



ANNUAL GENERAL MEETING

THEME:
Building a Better tomorrow, One
Member at a Time



VISION STATEMENT

To offer economic empowerment to our members.

MISSION STATEMENT

To be the leading member owned financial services institution, as we aim to be their primary source and support, offering friendly, quality, cutting edge services dedicated to helping members achieve economic empowerment.

CORE VALUES

Committed to Service

Demonstrate care and concern for all

Create paths to financial freedom

Dedicated to the health and wealth of our members

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STANDING ORDERS

- A member must raise hand (electronically) when addressing the Chair.
- Speeches are to be clear and relevant to the subject before the meeting.
- A member shall only address the meeting when called upon by the Chairman to do so, after which he shall immediately take his seat.
- No member shall address the meeting except through the Chairman.
- When called upon by the Chairman, a member must first state his name before continuing with his comment and/or question.
- A member may not speak twice on the same subject except:
 - a) The Mover of a Motion- who has the right to reply.
 - b) He rises to object or to explain (with permission of the Chair).
- The Mover of a Procedural Motion- such as an adjournment or postponement of the meeting, shall have no right to reply once the motion has been laid on the table.
- No speech is to be made after the "Question" has been put and carried negative.
- A member rising on a point of order is to state the point clearly and concisely. (A "point of order" must have relevance to the "Standing Order").
- A member should not "call" another member "to order" but may draw the attention of the Chair to a 'breach of order'.
- A question should not be put to vote if a member desires to speak on it or move an amendment to it - except, that a Procedural Motion "The Previous Question" "proceed to the next Business" or the "Closure": "That the Question be NOW PUT", may be moved at any time.
- Only one motion should be before the meeting at one and the same time.
- When a motion is withdrawn, it fails.
- The Chairman has the right to a "casting vote".
- If there is equality of voting on an amendment, and the Chairman does not exercise his casting vote, the amendment is lost.
- Provision is to be made for protection by the Chairman from vilification (Personal Abuse) .
- Only members are allowed to speak or ask questions during the meeting.



MEETING AGENDA 2025

Call to Order

Prayer of St. Francis of Assisi

Welcome

Minutes from the 38th Annual General Meeting

Matters Arising

Reports

- Board of Directors' Report
- Auditor's Report
- Treasurer's Report
- 2026 Budget
- Supervisory Committee's Report
- Credit Committee's Report
- Education Committee's Report

New Business

Resolutions

Elections

- Board
- Supervisory Committee
- Credit Committee
- Nomination Committee

Motion for Adjournment

OUR PRAYER



Prayer of St. Francis of Assisi

Lord, make me an instrument of Thy Peace.
Where there is hatred, let me sow love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light
Where there is sadness, joy!

O divine Master, grant that I may not so much seek
To be consoled as to console;
To be understood as to understand;
To be loved as to love.
For it is in giving that we receive,
It is in pardoning that we are pardoned,
And it is in dying that we are born to eternal life

BOARD OF DIRECTORS



CHAIRMAN
HILTON BOWLEG



VICE CHAIRMAN
BARRY ROLLE



TREASURER
ANGELA CULMER-HINSEY



ASSISTANT TREASURER
MARK BULLARD



SECRETARY
JANET GUERRIERA



ASSISTANT SECRETARY
KENNETH LIGHTBOURNE



DIRECTOR
GENE ALBURY

SUPERVISORY COMMITTEE



CHAIRMAN
SHEVAUN BAIN



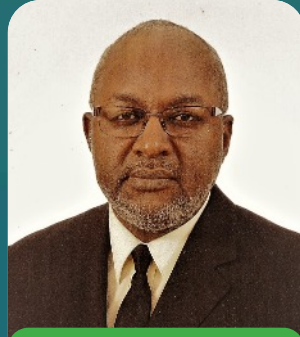
SECRETARY
RHONDA
RICHARDSON-CHASE



A. QUENTIN CULMER



TANISHA BRENNEN



SAMUEL WILKINSON

CREDIT COMMITTEE



CHAIRPERSON
MAXINE PRATT



SECRETARY
FRERISHIA
MCKENZIE-PALMER



TANYA MCDONALD



EDWIN MORLEY



A. MARY DAVIS

EDUCATION COMMITTEE



CHAIRPERSON
CARLA
MOSS-FITZGERALD



SECRETARY
SHERKIA OLIVER



MICHELLE KING



CLAUDETTE
FARRINGTON



NASHON ROLLE

STAFF



CEO
MARK BASTIAN



CFO
**ALEXANDRIA
BOWE-COOPER**



LOANS MANAGER
BRYAN BUTLER



FINANCIAL CONTROLLER
SHAREL BROWN



COMPLIANCE MANAGER
CAROLYN MOSS



COLLECTIONS MANAGER
ERSLEY JOHNSON



MEMBERSHIP SERVICES MGR
JAMEKO HEPBURN



INTERNAL AUDITOR
KENT FERGUSON



LOAN OFFICER II
JAYSON LEWIS

STAFF



LOAN OFFICER
MARIONETTE JOHNSON



LOAN ADMINISTRATOR
ROBERTHA MURRAY



ACCOUNTS OFFICER
NEKO MOSS



RECOVERY OFFICER
DOMINIC DEVEAUX



COLLECTIONS OFFICER
RASHAN TAYLOR



RECOVERY OFFICER
TAUREAN BUTLER



COLLECTIONS OFFICER
LYNN MAJOR



COLLECTIONS OFFICER
RADESHA HANNA



**MEMBERSHIP
SERVICES REP. II**
PATRICE COLEBROOK

STAFF



TELLER SUPERVISOR
KALIYAH WILKINSON



**MEMBERSHIP
SERVICES REP. I**
KENDESHA KEMP



ACCOUNTS CLERK
WAYDRISSA MCPHEE



ACCOUNTS CLERK
JUSTIN KNOWLES



COMPLIANCE CLERK
CHRISTINE LEE



HEAD TELLER
ERRIN GREEN



TELLER
TREYNISHKA CAREY



MESSENGER/FILING CLERK
TAMARA STUBBS

TERMS OF SERVICE

BOARD OF DIRECTORS

DIRECTOR	ELECTED/APPOINTED	2025	2026	2027
Kenneth Lightbourne	2023		√	
Hilton Bowleg	2024			√
Barry Rolle	2022	√		
Mark Bullard	2024			√
Janet Guerriea	2022	√		
Angela Culmer-Hinsey	2023		√	
Gene Albury	2024			√

SUPERVISORY COMMITTEE

MEMBER	ELECTED/APPOINTED	2025	2026	2027
Rhonda Richardson-Chase	2022	√		
Archelaus Culmer	2023		√	
Tanisha Brennen	2024			√
Shevaun Stubbs	2022	√		
Rashard Ritchie/ Samuel Wilkinson	2023/Appointed 2024	√		

CREDIT COMMITTEE

MEMBER	ELECTED/APPOINTED	2025	2026	2027
Tanya McDonald	2024			√
Maxine Pratt	2023		√	
A. Mary Davis	2022	√		
Edwin Morley	2022	√		
Frerishia McKenzie Palmer	2023		√	



BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

MINUTES OF THE 38TH ANNUAL GENERAL MEETING

THEME:
"BUILDING A BETTER TOMORROW, ONE DAY AT A TIME"

1. CALL TO ORDER

The 38th Annual General Meeting of the Bahama Islands Co-operative Credit Union Limited (BICCU) was held virtually. The meeting was called to order at 6:00 pm on Thursday May 16th, 2024, by Chairman of the Board of Directors, Mr. Hilton Bowleg.

2. QUORUM

Chairman Hilton Bowleg read into the minutes, Section 22 (2), of the Bahamas Cooperative Credit Union Act, 2015: Quorum - "Where a quorum is not present one hour after the time fixed for the commencement of the meeting of members, the meeting shall proceed, and the members present shall constitute a quorum."

3. PRAYER OF ST. FRANCIS OF ASSISI

Secretary Janet Guerriea led the AGM in the Prayer of St. Francis of Assisi.

4. WELCOME

Chairman Bowleg welcomed all on behalf of the Board of Directors, Committees, Management and Staff of BICCU to the 38th AGM. The Chairman requested a moment of silence for all of those who passed since the last AGM in particular those persons who passed during the year.

5. STANDING ORDER

Chairman Bowleg invited all to take a moment to review the Standing Orders for the meeting printed on page four of the AGM Booklet.

6. ACCEPTANCE OF THE AGENDA

Motion for the acceptance of the Meeting Agenda as published was moved by Mr. A. Robert Farquharson, seconded by Mrs. Italia Seymour, and was carried unanimously.

7. MINUTES OF THE 37th AGM

A motion to dispense with the reading of the 37th AGM Minutes was moved by Mrs. Cheryl Bowe-Moss, seconded by Ms. Shevaun Stubbs, and was carried unanimously.

7.1 There were no Corrections.

The motion to accept the minutes was moved by Mrs. Cheryl Bowe-Moss and seconded by Mr. A. Robert Farquharson, the Motion carried.

MATTERS ARISING

7.2 Mr. Calnan Weech enquired as to the reconciliation adjustments. Assistant-Treasurer Bullard explained that the reconciliation adjustments were deposits not yet claimed by the members, they are unreconciled on the credit union's books, he indicated that these deposits were sent to the League.

7.2.1 Mr. Calnan Weech enquired as to what the term "transferred to the League" meant and how much was sent. The Assistant Treasurer stated that the funds were sent to a separate account at the League in the credit union's name. He stated that he would revert with the amount that was sent.

7.2.2 Mr. Calnan Weech further enquired as to where in the financials can the transfer be found in the financials. Assistant-Treasurer Bullard stated that transfer was recorded on the credit union's books as a deposit on the League's account.

The motion to accept the minutes was moved by Mr. Calnan Weech and seconded by Mrs. Cheryl Bowe-Moss, the Motion carried.

8. REPORTS

ANNUAL GENERAL MEETING BOARD OF DIRECTORS' REPORT

8.1.1 Chairman Bowleg requested a motion to dispense with the reading of the Board of Directors' Report, highlighting areas of interest.

The motion to dispense with the reading of the Board of Directors' Report was moved by Mrs. Italia Seymour, seconded by Mr. A. Robert Farquharson, and was carried unanimously.

8.1.2 Chairman Bowleg stated that the credit union experienced a modest growth of just more than \$80,000 in the loan portfolio. He indicated that the credit union struggled to put loans on the books due to the competitive environment in the financial services industry. The Chairman stated that the credit union ran a Sweetest Loan Promotion and reinstated

- the mortgage lending late last month which helped to keep the portfolio at the 2022 level.
- 8.2 The Chairman highlighted the fact that the credit union continued to place resources to decrease the level of non-performing loans. This significantly reduced the loan provisioning and increased the write-off loans as previously furloughed members were terminated from their jobs; as such, they were unable to make payments against their loan facility.
- 8.3 The Chairman indicated that a notice was previously sent to members regarding the Christmas club account. He stated that the intent was to for members to save for the Christmas holiday; however, members are not withdrawing the funds. The Chairman stated that as of December 31st, 2024, all balances remaining on the Christmas club account will be automatically transferred to a non-interest-bearing account. Additionally, the Chairman stated that there will also be a yearly maximum of \$25,000.00 on the Christmas Club account during the calendar year.
- 8.4 The Chairman also stated that the credit union intendeds to terminate the MasterCard facility arrangement as it placed the credit union in a vulnerable position. He requested all card holders to visit the credit union's office in order to settle any outstanding balances as soon as possible.
- 8.5 Chairman Bowleg highlighted the fact that the government of the Bahamas through the Department of Internal Revenue has placed the responsibility for the collection of real property tax on all financial services entities. The credit union, he stated, is requesting all mortgage holders to please ensure that their real property tax is current. Failing to do so will result in the credit union adding the arrears of the taxes to the mortgage balances.
- 8.5.1 Similarly, the Chairman requested all mortgage holders to ensure that their homeowner's insurance is also current as this too will be added to the mortgage balances.
- 8.6 Chairman Bowled indicated that the credit union purchased the Rosetta Street location for \$2,450,000.00. He stated that he was happy to inform that this debt has been paid in full and the property is now debt free. The Chairman enquired as to whether there were any questions.
- 8.7 Mr. Calnan Weech enquired as to whether members with credit cards will be allowed to get loans to pay off their balances. The Chairman responded in the affirmative and added that the members will be offered a special rate.
- 8.7.1 Mr. Calnan Weech further enquired as to what the Board thought about 2023, further he enquired what went right, what went wrong or what does the Chairman feel good about. Chairman Bowleg stated that coming out of covet was frightening with the credit union being hotel centric. He stated that the credit union was able to manage through the process although it is not fully out as lots of members were furloughed. The Chairman indicated that the credit union is working to get these members to service their facilities.
- 8.7.2 Chairman Bowleg stated that the Collections Department is working diligently to recover, what was lost. The Chairman indicated that he was happy with the performance of the management team and the Board for the hard work and support on moving the credit union forward.
- 8.8 Mr. Calnan Weech enquired as to what kept the Chairman up at night. The Chairman responded, the Central Bank. He quickly added that the credit union is in a good situation as such, the Central Bank is asking BICCU to merge with two credit unions. He stated that the credit union was ahead of the game as management is ready; however, nothing can be done before approaching the membership.
- 8.8.1 Mr. Calnan Weech responded that it is good that the Central Bank has recognized the good governance that BICCU is operating under and the success that the credit union is having. Such that they are asking the credit union to look at merging. However, he inquired us to what is in it for BICCU. He enquired as to whether the government was going to give BICCU some sort of concessions as the credit union will be taking on additional risk. Chairman Bowleg confirmed that talks are in the initial stages. He stated that the merger is being investigated. Additionally, he indicated that the CEO is in consent communication with the Central Bank and discussions are moving in, the right directions. The Chairman assured Mr. Weech that he would propose the question, as to the benefit for BICCU to the Central Bank.
- 8.8.2 Mrs. Cheryl Bowe-Moss stated that a merger is only a merger if all the characteristics are the same, otherwise, she stated that it is a takeover. Chairman Bowleg stated that there are two, credit unions that the Central Bank has requested that BICCU look at, one government which will help to make BICCU more robust because it is not hotel centric. The second Credit Union, he stated is in the same category as BICCU; as such, it is hotel centric.
- 8.8.3 Mrs. Cheryl Bowe-Moss stated that historically there were three mergers among credit unions, they did not

work out because the smaller member credit unions were totally obliterated and all the boards went, despite being guaranteed two seats, for the first year. It did not work. There was no fair representation.

