit Union is entitled to receive the aggregate premiums paid on behalf of the executives plus accrued interest at 2% per annum. Upon agreement termination, if the cash surrender value of the life insurance policies is less than the outstanding demand loans, plus accrued interest, the executive is obligated to repay the difference. Total premiums paid, plus accrued interest included in other assets, totaled \$1,338,520 and \$1,061,897 as of December 31, 2017 and 2016, respectively.

During 2014, the Credit Union also entered into an additional life insurance rider (ALIR) covering the chief executive officer. The Credit Union is the owner and beneficiary of the additional life insurance rider and, as such, is entitled to the cash surrender value of the policy. The cash surrender value of the ALIR included in other assets was \$1,342,247 and \$1,277,955 as of December 31, 2017 and 2016, respectively.

NOTE 11 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

The Credit Union is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its members and to reduce its own exposure to fluctuations in interest rates. These financial instruments are commitments to extend credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statement of financial condition. The contract amounts of those instruments reflect the extent of involvement the Credit Union has in particular classes of financial instruments.

The Credit Union's exposure to credit loss, in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, is represented by the contractual amount of those instruments. The Credit Union uses the same credit policies in making commitments as it does for on-balance-sheet instruments.

NOTE 12 – COMMITMENTS

The Credit Union had outstanding commitments for approved unused lines of credit approximating \$271,500,000 and \$270,545,000 at December 31, 2017 and 2016, respectively.

NOTE 13 – CONCENTRATIONS OF CREDIT RISK

At December 31, 2017, five member credit unions' share accounts exceeded 5% of total deposits. The accounts comprised 32.9% of the Credit Union's total shares.

At December 31, 2016, three member credit unions' share accounts exceeded 5% of total deposits. The accounts comprised 17.5% of the Credit Union's total shares.

NOTE 14 – RISKS AND UNCERTAINTIES

The Credit Union invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near-term and that such changes could materially affect the amount reported in the statement of financial condition.

NOTE 15 – FAIR VALUE MEASUREMENT

Fair values of assets measured on a recurring basis at December 31, 2016 and 2015 are as follows:

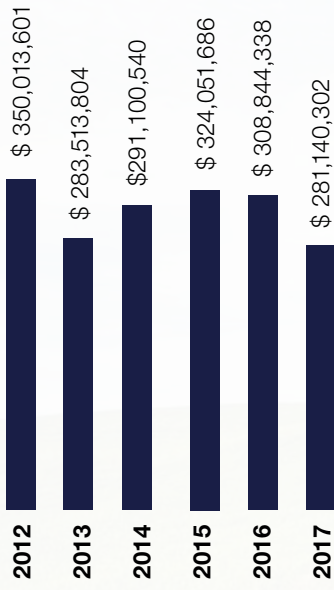
December 31, 2017	Fair Value	Fair Value Measurements At Reporting Date Using		
		Level 1	Level 2	Level 3
SPSAC 1998-2A1	\$ 22,438		\$ 22,438	
Floating rate CMOs	23,816,166		23,816,166	
Fixed rate CMOs	8,217,145		8,217,145	
Floating rate CMBS	14,015,685		14,015,685	
Floating rate U.S. Government Agencies	10,529,879		10,529,879	
FFELP loan pools	14,272,336		14,272,336	
ABS – credit card loan pool	52,209,097		52,209,097	
Floating rate ABS – auto pool	20,181,655		20,181,655	
SBA pools	49,815,651		49,815,651	
Available-for-sale securities	\$ 193,080,052	\$ -	\$ 193,080,052	\$ -

December 31, 2016	Fair Value	Fair Value Measurements At Reporting Date Using		
		Level 1	Level 2	Level 3
SPSAC 1998-2A1	\$ 22,430		\$ 22,430	
Floating rate CMOs	29,156,950		29,156,950	
Fixed rate CMOs	8,979,310		8,979,310	
Floating rate U.S. Government Agencies	9,625,243		9,625,243	
Fixed rate U.S. Government Agencies	8,530,108		8,530,108	
FFELP loan pools	22,819,693		22,819,693	
ABS – credit card loan pool	66,020,208		66,020,208	
Floating rate ABS – auto pool	20,140,865		20,140,865	
Fixed rate ABS - auto pool	341,584		341,584	
SBA pools	51,381,743		51,381,743	
Available-for-sale securities	\$ 217,018,134	\$ -	\$ 217,018,134	\$ -

NOTE 16 – EVALUATION OF SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including March 12, 2018, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

Total Assets



Loans to Members



Payment Services

ACH Receipt and Origination
Wire Transfer
International Services
Automated Settlement
Coin and Currency
Corporate Share Drafts
Regulation D Funding

Investment Solutions

SimpliCD
CU Investment Solutions, Inc. (CU-ISI)
Market Valuations
Securities Safekeeping
Overnight Account
Premium Overnight Account
Perpetual Capital Account

Liquidity Solutions

Line-of-Credit
SimpliCD Issuance
Secured Loan
Settlement Loan
Letters of Credit

Strategic Alliances

CU Business Group (Business Lending)
MY CU Services (Bill Payment)
Pay Lynxs, Inc. (SimpliRisk)
Primary Financial, LLC (SimpliCD)
LoanStreet, LLC
Sallie Mae Student Loans

Board of Directors

Katie O'Brien, Casco FCU
Chairman

Ryan Poulin, New Dimensions FCU
Vice Chairman

Joseph Bergeron, AVCU
Secretary

Matt Kaubris, Oxford FCU
Principal Financial Officer

Brian Hughes, Holy Rosary CU

Bob DesMeules, St. Mary's Bank CU

Bruce Leighton, MembersFirst CU of NH

Supervisory Committee

Brian Hughes, Holy Rosary CU
Chairman

Alaina Daisey, Katahdin FCU

Jean Giard, Vermont FCU

ALM Committee

Bob DesMeules, St. Mary's Bank CU
Chairman

Katie O'Brien, Casco FCU

Ryan Poulin, New Dimensions FCU

Stephen Roy, Tricorp FCU

Mike McLoud, Tricorp FCU

ERM Committee

Matt Kaubris, Oxford FCU
Chairman

Bruce Leighton, MembersFirst CU of NH

Stephen Roy, Tricorp FCU

Mike McLoud, Tricorp FCU

Chris Hutchinson, Macpage, LLC

Our Corporate Team

Stephen Roy
President/CEO

Christina Johnson
Executive Assistant

Mike McLoud
Chief Financial Officer

Carol Anne Lamontagne
Director of Operations

Denise Nowinski
Director of Education and Member Relations

Deb Vogt
Business Development Rep. / Compliance Officer

Stacy Farwell
Member Services Representative

Diane Goff
Member Service Representative

Charlene Grebin
Member Service Representative

Louise Lachance
Member Service / SimpliCD Representative

Gwynne Martin
Wire Room Operator

The key to success is hardwork and determination. – Unknown



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