- 8.8.4 Chairman Bowleg stated that the credit union is looking at the merger, but it has been doing its homework. Further, he indicated that the credit union saw the writing on the wall and took the necessary steps to be ahead of the game. Further, he stated that the CEO foresaw some of the things and was able to guide the Board and keep them abreast of what was happening along the way.
- 8.8.5 He reiterated the fact that the credit union is in a good position and has the upper hand which the Board will not relinquish. Mrs. Cheryl Bowe-Moss stated that this is exactly what happened in the other mergers, the stronger party took everything. Chairman Bowleg responded that while the Board understood the member's concerns, the Central Bank is in charge. Further, he indicated that the Central is asking BICCU to merge, not forcing the merger, perhaps until they change the Act but for now, the credit union, prefers to be able to decide the way forward rather than to have the Central Bank force the credit union to do something.
- 8.9 Mrs. Cheryl Bowe-Moss commended the Board for holding their own feet to the fire and staying ahead of the game. She offered herself as a resource for the credit union. The Chairman thanked Mrs. Bowe-Moss for her kind words. The Chairman also thanked Mr. Calnan Weech who served as facilitator at the credit union's strategic planning meeting. Mr. Weech guided the team through the processes while giving the history of the credit union.
- 8.10 Mrs. Shevaun Stubbs commended the Board on the purchase of the Rosetta Street property, making it a priority and making it happen. She stated that the Board's focus relative to reducing the outstanding loan spheres for the members and for the credit union itself was very impressive.

A motion for the acceptance of the Annual General Meeting Board of Directors' Report was moved by Mrs. Cheryl Bowe-Moss, seconded by Mrs. Italia Seymour, and was carried unanimously.

9. AUDITOR'S REPORT

Mr. Roberts presented the Auditor's Report as follows: The Report of the auditors to the shareholders of Bahama Islands Co-operative Credit Union Limited.

Opinion

We have audited the accompanying financial statements of Bahama Islands Co-Operative Credit Union Limited ("the Credit Union") which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bahama Islands Co-Operative Credit Union Limited as at 31st December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements as at 31st December 2023. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and the auditors do not provide a separate opinion on these matters. We have determined that there are no such matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual General Meeting (AGM) Booklet but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (cont.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditors' responsibilities for the audit of the financial statements is located in an Appendix to this report. This description forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Clifford Culmer.

9.1 Chairman Bowleg opened the floor for questions. There was none. The Chairman thanked Mr. Roberts for his efforts.

Motion to accept the Auditor's Report moved by Mr. A. Robert Farquharson; seconded by Mrs. Shavaun Stubbs and was passed unanimously.

10. TREASURER'S REPORT

A motion to dispense with the reading of the Treasurer's Report was moved by Mrs. Shavaun Stubbs, seconded by Mr. Ryan Bastian and was carried unanimously.

10.1 Chairman Bowleg invited Assistant Treasurer Bullard to present the Treasurer's Report. The Assistant Treasurer referenced the funds transferred to the League, which was discussed during the Board of Director's Report, the Assistant Treasurer stated that the amount was \$155,101.31.

10.2 Per the Treasurer's Report, the Assistant Treasurer highlighted page 38 of the financial statement, namely the cash and cash equivalent. He stated that it appears that the credit union is in a good cash standing, however, he pointed out that this was due to the amount of deposits that is being taken in and the fact that the loan distribution for the year has decreased. He indicated that this is one reason why there is so much more cash as compared to 2022. The Assistant Treasurer stated that the credit union needs to put more loans on the books. Additionally, he pointed out that there is a loan receivable on the books which nets one million dollars.

10.3 Assistant Treasurer Bullard indicated that the credit union's deposits with banks stood at \$4,515,491 and loan deposits of \$1,000,963.58. This along with the fact that the credit union anticipated an increase in loans based on various promotions attributed to a \$3 million loan from the League. The Assistant Treasurer stated that unfortunately the loans did not materialize resulting in the credit union having high deposits over last year.

10.4 Mr. Calnan Weech stated that in 2023 the credit union got a \$1 million loan from the League at 4% interest as reported on page 67 of the notes. He enquired as to whether the \$1 million lump sum that was sent to the League was sent to satisfy the loan. Assistant Treasurer Bullard responded in the affirmative.

10.5 Mr. Calnan Weech further referenced page 68, Statutory Reserve. He indicated that the reserve was almost 16% which is ahead of where it should be. Based on the auditor's report, he stated that the reserves are over by \$3,929,293 or 15.78% of total assets. Mr. Weech enquired as to whether the Board considered paying off the remainder of the loan instead of holding it in the statutory reserves while incurring a liability with a 4% interest. He suggested that since the credit union has the cash, it should liquidate the loan. The Assistant Treasurer stated that the recommendation was under consideration by the Board. However, he added that there was about \$3 million in mortgages pending final approval which is why the credit union held the extra cash. Mr. Calnan Weech congratulated the Board and Management on a successful year.

10.6 The Assistant Treasurer indicated that there was a significant growth in liabilities which was due to member deposits, \$55,205,000 compared to

\$51,030,681. This he stated demonstrated the members confidence in the credit union. Additionally, he stated that the credit union had an attractive rate on term deposits. Assistant Treasurer Bullard stated that it would be good if this could be converted to loans.

10.7 The Assistant Treasurer referenced the income statement on page 39. He reminded that credit unions are not for profit, this meant that the goal is not to maximize profit but to have a sustainable operation year after year and to remain a positive going concern for the future.

10.8 Mr. Calnan Weech stated that despite the number of loan promotions, loans are still not at the point where it should be. Assistant Treasurer Bullard agreed; however, he pointed out that despite this, the credit union realized a net income of \$1,500,000.

10.9 Mr. Weech once again congratulated the Board and management on a very successful year. Further, he stated that he was trying to determine why was there such an increase except for the provision for doubtful accounts. Mr. Weech referenced page 59 and highlighted the fact that loans for doubtful accounts decreased by 47%. He stated that last year the balance was \$1,700,000, now the balance stands at \$900,000 a, reduction of 47%. He enquired as to whether this meant that the Central Bank and the Auditors felt that the loan loss provisioning could be decreased by virtue of the strength of the loans on the books.

10.10 Mrs. Cheryl Bowe-Moss explained that the credit union has to provision every month for potential loan losses not at the end of the year so the difference that is gone (decreased) is reflected in the credit union's recovery and comes back as profit.

10.11 Assistant Treasurer Bullard agreed and referenced page 39, Recovery and Provisioning which speaks to the profit of 2023. The Treasurer stated that the credit union had a provisioning for loan loss of \$731,000 in 2022 and a recovery gain in 2023, which was a net turnaround of almost \$1 million. Mr. Weech congratulated the credit union on its recovery efforts.

10.12 Mr. Calnan Weech stated that the credit union had a good year in terms of allowance for doubtful accounts, having a net gain position of recovery. He enquired as to whether the credit union should be worried about the loan loss provisioning being decreased from last year to this year.

10.13 Assistant Treasurer Bullard stated that the percentage is the same year over year. Further, he stated that the credit union provided \$2,701,600 and in 2022

the credit union provided \$2,000,505 resulting in a provisioning loss of 0.7% in both years.

10.14 Mr. Calnan Weech enquired as to whether it was the recovery which skewed the numbers. The Assistant Treasurer responded in the affirmative. Mr. Weech thanked the Assistant Treasurer for the report.

A motion for the acceptance of the Treasurer's Report was moved by Mrs. Cheryl Bowe-Moss seconded by Mr. Ryan Bastian. The motion carried. Chairman Bowleg thanked the Assistant Treasurer for the report. He invited him to present the Budget Report.

11. 2025 Budget Report

Assistant Treasurer Bullard requested a motion to dispense with the reading of the Budget Report found on pages 88 and 89. The motion was moved by Mr. A. Robert Farquharson, seconded by Mr. Ryan Bastian and was carried unanimously.

11.1 The Assistant Treasurer stated that the budget was basically flat year over year. He confirmed that it is compiled from past results using a conservative approach based on expected economic growth.

11.2 Assistant Treasurer Bullard indicated that overall, the net income is budgeted at 4.6% and that expenses remained relatively flat. He highlighted line 59 which referenced the business license. The Assistant Treasurer stated that this was the first year that the government required credit unions to pay a business license fee. He further explained that the fee is based on the credit union's gross revenue. He stated that in applying for the business license 2023/ 2024 the credit union also had to pay the business license for 2025. He stated that the amount showing was a projected fee based on the turnover for 2025.

11.3 The Assistant Treasurer stated that the business license is the only misnomer on the budget when compared year over year. He confirmed that everything else is flat with accompanying comments.

11.4 The Assistant Treasurer opened the floor for questions.

11.5 Mr. A. Robert Farquharson stated that the credit union made some good provisions. He referenced the fact that the credit union was still trying to put loans on the books. He enquired as to what marketing strategy the credit union was contemplating to attract new loans also, were there any plans to make loans more attractive.

- 11.6 Assistant Treasurer responded that the credit union is constantly trying to find new innovative ways to increase the loan portfolio. He indicated that in the coming months the credit union will be hosting a Member Appreciation Day featuring new ideas and prizes for new loans on the books. There were no more questions

A motion to accept the 2025 Budget was moved by Mr. Archelaus Culmer, seconded by Ms. Sophia Williams and was unanimously carried.

12. SUPERVISORY, CREDIT & EDUCATION COMMITTEES REPORTS

Chairman Bowleg invited the Supervisory Committee to present their report which is found on page 91.

12.1 SUPERVISORY COMMITTEE REPORT

A motion to dispense with the reading of the Supervisory Committees' Report was moved by Ms. Cheryl Bowe-Moss, seconded by Mr. Francisco Garcia and was carried unanimously.

- 12.1.2 Chairman Bowleg enquired as to whether there were any questions for the Committee.

- 12.1.3 Mr. Calnan Weech thanked the Committee for a very detailed report; however, he stated that the report did not express an opinion as to whether the credit union was moving in the right or wrong direction. He reiterated that the report was just a compilation of all the hard work that the Committee did during the year. He enquired as to whether there was anything that the Committee wanted to relate to the members as to the status of the credit union, which he stated is the purpose of the report.

- 12.1.4 Mr. Archelaus Culmer, Chairman of the Committee stated that management and the Board are certainly trying to comply with the Act and regulations. He stated that there are some things that the Committee is having to look at this year and the Committee will try to collaborate with management so that the credit union can stay in compliance. Thus far, he stated that the credit union is doing a grandiose job trying to adhere to the rules and regulations.

- 12.1.5 Mr. Weech stated that there was also an audit that was only just started but had to be outsourced, he enquired as to an update. Mr. Weech clarified that the audit was in relation to IT. Chairman Culmer indicated that he did not have an update at this time but will speak more to it in the next report. Mr. Weech requested that the Chairman remind the membership as to what the

audit pertained to. The Chairman stated that one of the functions is ensuring that the credit union had sufficient back-up. He stated that the audit is still a work in progress.

- 12.1.6 Mrs. Cheryl Bowe-Moss stated that the Chairman alluded to some things that the Committee was looking at, she requested that he elaborate on some of these. Chairman Culmer responded that the Committee is currently revamping the entire audit strategy, trying to complete the audit plan introducing innovative ways of ensuring that the credit union stays compliant and ahead of the Central Banks requirements.

- 12.1.7 Mrs. Cheryl Bowe-Moss stated that the Chairman's response did not answer the question. She reiterated the question. What things did the Committee have concerns about? She stated that there must something otherwise the Chairman would not have mentioned it. Chairman Culmer stated that there is nothing specific that the Committee is seeing. The Committee is just trying to evolve the audit plan so that it continues to be relevant.

- 12.1.8 Mrs. Bowe-Moss stated that the Committee is doing a herculean job as it is important for the credit union to remain proactive as to what could potentially happen in the financial arena. She enquired as to whether this is what the Chairman is saying. Chairman Culmer stated that the Central Bank is always coming after credit unions with new rules and regulations, the Committee is trying to ensure that BICCU can keep pace.

There were no more questions.

Motion for the acceptance of the Supervisory Committee's Report moved by Mrs. Cheryl Bowe-Moss, seconded by Mrs. Italia Seymour, unanimously carried.

12.2 CREDIT COMMITTEE REPORT

A motion to dispense with the reading of the Credit Committee's Report was moved by Mr. Calnan Weech, seconded by Mrs. Cheryl Bowe-Moss, and was carried unanimously.

- 12.2.1 Tanya McDonald presented highlights on behalf of the Committee. She stated that the committee continues to meet monthly to randomly select and review 50% of the approved loans during the period you January 2023 and December 2023. She indicated that the credit union approved 1,406 new or add on loans, of these the committee reviewed 780 of these loans.

- 12.2.2 Ms. McDonald indicated that of the loans reviewed, miscellaneous bills and vacation travel were the most

requested loan categories. Additionally, she stated that of the 780 loans 52 were board approved, and 2 denied loans due to the TDSR being too high.

12.2.3 Ms. McDonald stated that month over month the dollar value of the delinquency decreased while year over year the recovered amounts for the charged off loans increased. She congratulated the collections team for their efforts.

12.2.4 Ms. McDonald thanked all for their support throughout the year. She opened the floor for questions or comments. Mr. Stephen Thompson requested clarification as to the loans outside of policy, what do they entail and what risk is associated with them.

12.2.5 Ms. McDonald stated that the 52 Board approved loans were due to the following:

- 2 loans due to TDSR
- 28 Exposure just outside limit for tier
- 5 Restructures
- 5 Job term less than one year
- 1 Loans with in six months due to funeral
- 2 Combination of Irrevocable and Voluntary deductions
- 2 No salary deduction (restructure of delinquent loan)
- 4 Restructures of charged off loans
- 1 payoff of previous loan
- 2 Rewrite of Charged off loans

12.2.6 Mr. Stephen Thompson thanked the Committee. Mr. A. Robert Farquharson congratulated that Committee for their efforts and the fact that they reviewed more than the required 50% of the loans.

Motion for the acceptance of the Credit Committee's Report moved by Ms. Sophia Williams, seconded by Mr. A. Robert Farquharson, and was unanimously carried.

Chairman Bowleg thanked the Credit Committee for a job well done.

12.3 EDUCATION COMMITTEE REPORT

A motion to dispense with the reading of the Education Committee's Report was moved by Mr. Ryan Bastian, second by Mrs. Stubbs and was carried unanimously.

12.3.1 Ms. Carla Fitzgerald, Chairperson of the Education Committee informed that the Committee meets monthly to discuss the educational needs of the members. She stated that the Committee successfully hosted a CRIF Bahamas Webinar to appraise members of its effect on their ability to obtain loans.

12.3.2 The Chairperson also indicated that the Committee continued its Informercial... "Did You Know" series which is now playing on the telephones in credit union while on hold. Additionally, the Chairperson stated that the Committee launched its first Newsletter which outlined the history of the credit union, the benefits of membership and the products and services offered by the credit union.

12.3.3 The Chairperson stated that the Committee hosted the KIDDS Club Back to School event which is a way for the credit union to give back while developing a culture of saving with the young people.

12.3.4 Additionally, Chairperson Fitzgerald stated that the Committee is researching and compiling information in order to host a seminar to educate members about the plan to eliminate cheques and the use of digital currencies.

12.3.5 The Chairperson thanked the Board members, the Board appointed Director Janet Guerriea, Compliance Manager Carolyn Moss, CEO Mark Bastian, and the BICCU staff for their continued support.

12.3.6 Chairman Bowleg thanked the Committee for their hard work. He opened the floor for questions or comments. Mr. Stephen Thompson commended the Committee for their work, he stated that education is critical for the sustainability of the credit union.

12.3.7 Mr. Thompson enquired as to whether the Committee plans to provide training along the lines of financial literacy seeing that so many persons have lost their jobs in recent years. Chairperson Fitzgerald responded that CRIF Bahamas spoke to literacy. Additionally, she stated the Committee has a number of initiatives on their platform for the coming year.

12.3.8 Mr. Thompson thanked the Committee and commended them for their work.

Motion for the acceptance of the Education Committee's Report, moved by Mr. A. Robert Farquharson, seconded by Ms. Sophia Williams and was carried unanimously.

13 NEW BUSINESS

13.1 Chairman Bowleg stated that there was no new business.

14 RESOLUTIONS

Assistant Secretary Lightbourne presented the Resolutions. He advised that he would read the resolutions into the records, after each reading the members will be invited to vote either in favour or against the resolution.

Assistant Secretary Lightbourne presented the resolutions as follows:

14.1 RESOLUTION #1 RESOLUTION FOR THE PAYMENT OF DIVIDENDS

WHEREAS the audited financial statements of the Bahama Islands Co-operative Credit Union Limited (BICCU) for the year ending December 31, 2023, were presented and accepted by this Annual General Meeting.

BE IT RESOLVED that this Annual General Meeting approved the payment of a four percent (4 %) dividend to shareholders on their Qualifying Shares held for the year 2023.

BE IT FURTHER RESOLVED that calculation and distribution of these dividends be credited to the individual member accounts not later than June 28, 2024.

14.1.1 The Assistant Secretary invited all in favour of the Resolution to vote yes and all against the resolution to vote no.

14.1.2 Fifty-Six (56) members were on-line. Assistant Secretary Lightbourne advised that 100% of the members voted yes, 0 voted no, 0 abstained. The Resolution carried.

14.2 RESOLUTION #2 RESOLUTION FOR THE APPOINTMENT OF AUDITORS

WHEREAS The Bahamas Co-operative Union Act, 2015 requires that the Directors cause the accounts of the Credit Union to be audited at the end of each financial year by an auditor appointed by the Board.

BE IT RESOLVED that the Board of Directors of the Bahama Islands Co-operative Credit Union Limited (BICCU) be allowed to choose an auditing firm to conduct the audit for the fiscal year 2024.

14.2.1 The Assistant Secretary invited all in favour of the Resolution to vote yes and all against the resolution to vote no.

14.2.2 There were fifty-nine (59) members logged on. Assistant Secretary Lightbourne advised that 98% (58) of the members voted yes, 2% (1) member voted no, 0 abstained. The Resolution carried.

14.3 RESOLUTION #3 RESOLUTION FOR REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Directors of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT Directors of the Bahama Islands Co-operative Credit Union Limited shall receive a stipend of Six Hundred Bahamian Dollars (B\$600.00) per month.

14.3.1 The Assistant Secretary invited all in favour of the Resolution to vote yes and all against the resolution to vote no.

14.3.2 Fifty-one members were logged on. Assistant Secretary Lightbourne advised that 98% (50) of the members voted yes, 2% (1) member voted no, 0 abstained. The Resolution carried.

14.4 RESOLUTION #4 REMUNERATION TO SUPERVISORY COMMITTEE MEMBERS OF THE BAHAMA ISLANDS COOPERATIVE CREDIT UNION LIMITED

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Members of the Supervisory Committee of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

BE IT RESOLVED THAT the members of the Supervisory Committee of the Bahama Islands Co-operative Credit Union Limited shall be paid a stipend of Three Hundred Bahamian Dollars (B\$300.00) per month.

14.4.1 The Assistant Secretary invited all in favour of the Resolution to vote yes and all against the resolution to vote no.

- 14.4.2 There were fifty-seven (57) members logged on. Assistant Secretary Lightbourne advised that 98% (56) of the members voted yes, 2% (1) member voted no, 0 abstained. The Resolution carried.

14.5 RESOLUTION #5 REMUNERATION TO CREDIT COMMITTEE MEMBERS OF THE BAHAMA ISLANDS COOPERATIVE CREDIT UNION LIMITED

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Members of the Credit Committee of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT the members of the Credit Committee of the Bahama Islands Co-operative Credit Union Limited shall be paid a stipend of Two Hundred Bahamian Dollars (B\$200.00) per month.

- 14.5.1 The Assistant Secretary invited all in favour of the Resolution to vote yes and all against the resolution to vote no.
- 14.5.2 There were sixty-two (62) members signed on. The Assistant Secretary advised that 100% (62) of the members voted yes 0 voted no. The Resolution carried.

14.6 RESOLUTION #6 REMUNERATION TO EDUCATION COMMITTEE MEMBERS OF THE BAHAMA ISLANDS COOPERATIVE CREDIT UNION LIMITED

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Members of the Education Committee of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is

entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT the members of the Education Committee of the Bahama Islands Co-operative Credit Union Limited shall be paid a stipend of Two Hundred Bahamian Dollars (B\$200.00) per month.

- 14.6.1 The Assistant Secretary invited all in favour of the Resolution to vote yes and all against the resolution to vote no.

- 14.6.2 59 members was logged on. Assistant Secretary Lightbourne advised that 100% (59) of the members voted yes, 0 voted no, 0 abstained. The Resolution carried.

15. ELECTIONS

Chairman Bowleg invited Vice Chairman Rolle to preside over the meeting as he along with Mr. Mark Bullard and Mr. Gene Albury were up for election, as such, he had to vacate his seat.

Vice Chairman Rolle invited Mr. Calnan Weech to conduct the elections. Mr. Weech introduced the remainder of the committee as Ms. Eunice Johnson, Ms. Tameka Forbes, Mr. Mark Bullard, along with himself. Mr. Weech thanked Compliance Manager Moss for her assistance with the Committee.

Mr. Weech stated that he is happy with the caliber of people nominating to serve the credit union. He indicated that the nominees had financial back grounds, MBA degrees. He stated that it was impressive. He thanked the nominees for stepping forward.

Mr. Weech stated that there were three (3) vacancies on the Board, one (1) on the Supervisory Committee and one (1) on the Credit Committee.

Mr. Weech informed that each member received 3 passwords, one for each election.

15.1 ELECTIONS – BOARD OF DIRECTORS

- 15.1.1 Member Weech informed that the Nomination Committee received four (4) applications for the Board of Director, however, the individual did not qualify as

he did not meet the requirement of serving on one of the Committees. This being the case the nominees are elected unopposed.

15.1.2 Member Weech congratulated Messrs. Hilton Bowleg, Mark Bullard and Gene Albury.

15.2 ELECTIONS – SUPERVISORY COMMITTEE

15.2.1 Member Weech informed that the Nomination Committee received three (3) applications for the Supervisory Committee. There one (1) vacancy. The Presiding Member invited the nominees, to address the membership.

15.2.2 Member Weech advised that each member received a password for the Supervisory Committee election, he invited the members to cast their vote for one (1) person.

Votes:

Nominees	Votes Received	Elected
Tanisha Brennen	29	√
Deborah Hanna	13	
Samuel Wilkinson	26	

15.2.3 Member Weech informed that the winner was Ms. Tanisha Brennen.

15.3 ELECTIONS – CREDIT COMMITTEE

15.3.1 Member Weech informed that the Nomination Committee received three (3) applications for the Credit Committee and there was one (1) vacancy. The Presiding Member invited the nominees, to address the membership.

15.3.2 Member Weech advised that each member received a password for the Credit Committee election he invited the members to cast their vote for one (1) person.

Votes:

Nominees	Votes Received	Elected
Tanya McDonald	35	√
Ryan Bastian	16	
Deborah Hanna	11	

15.3.3 Member Weech informed that the winner was Ms. Tanya McDonald.

15.4 Mr. Weech thanked all for their support.

15.5 Vice Chairman Rolle thanked Mr. Weech and the Nomination Committee as they are the gatekeepers who provide the talent and ensures that the credit union gets the best. On behalf of the Board of Directors, the Vice Chairman encouraged the Nomination Committee to keep up the good work.

15.6 Mr.A.Robert Farquharson also thanked the Nomination Committee, further he thanked the technical team working behind the Nomination Committee. Mr. Weech and Ms. Shevaun Stubbs stated that they totally supported Mr. Farquharson.

16. NOMINATION COMMITTEE

16.1 Mrs. Cheryl Bowe-Moss stated that the agenda calls for the election of the Nominating Committee. She stated that the current Committee has done an excellent job especially in the last two (2) years. Mrs. Bowe-Moss moved that the existing Nomination Committee be retained. The motion was seconded by Archelaus Culmer. The AGM unanimously accepted the Nominees.

16.2 Vice-Chairman Rolle stated that the current Nomination Committee will remain.

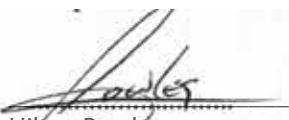
17. MOTION FOR ADJOURNMENT

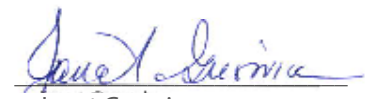
Vice Chairman thanked the members, he requested their continued support. Additionally, he thanked the management and staff for a stellar job in making BICCU one of the stronger credit unions. The Vice Chairman also thanked the Committee for keeping everyone's feet to the fire. He also thanked the Board for steering the credit union in the right direction. and the technical support team, on a job well done. Finally, the Chairman thanked the members for sacrificing their time to attend the AGM.

The Motion for the adjournment of the 38th Annual General Meeting of BICCU was moved by Ms. Sophia Williams and seconded by Ms. Rhonda Chase.

The meeting ended at 8:26 pm.

We hereby certify that the foregoing is a true copy of the minutes and deliberations of the Board of Directors of the Bahama Islands Co-operative Credit Union Limited, held Thursday May 16th, 2024.


Hilton Bowleg
Chairman


Janet Guerriea
Secretary

ANNUAL GENERAL MEETING BOARD OF DIRECTORS REPORT

THE BAHAMIAN ECONOMY

As the Bahamian economy, is heavily influenced by the inflow of tourist and as BICCU's membership is still mostly hospitality industry centric, our success is driven by the performance of the tourism sector.

The Bahamian economy has had a remarkable recovery since the pandemic. This was mostly fueled by the great rebound in tourism. The economy is now back to pre-Hurricane Dorian levels; however, it is showing signs of slowing as 2024's real GDP growth was estimated at 1.9 percent, which was significantly lower than 2022 and 2023. The Bahamas' 2025 real GDP growth is projected to be relatively flat with a rate of about 1.7 percent. There is no certainty that we will even be able to reach that mark.

Our tourism activity remains vulnerable to all that is happening in the world and more importantly what is happening in the United States of America (USA). The current and possible further introduction of tariffs by the USA to other countries can create a potentially negative impact on touristic travel into the Bahamas as it perhaps will spark high inflation in the USA and around the world. Additionally, we remain highly vulnerable to the effects of natural disasters such as hurricanes and the travel advisories that the United States government issues about our local crime wave.

OPERATIONS

Overview

This year, we are trying to set the credit union up for what is to come. This is the reason we have chosen the theme of "Empowering Change, One Member at a Time". We, the Board of BICCU, try to ensure that management is doing everything possible to annually increase the credit union's membership, total assets, loan portfolio and member deposits. We operate as a not-for-profit organization, but it remains our role to ensure that the credit union turns a profit every year for sustainability and to enhance our members' lives by paying dividends and higher interest rates on deposit accounts.

On a monthly basis, at our Board meetings, we monitor the credit union's operation by attending to the following activities:

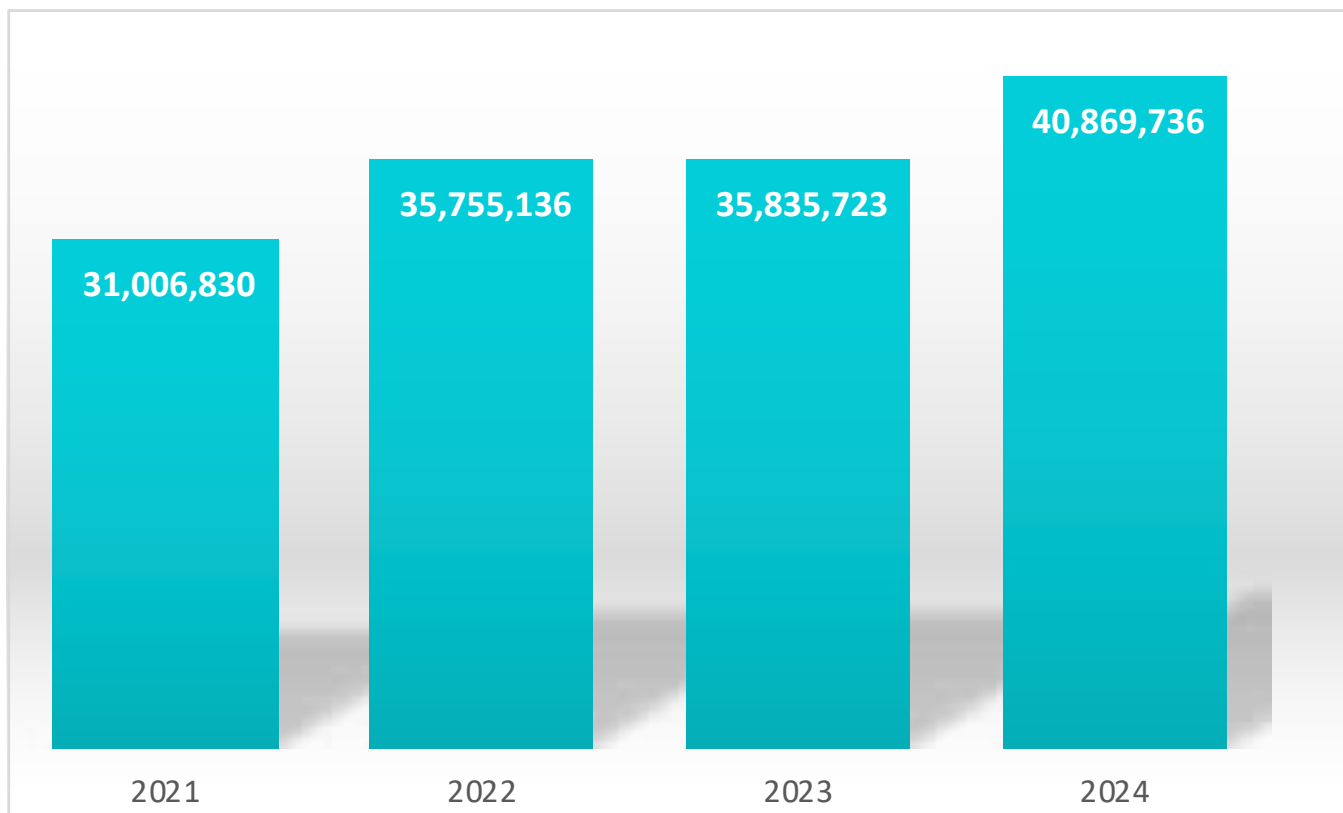
- identifying and recommending ways to mitigate risk,
- reviewing delinquent and written off accounts and ensuring that there are adequate collection efforts surrounding them,
- receiving and analyzing financial reports to ensure the soundness of the credit union,
- reviewing loans and membership reports to ensure that there is growth and diversification,
- receiving and reviewing compliance reports that lets us know whether we are adhering to the Credit Union Act 2015, BICCU's Bye-laws and the policies of the credit union,
- receiving reports and discussing every other operational activity that took place during the month.

Quarterly, we met with and received reports from the Supervisory Committee, Credit Committee and the Education Committee.

By way of this report, we will summarize some of the activities that we have monitored and directed over the past year that allow us to know that we are empowering the expected change.

Loans

For the year ended December 31st, 2024, the Credit Union granted loans totaling thirteen million ninety-seven thousand and four dollars (\$13,097,004). The loans payoff/payments for the year totaled seven million five hundred and thirty-two thousand three hundred and eighty-one dollars (\$7,532,381) and loans written-off totaled five hundred and thirty thousand and six hundred and ten dollars (\$530,610). For the year ending December 31st, 2024, the loan portfolio had a significant increase of five million thirty-four thousand and thirteen dollars (\$5,034,013). Our total loans portfolio as of December 31st, 2024, of \$40,869,736 is an increase of 14 percent when compared to December 31st, 2023's total, which was \$35,835,723.



The significant growth in the loan portfolio was mostly attributable to loans that were fueled by our loan promotional activities. Consumer loans grew by one million two hundred and forty-one thousand five hundred and forty-five dollars (\$1,241,545), while real estate loans grew by three million one hundred and seventy-three thousand four hundred and eighty-eight dollars (\$3,173,488). While those two accounted for the lion share of the growth in loans, other categories grew as well, such as vehicle loans at three hundred and four thousand eight hundred and eighty-two dollars (\$304,882) and educational loans at two hundred and seventy-six thousand five hundred and thirty-seven dollars (\$276,537).

We recognize that it is highly competitive in the lending business, so we constantly work with management to ensure that we are aggressive in our approach to growing the portfolio.

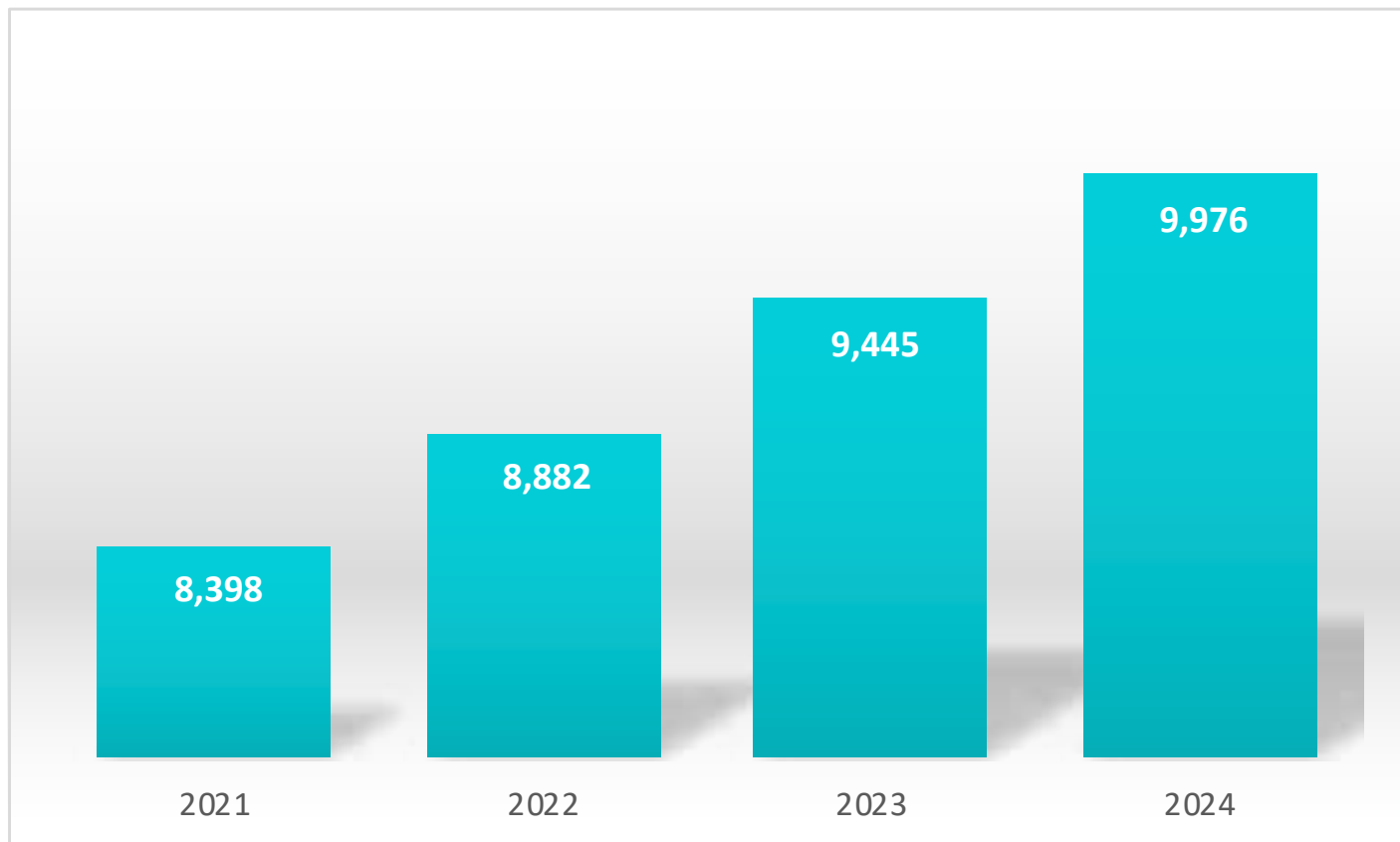
Non-Performing Loans

BICCU is committed to keeping delinquent accounts at a minimal level and recovering accounts that are previously written off. Our efforts to do just that were on track last year but were impacted by the closure of the Sandals Emerald Bay property and the departure of a staff that was critical to our collection effort.

The effort to collect non-performing loan accounts was mostly favorable, however provisions for loan impairment increased from \$423,545 during 2023 to \$1,017,392 in 2024 due to already noted issues. Delinquent accounts written off decreased to \$530,610 during 2024 as compared to \$1,229,461 during 2023. In 2024, the recovery of written off accounts totaled \$835,294 compared to \$869,137 in 2023.

Membership

During the year 2024, BICCU gain five hundred and thirty-one (531) members, net. This was a 5.6 percent increase in our membership for the year.



From the end of the year December 2021 to end of the year December 2024, BICCU has experienced a 18.8 percent net increase in its membership. We have now officially passed the 10,000-membership mark. We continue to offer our support to management in their efforts to grow the credit union with quality members; those who seek to utilize the credit union for our products and services beyond just establishing accounts to receive the excellent rates offered on deposits.

Services

2024 was a year that we, along with management, felt it was time to show our appreciation to the members for their continued support. On August 9th, 2024, we held our first Membership Appreciation Day. It was a day when all members entering the credit union were treated to either breakfast or lunch. The day was filled with giveaways inclusive of BICCU logo umbrellas, mugs and bags. Many members took advantage of applying for loans at the promotional loan rates being offered. There were vendors on site, such as AutoMall, BAF, Marlin Marine and First Care. AutoMall brought several of their cars on site. We are happy to say that we have seen quite a few members get loans to purchase these cars at the promotional loan rate. Many members also took advantage of the health screening that was offered by BAF and a private nurse who is also a member. Finally,

all members were able to participate in a raffle where the grand prize was a 55-inch Samsung TV.

The second Membership Appreciation event took place on November 22nd, 2024, and it marked the start of the Christmas loan promotion. That promotion allowed members to get an additional \$3,000 “top up” on existing loans. There was a relaxation of certain policy guidelines such as there was no restriction on members not being able to get a loan if they had received one in the last six months and members were able to exceed normal exposure levels that are set based on salary levels. About 200 members participated in that promotion.

It was a year full of Loan promotions, as we deemed it necessary to boost the loan portfolio’s growth as it had been relatively flat for the two preceding years. Management introduced the “Spring Bonanza” loan promotion and the “Hottest Summer” loan promotion. Both offered reduced rates for consumer loans, vehicle loans and mortgages. We were pleased with the results as the loan portfolio grew significantly.

The exercise to rectify the operations of the Christmas Club accounts was satisfactorily completed before the end of December 2024. More than \$5.5 million was moved from that account and transferred to other BICCU

accounts, withdrawn for normal Christmas shopping or transferred out to other financial service entities. The Christmas Club account is obviously attractive to our members as at the end of April 2025 it has already accumulated more than \$1.5 million, even though there is a \$25,000 limit per member.

Staff

Jameko Hepburn, assumed the Marketing & Membership Services Manager position in May 2024. His department, Membership Services, has seen quite a few other changes starting with the resignation in July 2024 of the Head Teller, Alexandria Moss, she was replaced by Errin Green. Radesha Hanna was hired in early October 2024 as a Teller. Robertha Murray, former Teller Supervisor, was moved to the Loans department, she was replaced by Kaliyah Wilkinson who was hired in September 2024.

We recently received resignations from Michelle King, and D'Vantae Miller, also of the Membership Services Department. We are currently interviewing to fill those positions.

The Collections Department also had its share of change. Yvonne-Rolle-Hanchell was relieved of her position as Collections Officer in October 2024 and was replaced by Martine Pierre in December 2024. Martine did not successfully complete her probationary period and her along with Christopher Mackey were relieved of their positions with the credit union. Their positions were recently filled by Taurean Butler and Lynn Major.

Long serving Loans Officer, Katherine Knowles retired from the credit union in September 2024, her position was filled by Marionette Johnson, former Loans Administrator. The vacant Loans Administrator position was filled by the former Teller Supervisor.

Finally, after a long search, we hired Christine Lee as the Document Imaging Specialist. She was added to the staff in April 2025.

CENTRAL BANK SUPERVISION & REGULATORY MATTERS

In 2024, The Bahamas Cooperative League Limited following consultation with the credit unions produced a comprehensive document highlighting concerns regarding The Central Bank of The Bahamas suggested amendments to the Credit Union Act 2015. The Central Bank indicated that some of the suggestion would be taken under consideration; however, the final decisions

will be made following the public consultation with other stakeholders. It is at that phase that those within the credit union movement will be given the opportunity to redefine some of the items that the Central Bank has said that they are not willing to deviate from their own suggestions.

The Central Bank of the Bahamas is actively moving forward with the plan to implement the Bahamas' first Fast Payment system. They have put together a grouping of people from the Supervised Financial Institutions (SFIs) to actively discuss and figure out how this could be initiated and implemented before the end of 2026. Credit Unions who are included as SFIs under the Central Bank have been allowed three representatives across the various committees, technical, legal and operational groups. The Fast Payment System will fully level the playing field for credit unions as member transactions can be instantaneous without having to go through a third-party bank. Getting on the system will also mean that the credit union will also be able to transact digital currencies. We will review all system requirements for the necessary integration in an effort to be SandDollar enabled before the end of the year.

BICCU's PROPERTIES

There has been no positive movement as it relates to the sale of the Saunders Beach or Village Road properties. We have, however, recently closed a deal to purchase the two properties that are adjacent to the southern perimeter of the credit union. The credit union has run out of parking spaces as it relates to both staff and member parking and so when the properties became available, it made sense to make an offer.

TRAINING

Board of Directors/Committees

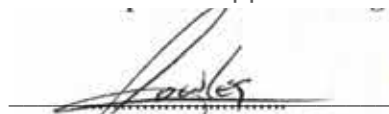
June	2024	Caribbean Confederation of Credit Union Conference (St. Kitts)
September	2024	Corporate Governance Workshop (Nassau)
November	2024	CCCU Swoboda Credit Union Governance (Webinar)
Nov/Dec	2024	Financial Intelligence Unit AML Training (Nassau)
December	2024	Anti-Money Laundering & Counter Financing Terrorism (Nassau)
February	2025	Enterprise Risk Management (Nassau)

Staff

May	2024	Certified International Risk Manager (Nassau)
September	2024	BIFS Collections Training (Nassau)
September	2024	Corporate Governance Workshop (Nassau)
October	2024	CU Conference Directors' Roundtable (Las Vegas)
November	2024	BICA Accountants Week (Nassau)
December	2024	Anti-Money Laundering & Counter Financing Terrorism (Nassau)
March	2025	Compliance Aid Conference (Miami)
March	2025	CaribDE (Jamaica)

Thank You

The Board takes this opportunity to thank the membership for the opportunity to serve and for their continued confidence and support.



Hilton Bowleg
Chairman



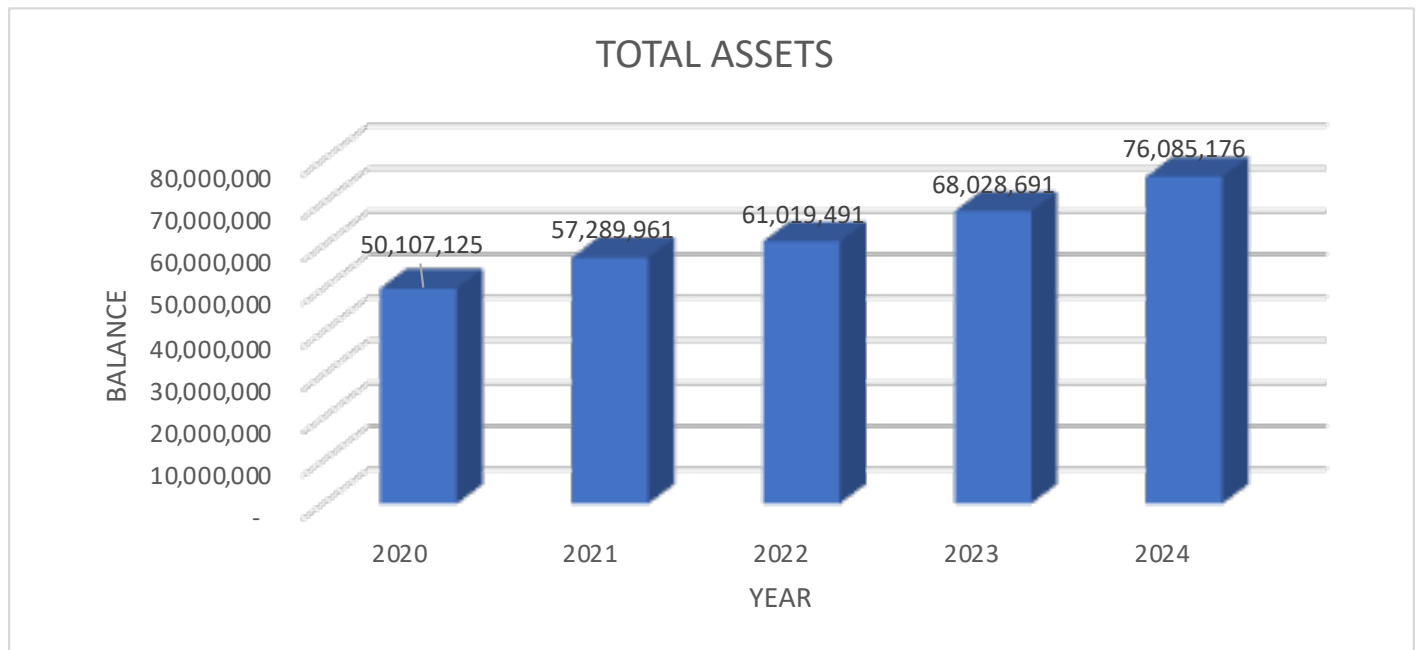
Janet Guerriea
Secretary

TREASURER'S REPORT

2024

BALANCE SHEET

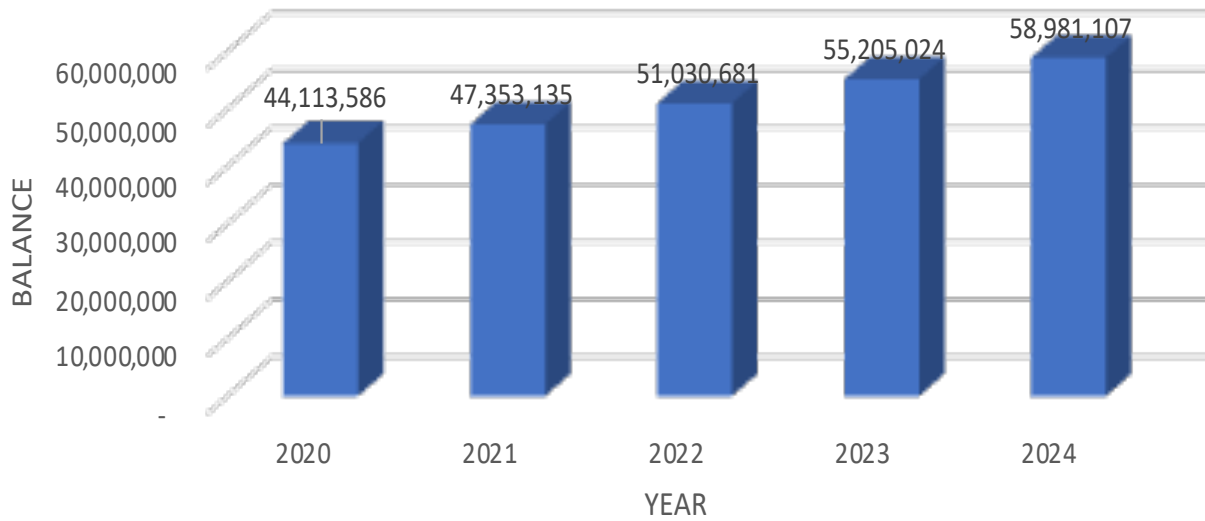
The Treasurer of the Bahama Islands Co-operative Credit Union (BICCU) reports that 2024 has been a year where our credit union experienced an increase in assets. Our total assets are now above the \$70 million milestone and stood at \$76,085,176 at the end of December 2024. That represented an increase of 11.8% from December 2023 total assets figure of \$68,028,691.



In December 2024, the Credit Union entered into a loan agreement with Bahamas Cooperative League Limited (BCLL) in the amount of \$5,340,398. Of that amount, \$3,495,545 was new funds and \$1,844,853 was a repayment of the existing loan. The loan's purpose was an infusion of cash to ensure that the Credit Union's operating liquidity was within standard guidelines.

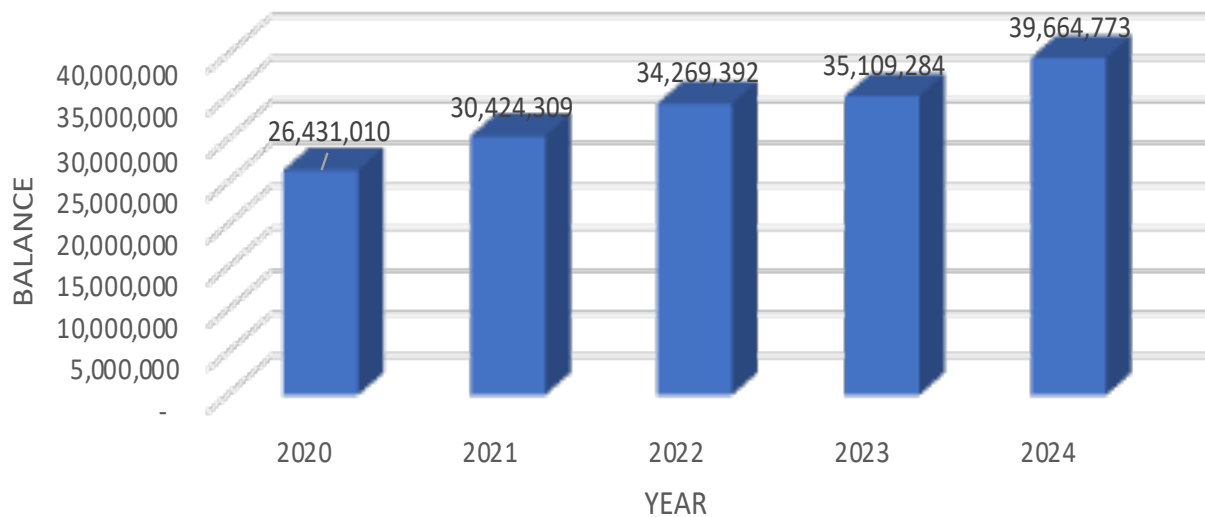
We experienced growth in both the member deposits and the loan portfolio during the year. At the end of December 2024, total member deposits in the Credit Union were \$58,981,107 compared to the balance as of December 2023 of \$55,205,024, which represented a growth of 7%.

TOTAL DEPOSITS



Our net loans portfolio grew at a rate of 13% when comparing December 2024 balance of \$39,664,773 to December 2023 balance of \$35,109,284.

NET LOANS



INCOME STATEMENT

BICCU recorded a net income of \$639,713 for the year ending December 31st, 2024. This was approximately a 59% decrease from the prior year's results. The Board and management continue to place an emphasis on profitability to ensure the sustainability of the Credit Union.

The Credit Union experienced a decrease in recoveries of 4% from \$869,137 in 2023 to \$835,294 in 2024. Loan impairment provisioning increased by 140% from \$423,545 in 2023 to \$1,017,392 in 2024.

There were increases in both interest income and interest expense. 'Interest Income' increased over the prior year by \$124,739 or 3% and 'Interest Expense' had an increase of \$81,306 or 7%.

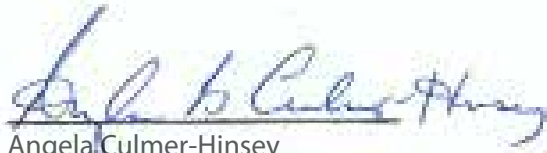
There was an increase in staff expenses from \$1,038,671 in 2023 to \$1,083,550 in 2024. This increase was due to salary increases and the hiring of key personnel.

We will continue to monitor our non-interest income and operating expense lines to ensure that they are kept in line with our expectations.

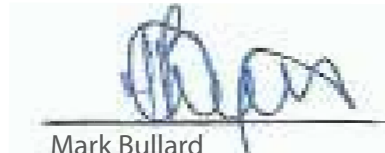
The way forward....

The Board understands the need for BICCU to remain a viable entity, so we will continue to push for adding quality loans to the books, making sound investment decisions, controlling delinquencies and maintaining control of our operating expenses.

We continue in "building a better tomorrow, one member at a time".



Angela Culmer-Hinsey
Treasurer



Mark Bullard
Assistant Treasurer

*BAHAMA ISLANDS CO-OPERATIVE
CREDIT UNION LIMITED*

FINANCIAL STATEMENTS

31 DECEMBER 2024

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

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REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

Opinion

We have audited the accompanying financial statements of Bahama Islands Co-Operative Credit Union Limited ("the Credit Union") which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bahama Islands Co-Operative Credit Union Limited as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements as at 31 December 2024. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and the auditors do not provide a separate opinion on these matters. We have determined that there are no such matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual General Meeting (AGM) Booklet, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (cont)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditors' responsibilities for the audit of the financial statements is located in an Appendix to this report. This description forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Clifford Culmer.

BDO

Chartered Accountants
Nassau Bahamas
25 April 2025

APPENDIX TO THE AUDITORS' REPORT

Detailed Description of Our Responsibilities

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine, as applicable, those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(Expressed in Bahamian Dollars)

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
ASSETS			
Cash and cash equivalents	5(a)	8,340,267	6,119,169
Deposits with banks and other institutions	5(b)	4,569,403	4,515,491
Deposits with the League	6	13,574,076	12,806,547
Other receivables and prepayments	7	1,532,680	1,011,507
Financial investments	8	1,169,500	1,154,660
Loans receivable, net	9	39,664,773	35,109,284
Investment properties	10	4,992,000	4,992,000
Property and equipment, net	11	<u>2,242,477</u>	<u>2,320,033</u>
		<u>\$76,085,176</u>	<u>\$68,028,691</u>
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Accounts payable and accrued expenses	12	242,486	163,134
Members' deposits	13	58,981,107	55,205,024
Borrowings	14	<u>5,299,391</u>	<u>1,803,846</u>
		<u>64,522,984</u>	<u>57,172,004</u>
MEMBERS' EQUITY			
	15		
Qualifying shares		1,995,200	1,889,000
Statutory reserve fund		4,365,675	4,365,675
Fair value reserve		138,165	124,525
Donated capital		112,200	91,000
Retained earnings		<u>4,950,952</u>	<u>4,386,487</u>
		<u>11,562,192</u>	<u>10,856,687</u>
		<u>\$76,085,176</u>	<u>\$68,028,691</u>

The statements were approved by the board of directors and authorised for issue on 25 April 2025 and are signed on its behalf by:

	
Director	Director

The notes on pages 42 to 85 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
FINANCE INCOME			
Loan interest income	16	3,776,769	3,652,030
Investment interest income	16	<u>346,461</u>	<u>312,072</u>
		<u>4,123,230</u>	<u>3,964,102</u>
FINANCE COST			
Deposit interest expense	16	1,264,066	1,182,760
Borrowings	16	<u>61,020</u>	<u>79,742</u>
		<u>1,325,086</u>	<u>1,262,502</u>
NET FINANCE INCOME BEFORE PROVISION FOR LOAN LOSSES		2,798,144	2,701,600
(Provision for)/recovery of loan losses	9	<u>(224,703)</u>	<u>478,376</u>
NET FINANCE INCOME		2,573,441	3,179,976
Non-interest income	17	<u>1,031,534</u>	<u>1,017,881</u>
		<u>3,604,975</u>	<u>4,197,857</u>
OPERATING EXPENSES			
Personnel	18	1,580,918	1,448,727
Occupancy	19	483,897	417,494
Members' security	20	309,348	252,201
General business	21	281,110	256,298
Organisational	22	133,171	138,651
Computer costs	23	129,391	107,385
Marketing	24	<u>47,427</u>	<u>20,973</u>
		<u>2,965,262</u>	<u>2,641,729</u>
NET INCOME FOR THE YEAR		639,713	1,556,128
OTHER COMPREHENSIVE INCOME			
Fair value gain on investments		<u>13,640</u>	<u>34,445</u>
TOTAL COMPREHENSIVE INCOME		<u>\$653,353</u>	<u>\$1,590,573</u>

The notes on pages 42 to 85 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Qualifying shares</u>	<u>Statutory reserve fund</u>	<u>Fair value reserve</u>	<u>Donated capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
1 January 2023	1,776,400	3,365,675	90,080	78,600	3,901,175	9,211,930
Additional membership	125,000	--	--	--	--	125,000
Transfer to donated capital	(12,400)	--	--	12,400	--	--
Dividend paid	--	--	--	--	(70,816)	(70,816)
Retained earnings appropriations	--	1,000,000	--	--	(1,000,000)	--
Comprehensive income						
Net income for the year	--	--	--	--	1,556,128	1,556,128
Other comprehensive gain						
Fair value gain on investment	=	=	<u>34,445</u>	=	<u>--</u>	<u>34,445</u>
Total comprehensive income	<u>--</u>	<u>--</u>	<u>34,445</u>	<u>--</u>	<u>1,556,128</u>	<u>1,590,573</u>
31 December 2023	1,889,000	4,365,675	124,525	91,000	4,386,487	10,856,687
Additional membership	127,400	--	--	--	--	127,400
Transfer to donated capital	(21,200)	--	--	21,200	--	--
Dividend paid	--	--	--	--	(75,248)	(75,248)
Comprehensive income						
Net income for the year	--	--	--	--	639,713	639,713
Other comprehensive income						
Fair value gain on investment	=	=	<u>13,640</u>	=	<u>--</u>	<u>13,640</u>
Total comprehensive income	<u>--</u>	<u>--</u>	<u>13,640</u>	<u>--</u>	<u>639,713</u>	<u>653,353</u>
31 December 2024	<u>\$1,995,200</u>	<u>\$4,365,675</u>	<u>\$138,165</u>	<u>\$112,200</u>	<u>\$4,950,952</u>	<u>\$11,562,192</u>

The notes on pages 42 to 85 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u> \$	<u>2023</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	639,713	1,556,128
Adjustment for items not involving the movement of cash:		
Interest income	(4,123,230)	(3,964,102)
Interest expense	1,325,086	1,262,502
Depreciation	149,790	142,263
Provision for loan losses	<u>1,017,392</u>	<u>423,545</u>
Operating loss before working capital changes	(991,249)	(579,664)
Increase in loans receivable	(5,564,623)	(1,310,048)
Increase in other receivables and prepayments	(521,173)	(88,971)
Increase in members' deposits	3,745,255	4,116,805
Increase/(decrease) in accounts payable and accrued expenses	79,352	(139,112)
Interest received	4,114,972	4,010,713
Interest paid	<u>(1,294,258)</u>	<u>(1,204,964)</u>
Net cash (used)/provided by operating activities	<u>(431,724)</u>	<u>4,804,759</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in deposits with banks and other institutions	(53,912)	(2,551,910)
Increase in deposits with League	(767,529)	(1,593,915)
Proceeds from disposal of financial investments	--	40,000
Acquisition of shares in the League	(1,200)	(1,200)
Purchase of property and equipment	<u>(72,234)</u>	<u>(69,445)</u>
Net cash used by investing activities	<u>(894,875)</u>	<u>(4,176,470)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	5,340,398	3,000,000
Borrowings paid	(1,844,853)	(1,670,788)
Dividend paid	(75,248)	(70,816)
Issuance of members' shares	<u>127,400</u>	<u>125,000</u>
Net cash provided by financing activities	<u>3,547,697</u>	<u>1,383,396</u>
Net increase in cash and cash equivalents	2,221,098	2,011,685
Cash and cash equivalents at beginning of the year	<u>6,119,169</u>	<u>4,107,484</u>
Cash and cash equivalents at end of the year	<u><u>\$8,340,267</u></u>	<u><u>\$6,119,169</u></u>

The notes on pages 42 to 85 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. INCORPORATION AND ACTIVITIES

Bahama Islands Co-operative Credit Union Limited (Formerly Paradise Island Resorts & Casino Co-operative Credit Union) (“BICCU”) (the “Credit Union”) was registered on 28 May 1986 under the provisions of the Commonwealth of The Bahamas Co-operative Societies Act, 1974 (the “Act”).

Membership consists of persons not less than 16 years of age who are employed in the Bahamas.

The principal objectives of the Credit Union are as follows:

- To promote the economic interests of its members in accordance with co-operative principles;
- To promote thrift among its members by affording them an opportunity to accumulate their savings; and
- To create a source of credit to members for provident and productive purposes.

The Credit Union’s registered office is located at Rosetta & Patton Streets, Nassau, The Bahamas.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements are prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB).

Basis of measurement

The financial statements have also been prepared under the historical cost convention as modified by the revaluation of investments at market value.

Judgement and estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards issued by the IASB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results can differ from estimates.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2. BASIS OF PREPARATION (cont)

Judgement and estimates (cont)

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- The determination of impairment of member loans; assessing whether credit risk on the financial assets has increased significantly since initial recognition; and the incorporation of forward-looking information into the measurement of the expected credit loss (“ECL”) (Note 9).
- The fair value measurement of the Credit Union’s investment properties and the determination of the market observable inputs and data utilized (Note 10).

3. MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks and short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

Fixed deposits

Fixed deposits represent deposit at banks with original maturities of more than 90 days. These deposits are recognised in the statement of financial position at amortised cost using the effective interest method.

Investment properties

Investment properties consist of properties that are held to earn rentals and/or for capital appreciation and are not occupied by the Credit Union. Investment properties are measured initially and at cost until 2020, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (cont)

Investment properties (cont)

During 2021, the Credit Union changed its measurement basis to fair value. The change in accounting policy is reflected in the 2021 opening retained earnings. Subsequent gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which it arises.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Costs include expenditures that are directly related to the acquisition of the asset. Depreciation is recorded on the straight-line basis over the following estimated useful lives of the respective assets:

Buildings	25 years
Furniture and equipment	3 to 10 years
Computer hardware and software	3 to 10 years
Automated Teller Machine	7 years
Vehicles	5 years

Expenses incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period when the costs are incurred.

In a situation where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalised as an addition to the cost of property and equipment.

When assets are retired or otherwise disposed of, the costs and related accumulated depreciation and amortisation are removed from the accounts and any resulting gain or loss is credited or charged to operations.

Financial assets and financial liabilities

Recognition and initial measurement

All financial assets and financial liabilities are recognised on the trade date, which is the date on which the Credit Union becomes a party to the contractual provisions of the instrument.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (cont)

Financial assets and financial liabilities (cont)

Recognition and initial measurement (cont)

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (“SPPI”)

The Credit Union’s financial assets measured at amortised cost include cash and cash equivalents, deposits with banks and other institutions, deposits with the League, other receivables and prepayments and loans receivable. The Credit Union’s investments in Bahamas Government Registered Stock (BGRS) are measured at amortised cost. These financial assets are held to collect contractual cash flows.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Credit Union may irrevocably elect to present subsequent changes in fair value through OCI. This election is made on an investment-by-investment basis.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (cont)

Financial assets and financial liabilities (cont)

Financial assets - classification and subsequent measurement (cont)

The Credit Union's financial assets measured at FVOCI include investments in marketable securities which are held to earn interest and gains on sale. Investments in equities were irrevocably designated to be measured at FVOCI.

The Credit Union does not have financial assets measured at FVTPL during the year.

Financial liabilities – classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

- The Credit Union does not have financial liabilities measured at FVTPL.

Financial liabilities at amortised cost:

- The Credit Union's financial liabilities include accounts payable and accrued expenses, member's deposits and borrowings which are measured subsequently at amortised cost using the effective interest rate method. Discounting, however, is omitted where the effect of discounting is immaterial.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (cont)

Impairment of assets

The Credit Union recognises loss allowances for Expected Credit Losses (“ECLs”) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

At each reporting date, the Credit Union assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Derecognition

The Credit Union derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Credit Union neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (cont)

Members' equity

Qualifying shares are the minimum shares required to become a member of the Credit Union as described in the Credit Union's Bye-Laws. Each member of the Credit Union is required to own a minimum of 1 share with a value of \$200 each. These shares entitled each member to 1 vote at the Annual General Meeting (AGM).

As per the Act, the Credit Union ceased the practice of allowing the withdrawal of Qualifying shares.

International Financial Reporting Interpretations Committee (IFRIC) 2 – Members' Shares in Co-operative Entities and Similar Instruments requires that the voluntary shares be classified as liabilities and that the dividends paid on these shares be classified as an expense, where there is no unconditional right of the Credit Union to refuse redemption, whether through legislation or through the Credit Union's own rules. In previous years, members of the Credit Union with no outstanding obligations due to the Credit Union can withdraw their qualifying shares upon request.

Statutory reserve fund is set up in accordance with the provisions of the Act. The proceeds of this reserve are to be deposited with the League.

Dividends on qualifying shares are recognised in equity in the period in which they are declared by the Credit Union's directors. Further, the payment of dividends is subject to the approval of members at the AGM.

Revenue and expenses recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is recognised when earned and expenses are recognised when incurred on an accrual basis.

Interest income and expense

Interest income and expense are recognised in the statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The Credit Union ceases to accrue interest on loans past due for 90 days or more.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (cont)

Revenue and expenses recognition (cont)

Loan origination fees

Loan origination fees are recovered from the customer for the arrangement of the loan and processing the applications. These are recognised as the committed loan is serviced to the customer.

Operating expenses

Operating expenses are recognised on the accrual basis in the statement of profit or loss and other comprehensive income.

Leases

The Credit Union as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease period and services provided as agreed in the rent agreement.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Credit Union pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution plan are recognised as an expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

The employer contributes 5% to 10% of the employees' salary each month to the pension. The employees' participation in the plan is voluntary.

The Credit Union's contributions is vested as follows:

<u>Years of service</u>	<u>Vested %</u>
Less than 1 year	0%
1 year but less than 2 years	20%
2 years but less than 3 years	40%
3 years but less than 4 years	60%
4 years but less than 5 years	80%
5 years or more	100%

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. NEW AND AMENDED STANDARDS

The Credit Union has adopted the following revised Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to the Credit Union’s operations and effective for the current accounting period.

Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

These amendments had no effect on the financial statements of the Credit Union.

Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the financial statements of the Credit Union.

Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. NEW AND AMENDED STANDARDS (cont)

Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements) (cont)

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Credit Union.

The following amended accounting standards and interpretations that have been issued, but are not mandatory for financial years ended 31 December 2024, are not expected to have a significant impact on the Credit Union in the period of initial application.

Effective for the period beginning 1 January 2025

Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Effective for the period beginning 1 January 2026

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments)

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. NEW AND AMENDED STANDARDS (cont)

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include:

- clarifying the application of the ‘own-use’ requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a Credit Union’s financial performance and cash flows.

Effective for the period beginning 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The Credit Union is currently assessing the impact of these amendments in the accounting standards. The Credit Union does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Credit Union.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. CASH AND CASH EQUIVALENTS AND OTHER DEPOSITS

a. Cash on hand and in banks

	Rate	<u>2024</u> \$	Rate	<u>2023</u> \$
Scotiabank (Bahamas) Limited				
Operating account		4,234,088		1,714,525
Payroll account		22,141		42,824
Fidelity Bank (Bahamas) Limited				
Business savings	0.00%	3,178,070	0.50%	3,887,338
Business checking		128,025		133,673
RBC Royal Bank (Bahamas) Limited		<u>362,144</u>		<u>56,542</u>
		7,924,468		5,834,902
Cash on hand and in ATM		<u>415,799</u>		<u>284,267</u>
		<u>\$8,340,267</u>		<u>\$6,119,169</u>

The Credit Union maintains a credit line of \$50,000 with Scotiabank (Bahamas) Limited. This facility bears interest at Nassau Prime plus 2.5% (effective interest rate of 7.25%), and is secured by the hypothecation of \$50,000 of the fixed deposit in Note 5(b).

b. Deposits with banks and other institutions

	Rate	<u>2024</u> \$	Rate	<u>2023</u> \$
Fidelity Bank (Bahamas) – term deposit	2.50%	2,500,000	2.00%	2,500,000
BAF Financial & Insurance	2.75%	2,017,739	2.75%	1,963,827
Scotiabank (Bahamas) – term deposit	0.08%	<u>51,664</u>	0.08%	<u>51,664</u>
		4,569,403		4,515,491
Pledged as security		<u>(50,000)</u>		<u>(50,000)</u>
		<u>\$4,519,403</u>		<u>\$4,465,491</u>

Fidelity Bank (Bahamas) term deposit has an original maturity of 3 year and matures on 19 April 2026.

BAF Financial & Insurance is an annuity contract with no maturity date but will incur a penalty if surrendered within 3 years. Interest accrues at 5% for the first year and at a minimum guaranteed interest rate of Prime minus 2.2% thereafter.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. CASH AND CASH EQUIVALENTS AND OTHER DEPOSITS (cont)

b. Deposits with banks and other institutions (cont)

Scotiabank (Bahamas) term deposit has an original maturity of 1 year and matures on 14 March 2025 (2023: 14 March 2024), of which \$50,000 was pledged as security in Note 5(a).

6. DEPOSITS WITH THE LEAGUE

	Rate	<u>2024</u> \$	Rate	<u>2023</u> \$
Statutory reserve deposits				
Balance, beginning	1.44%	7,096,956	1.44%	6,256,491
Net deposits and other movements		350,000		745,000
Interest earned		<u>105,091</u>		<u>95,465</u>
Balance, ending		<u>7,552,047</u>		<u>7,096,956</u>
Liquidity reserve deposits				
Balance, beginning	1.44%	5,694,443	1.44%	4,942,783
Net deposits and other movements		225,000		675,000
Interest earned		<u>84,338</u>		<u>76,660</u>
Balance, ending		<u>6,003,781</u>		<u>5,694,443</u>
Other deposits, net				
Balance, beginning	1.00%	273,150	1.00%	119,843
Net deposits		8,153		151,516
Interest earned		<u>3,101</u>		<u>1,791</u>
Balance, ending		284,404		273,150
Assigned to unapplied deposits		(157,373)		(151,517)
Dormant accounts transferred		<u>(108,783)</u>		<u>(106,485)</u>
		<u>18,248</u>		<u>15,148</u>
		<u>\$13,574,076</u>		<u>\$12,806,547</u>

During 2024, the Credit Union transferred to the League a total of \$4,400 (2023: \$151,516) to the League representing the unapplied deposits.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. DEPOSITS WITH THE LEAGUE (cont)

Statutory reserves

Section 89 (1) of the Bye-Laws requires that annual amounts be transferred from retained earnings to the statutory reserves, before the payment of dividends. The proceeds of this reserve are held at the League.

The (shortfall)/surplus in the statutory deposits with the League are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Statutory reserve deposits	7,552,047	7,096,956
Less: requirement (10% of total assets)	<u>(7,608,518)</u>	<u>(6,802,869)</u>
	<u><u>\$ (56,471)</u></u>	<u><u>\$ 294,087</u></u>

Statutory reserve deposits shall remain with the League and shall only be withdrawn for purposes stated in the Act.

On 9 January 2025, subsequent to year end, the Credit Union transferred \$200,000 to the League to cover for the shortfall.

Liquidity reserves

Section 65(2)(4) of the Act requires the Credit Union to ensure that not less than 10% of its members deposits are kept in a liquidity reserve deposit and that a corresponding amount be deposited and administered by the League. The surplus/(deficit) in the liquidity reserves are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Liquidity reserve deposits	6,003,781	5,694,443
Less: requirement (10% of members' deposit)	<u>(5,898,111)</u>	<u>(5,520,502)</u>
	<u><u>\$ 105,670</u></u>	<u><u>\$ 173,941</u></u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. OTHER RECEIVABLES AND PREPAYMENTS

	<u>2024</u>	<u>2023</u>
	\$	\$
Members' payroll deductions receivable	1,220,039	825,180
Other receivables	176,841	136,050
Prepaid expenses	134,831	71,448
Accrued investments income	<u>124,075</u>	<u>62,698</u>
	1,655,786	1,095,376
Allowance for bad debts	<u>(123,106)</u>	<u>(83,869)</u>
	<u>\$1,532,680</u>	<u>\$1,011,507</u>

The movement of the allowance for bad debts follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	83,869	116,653
Write-off	(3,368)	--
Provision/(recovery) for the year	<u>42,605</u>	<u>(32,784)</u>
Balance, ending	<u>\$123,106</u>	<u>\$83,869</u>

8. FINANCIAL INVESTMENTS

Financial investments comprised of the following:

	<u>2024</u>	<u>2023</u>
	\$	\$
Marketable securities	319,500	304,660
BGRS	<u>850,000</u>	<u>850,000</u>
	<u>\$1,169,500</u>	<u>\$1,154,660</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8. FINANCIAL INVESTMENTS (cont)

Marketable securities

The Credit Union's investments in securities are ranked into Levels 1 to 3, based on the degree to which the fair value is observable:

Level 1 - Fair value measures are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	<u>Fair Value Level</u>	Level 3	Total
	\$	Level 2	\$	\$
		\$		
2024				
Marketable securities	\$278,090	\$--	\$41,410	\$319,500
	=====	==	=====	=====
2023				
Marketable securities	\$264,450	\$--	\$40,210	\$304,660
	=====	==	=====	=====

Marketable securities are comprised of the following:

	<u>Number of</u>	<u>Cost</u>	<u>Market</u>
	<u>shares</u>	\$	<u>Value</u>
			\$
2024			
Freeport Oil Holdings Company Ltd.	12,000	120	76,800
Commonwealth Bank Limited	13,500	90	68,040
Fidelity Bank (Bahamas) Limited	500	150	8,250
Cable Bahamas Limited (6.25%)	125	125,000	125,000
The Bahamas Co-operative League Limited	804	<u>41,410</u>	<u>41,410</u>
		\$166,770	\$319,500
		=====	=====

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8. FINANCIAL INVESTMENTS (cont)

	<u>Number of shares</u>	<u>Cost</u> \$	<u>Market Value</u> \$
2023			
Freeport Oil Holdings Company Ltd.	4,000	120	57,000
Commonwealth Bank Limited	13,500	90	73,575
Fidelity Bank (Bahamas) Limited	500	150	8,875
Cable Bahamas Limited (6.25%)	125	125,000	125,000
The Bahamas Co-operative League Limited	804	<u>40,210</u>	<u>40,210</u>
		\$165,570	\$304,660
		=====	=====

BGRS

BGRS earned interest during the year at 4.00% to 5.00% (2023: 4.25% to 5.00%), and mature as noted below:

<u>Year of maturity</u>	<u>2024</u> \$	<u>2023</u> \$
2026	350,000	350,000
2028	250,000	250,000
2038	<u>250,000</u>	<u>250,000</u>
	\$850,000	\$850,000
	=====	=====

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

9. LOANS RECEIVABLE, NET

Summary of classification of loans receivable is as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Consumer	24,036,915	19,856,011
Construction and real estate	15,646,606	14,971,480
Motor vehicle	1,141,273	959,149
Business	<u>44,942</u>	<u>49,083</u>
	40,869,736	35,835,723
Accrued interest	<u>181,255</u>	<u>172,997</u>
	41,050,991	36,008,720
Allowance for doubtful loans	<u>(1,386,218)</u>	<u>(899,436)</u>
Total loans to members	<u>\$39,664,773</u>	<u>\$35,109,284</u>

Summary of changes in the loans receivable:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	35,835,723	35,755,136
Loans disbursed during the year	13,097,004	7,825,618
Loans paid during the year	(7,532,381)	(6,515,570)
Loans written off during the year	<u>(530,610)</u>	<u>(1,229,461)</u>
	40,869,736	35,835,723
Accrued interest	<u>181,255</u>	<u>172,997</u>
	41,050,991	36,008,720
Allowance for doubtful loans	<u>(1,386,218)</u>	<u>(899,436)</u>
Total net loans to members	<u>\$39,664,773</u>	<u>\$35,109,284</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

9. LOANS RECEIVABLE, NET (cont)

Summary of changes in allowance for doubtful loans:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	899,436	1,705,352
Increase in provision during the year	1,017,392	423,545
Loans written off during the year	<u>(530,610)</u>	<u>(1,229,461)</u>
Balance, ending	<u>\$1,386,218</u>	<u>\$899,436</u>
Provision for the year	1,017,392	423,545
Recoveries of bad debts	<u>(835,294)</u>	<u>(869,137)</u>
	182,098	(445,592)
Provision/(recoveries) of bad debts – other assets (Note 7)	<u>42,605</u>	<u>(32,784)</u>
Loan losses/(recovery)	<u>\$224,703</u>	<u>\$(478,376)</u>

Loans to members are partially collateralised by the members' deposits.

The Credit Union adopted the ECL Model and categorised its loans into Stage 1, Stage 2 and Stage 3, as described below:

A. Definition:

Stage 1: When loans are first recognised, the Credit Union recognises an allowance based on 12-month ECLs. Stage 1 also represents loans that are performing and have not had a significant increase in credit risk since initial recognition.

Stage 2: This represents loans that have had a significant increase in credit risk since initial recognition, and hence are under-performing, but do not have objective evidence of impairment.

Stage 3: This represents loans that have objective evidence of impairment and hence are non-performing or credit impaired.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

9. LOANS RECEIVABLE, NET (cont)

B. Stage movement criteria:

Stage 1: All member loans are initially categorized as Stage 1.

A loan instrument remains in Stage 1 if it is not more than 90 days in arrears. In the event of breaching the 30-day period, the loan instrument will be categorised as Stage 2.

Transfers between stages are intended to be symmetrical in the sense that, given a Stage 2 asset, if the credit quality of the asset sufficiently improves, it should be transferred to Stage 1.

Stage 2: The transfer of assets from Stage 1 and Stage 2, and vice-versa, is determined on the basis of the period the loan instrument is in arrears. The loan instrument will continue to be categorized as Stage 2 up to 90 days in arrears. Upon breaching the 90-day period, the loan instrument will be categorised as Stage 2.

Stage 3: The transfer of assets from Stage 2 to Stage 3 is based on whether the asset has been established as credit-impaired. The period determined for the loan instrument to be categorised as Stage 3 is more than 90 days in arrears.

C. ECL methodology:

Stage 1: The impairment is estimated based on the expected losses over the expected life of the member loans arising from default events occurring in the next 12 months (Annual ECL).

Stages 2 and 3:

Impairment is estimated based on the expected losses over the expected life of member loans arising from default events occurring in the lifetime of the instrument (Lifetime ECL).

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

9. LOANS RECEIVABLE, NET (cont)

D. Assessment:

Loans are individually assessed based on the above criteria.

E. Application of ECL methodology:

The Credit Union develops ECL rates for loans in Stages 1 to 3 based on the delinquency history and loss experiences on the member loans with the consideration of economic conditions.

F. Key forward-looking information:

The Credit Union considers economic factors like GDP, employment rate, and interest rates in determining the loss rates.

The Credit Union calculates ECLs to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL per loan stage is summarised below:

	<u>Number of accounts</u>	<u>Loan balance</u> \$	<u>Value of security</u> \$	<u>Unsecured balance</u> \$	<u>Expected credit loss</u> \$
<u>2024</u>					
Stage 1	2,314	38,081,533	27,304,764	10,776,769	309,353
Stage 2	160	1,440,028	591,018	849,010	73,333
Stage 3	<u>178</u>	<u>1,348,175</u>	<u>279,871</u>	<u>1,068,304</u>	<u>1,003,532</u>
	<u>2,652</u>	<u>\$40,869,736</u>	<u>\$28,175,653</u>	<u>\$12,694,083</u>	<u>\$1,386,218</u>
	<u>Number of accounts</u>	<u>Loan balance</u> \$	<u>Value of security</u> \$	<u>Unsecured balance</u> \$	<u>Expected credit loss</u> \$
<u>2023</u>					
Stage 1	2,330	34,846,410	24,598,202	10,248,208	377,978
Stage 2	29	169,193	45,252	123,941	13,772
Stage 3	<u>111</u>	<u>820,120</u>	<u>253,020</u>	<u>567,100</u>	<u>507,686</u>
	<u>2,470</u>	<u>\$35,835,723</u>	<u>\$24,896,474</u>	<u>\$10,939,249</u>	<u>\$899,436</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

10. INVESTMENT PROPERTIES

2024

	<u>Lands</u> \$	<u>Building</u> \$	<u>Total</u> \$
Fair value, 1 January 2024 and 31 December 2024	\$3,749,675 =====	\$1,242,325 =====	\$4,992,000 =====

2023

	<u>Lands</u> \$	<u>Building</u> \$	<u>Total</u> \$
Fair value, 1 January 2023 and 31 December 2023	\$3,749,675 =====	\$1,242,325 =====	\$4,992,000 =====

During 2021, the Credit Union elected to remeasure its investment properties at fair value as management believes that it is a more appropriate presentation. Fair value is determined by applying the sales comparison approach, an estimate of value by comparing recent sales of similar properties in the surrounding or competing area, and investment method, an estimate which determines the value of an interest in property by the capitalisation of actual or estimated net rental income. Discount rates, expected vacancy rates, and rental growth rates are estimated by an external expert based on comparable transactions and industry data.

In 2024, independent valuers that hold professional qualification and have recent experience in the area assessed the fair value of the investment properties as at 31 December 2024. The fair value of the investment properties had been adjusted for purposes of financial statements to arrive at management's highest and best use estimate as at 31 December 2024.

The fair value of the investment properties is categorised as a level 3 recurring fair value measurement.

Management intends to assess the fair value of the investment properties at regular intervals.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. PROPERTY AND EQUIPMENT, NET

2024

	<u>Land</u>	<u>Buildings</u>	<u>Furniture and equipment</u>	<u>Computer hardware and software</u>	<u>Automated teller machine</u>	<u>Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
COST							
1 January 2024	525,665	2,251,898	266,834	236,073	52,426	29,595	3,362,491
Additions	--	29,034	8,671	34,529	--	--	72,234
31 December 2024	<u>525,665</u>	<u>2,280,932</u>	<u>275,505</u>	<u>270,602</u>	<u>52,426</u>	<u>29,595</u>	<u>3,434,725</u>
DEPRECIATION							
1 January 2024	--	567,480	240,649	171,033	33,701	29,595	1,042,458
Charge for the year	--	92,959	15,637	33,705	7,489	--	149,790
31 December 2024	--	<u>660,439</u>	<u>256,286</u>	<u>204,738</u>	<u>41,190</u>	<u>29,595</u>	<u>1,192,248</u>
NET BOOK VALUE							
31 December 2024	<u>\$525,665</u>	<u>\$1,620,493</u>	<u>\$19,219</u>	<u>\$65,864</u>	<u>\$11,236</u>	<u>\$--</u>	<u>\$2,242,477</u>
31 December 2023	<u>\$525,665</u>	<u>\$1,684,418</u>	<u>\$26,185</u>	<u>\$65,040</u>	<u>\$18,725</u>	<u>\$--</u>	<u>\$2,320,033</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. PROPERTY AND EQUIPMENT, NET (cont)

2023

	<u>Land</u> \$	<u>Buildings</u> \$	<u>Furniture and equipment</u> \$	<u>Computer hardware and software</u> \$	<u>Automated teller machine</u> \$	<u>Vehicles</u> \$	<u>Total</u> \$
COST							
1 January 2023	525,665	2,235,713	266,834	182,813	52,426	29,595	3,293,046
Additions	—	16,185	—	53,260	—	—	69,445
31 December 2023	<u>525,665</u>	<u>2,251,898</u>	<u>266,834</u>	<u>236,073</u>	<u>52,426</u>	<u>29,595</u>	<u>3,362,491</u>
DEPRECIATION							
1 January 2023	—	475,539	226,478	142,371	26,212	29,595	900,195
Charge for the year	—	91,941	14,171	28,662	7,489	—	142,263
31 December 2023	—	<u>567,480</u>	<u>240,649</u>	<u>171,033</u>	<u>33,701</u>	<u>29,595</u>	<u>1,042,458</u>
NET BOOK VALUE							
31 December 2023	<u>\$525,665</u>	<u>\$1,684,418</u>	<u>\$26,185</u>	<u>\$65,040</u>	<u>\$18,725</u>	<u>\$—</u>	<u>\$2,320,033</u>
31 December 2022	<u>\$525,665</u>	<u>\$1,760,174</u>	<u>\$40,356</u>	<u>\$40,442</u>	<u>\$26,214</u>	<u>\$—</u>	<u>\$2,392,851</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

12. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>2024</u>	<u>2023</u>
	\$	\$
Accounts payable	77,097	8,102
Accrued expenses	65,490	71,951
Stale dated cheques	67,203	66,691
Tenants deposit	15,000	15,000
Unapplied receipts	11,210	1,056
Other payables	<u>6,486</u>	<u>334</u>
	<u>\$242,486</u>	<u>\$163,134</u>

13. MEMBERS' DEPOSITS

	<u>Rates</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Regular deposits	2.00%	34,113,963	28,533,688
Other deposits			
Retirement savings	3.25% - 4.25%	11,926,545	10,423,379
Certificate of deposits	2.50% - 4.25%	7,280,586	6,996,563
Kall Accounts		2,791,424	684,379
Kids accounts	2.00%	904,573	891,618
Deposit accrued interest		784,998	754,170
Educational savings	3.00% - 4.25%	657,921	764,186
Vacation club deposits		184,252	123,814
Debit card accounts		125,994	151,857
Group insurance		88,620	92,195
School fee deposits		77,636	73,545
Master card accounts		26,974	51,692
Bill paying accounts		16,279	19,829
Business accounts		1,157	1,227
Mortgage escrow accounts		185	--
Christmas club accounts	2.25%	<u>--</u>	<u>5,642,882</u>
		<u>\$58,981,107</u>	<u>\$55,205,024</u>

Effective 31 December 2024, the members Christmas club account balances are automatically transferred to the members Kall Accounts unless otherwise specified.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. MEMBERS' DEPOSITS (cont)

Deposits may be transferred to another member or anyone eligible for membership with the consent of the Board of Directors. Deposits may be withdrawn in whole or in part by the member; however, the Board of Directors reserves the right at any time to require a member to give notice not exceeding 6 months, provided that no member may withdraw any deposits below the amount of his total liability to the Credit Union without approval of the Board of Directors.

14. BORROWINGS

Borrowings are comprised of the following:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	1,803,846	474,634
Additional loan	5,340,398	3,000,000
Repayments	<u>(1,844,853)</u>	<u>(1,670,788)</u>
	<u>\$5,299,391</u>	<u>\$1,803,846</u>

These are broken down as follows:

Current portion	669,445	498,697
Long-term portion	<u>4,629,946</u>	<u>1,305,149</u>
	<u>\$5,299,391</u>	<u>\$1,803,846</u>

Teachers and Salaried Workers Co-Operative Credit Union Loan

The Credit Union entered into a loan agreement with Teachers and Salaried Workers Co-operative Credit Union Limited to borrow \$2,450,000 on 7 February 2017 for a period of 7 years. Principal and interest are to be repaid in 85 monthly instalments of \$35,307, payable at the end of each month.

The purpose of the loan was to acquire new office facilities, which the Credit Union relocated in 2017. The facility was secured by a first demand legal mortgage over land and building, which is located in the Palmdale Subdivision, Corner of Rosetta & Patton Streets, Eastern District, New Providence.

The facility matured and was fully repaid in 2024.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14. BORROWINGS (cont)

The Bahamas Co-operative League Limited Loan

On 10 December 2024, the Credit Union entered another agreement with the League to consolidate the balance of the previous loan into a new loan of \$5,340,398 bearing 4.00% fixed interest rate and payable monthly in 84 equal monthly installments of \$72,436. The new loan was also intended as an infusion to the Credit Union's current operating liquidity. The Credit Union made an advance payment of \$41,007 in 2024.

The loan is secured by the deposits held by the League for the Credit Union as disclosed in Note 6.

15. QUALIFYING SHARES AND OTHER RESERVE

a. Qualifying shares

The movements in qualifying shares during the year are comprised of the following:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	1,889,000	1,776,400
Issued during the year	127,400	125,000
Transfer to donated capital	<u>(21,200)</u>	<u>(12,400)</u>
	<u>\$1,995,200</u>	<u>\$1,889,000</u>

Shares in the Credit Union entitle each member 1 vote at the AGM. At 31 December 2024, the Credit Union had 9,976 members (2023: 9,445 members).

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15. QUALIFYING SHARES AND OTHER RESERVE (cont)

b. Statutory reserve fund

The movements in statutory reserve fund during the year are comprised of the following:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	4,365,675	3,365,675
Appropriation	<u>—</u>	<u>1,000,000</u>
Balance, ending	<u>\$4,365,675</u>	<u>\$4,365,675</u>

The Act requires that the Credit Union deposit with the League an amount equal to the statutory reserve fund. As at 31 December 2024, the Credit Union has deposited a total of \$7,552,047 (2023: \$7,096,956) with the League, which represents an excess of \$3,186,372 (2023: \$2,731,281).

The Act further requires that the Credit Union keep its statutory reserves, retained earnings and equity shares at no stage less than 10.00% of its total assets except during the phase in period as permitted by the regulations. The funds may be withdrawn by the Credit Union to meet emergency cash requirements in accordance with the policies established for the operation of the fund. The total of the statutory reserves, retained earnings, qualifying shares and donated capital of \$11,424,027 (2023: \$10,732,162) is above the minimum 10.00% total assets requirement by \$3,815,509 or 15.01% of total assets (2023: \$3,929,293 or 15.78% of total assets).

c. Fair value reserve

The movements in fair value reserve comprise:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	124,525	90,080
Fair value gain	<u>13,640</u>	<u>34,445</u>
	<u>\$138,165</u>	<u>\$124,525</u>

This represents the accumulated unrealised gains arising on the revaluation of equity shares traded on the Bahamas International Stock Exchange.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15. QUALIFYING SHARES AND OTHER RESERVE (cont)

d. Donated capital

The movements in donated capital comprise:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning	91,000	78,600
Transfer from qualifying shares	<u>21,200</u>	<u>12,400</u>
	<u>\$112,200</u>	<u>\$91,000</u>

In a resolution passed at the 2019 AGM, the members approved that the qualifying shares are no longer redeemable as per the Credit Union Act, 2015. Shares of members withdrawing from the Credit Union are retained in the Members' Equity as donated capital.

e. Retained earnings

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance beginning	4,386,487	3,901,175
Dividend paid	(75,248)	(70,816)
Profit for the year	639,713	1,556,128
Transfer to Statutory Reserve	<u>—</u>	<u>(1,000,000)</u>
	<u>\$4,950,952</u>	<u>\$4,386,487</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

16. NET FINANCE INCOME BEFORE PROVISION FOR LOAN LOSSES

Net finance income before provision for loan losses comprises:

	<u>2024</u>	<u>2023</u>
	\$	\$
<i>Net interest on members operations</i>		
Interest earned on loan to members	3,776,769	3,652,030
Interest expense on members' deposit	<u>(1,264,066)</u>	<u>(1,182,760)</u>
	<u>2,512,703</u>	<u>2,469,270</u>
<i>Investment interest income</i>		
Statutory reserve deposits at the League	105,091	95,465
Liquidity reserve deposits with the League	84,338	76,660
Fixed deposits at the Bank	63,502	44,576
BAF Financial & Insurance (Bahamas) Ltd.	50,710	53,246
Bahamas Government Registered Stock	39,719	40,334
Other deposits at the League	<u>3,101</u>	<u>1,791</u>
	<u>346,461</u>	<u>312,072</u>
Interest expense on borrowings	<u>(61,020)</u>	<u>(79,742)</u>
	<u>\$2,798,144</u>	<u>\$2,701,600</u>

17. NON-INTEREST INCOME

	<u>2024</u>	<u>2023</u>
	\$	\$
Service charges	838,408	816,154
Rental income	90,000	90,000
Bill payment fees	53,138	54,467
Entrance fees	32,050	31,250
Dividends on equity investment	12,389	10,559
Other income	<u>5,549</u>	<u>15,451</u>
	<u>\$1,031,534</u>	<u>\$1,017,881</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. PERSONNEL

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries	1,161,974	1,110,175
Medical and pension	291,586	246,511
National insurance	47,736	48,278
Employee training and development	20,854	20,784
Other benefits	<u>58,768</u>	<u>22,979</u>
	<u>\$1,580,918</u>	<u>\$1,448,727</u>

19. OCCUPANCY

	<u>2024</u>	<u>2023</u>
	\$	\$
General maintenance	114,563	129,409
Depreciation – building	92,959	91,941
Business licence	75,565	--
Security	72,407	72,334
Insurance – building	70,515	61,335
Utilities	45,339	50,510
Property tax	<u>12,549</u>	<u>11,965</u>
	<u>\$483,897</u>	<u>\$417,494</u>

20. MEMBERS' SECURITY

	<u>2024</u>	<u>2023</u>
	\$	\$
Loans and savings insurance premium, net	256,336	227,783
Share insurance	<u>53,012</u>	<u>24,418</u>
	<u>\$309,348</u>	<u>\$252,201</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

21. GENERAL BUSINESS

	<u>2024</u>	<u>2023</u>
	\$	\$
Professional and legal fees	81,214	66,533
Telephone	44,869	43,361
Other general expense	26,266	32,312
Value added tax (VAT)	25,063	19,710
Debit card expenses	23,842	23,519
Stationery and supplies	21,046	21,142
Depreciation – furniture and fixtures	15,637	14,171
Bank charges	15,065	18,623
Insurance – office liabilities	9,205	9,122
Depreciation - ATM	7,489	7,489
Equipment maintenance	5,760	4,332
Motor vehicle maintenance	4,973	5,292
Insurance – motor vehicle	681	763
Reconciliation adjustments	<u>--</u>	<u>(10,071)</u>
	<u>\$281,110</u>	<u>\$256,298</u>

Reconciliation adjustments pertain to the general provision made by the Credit Union for the unknown and unreconciled debit balances in previous years. Reversals of the provision were made in 2023 due to the resolution of some of the balances.

22. ORGANISATIONAL

	<u>2024</u>	<u>2023</u>
	\$	\$
Board and committee meetings	90,911	93,867
Annual league dues, net	26,042	23,400
Annual general meeting	11,046	12,981
Board training	<u>5,172</u>	<u>8,403</u>
	<u>\$133,171</u>	<u>\$138,651</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. COMPUTER COSTS

	<u>2024</u>	<u>2023</u>
	\$	\$
Maintenance and supplies	95,686	78,723
Computer hardware – depreciation	24,645	19,132
Computer software – depreciation	<u>9,060</u>	<u>9,530</u>
	<u>\$129,391</u>	<u>\$107,385</u>

24. MARKETING

	<u>2024</u>	<u>2023</u>
	\$	\$
Advertising and promotions	35,275	16,371
Donations and gifts	<u>12,152</u>	<u>4,602</u>
	<u>\$47,427</u>	<u>\$20,973</u>

25. RELATED PARTY BALANCES AND TRANSACTIONS

Directors, committee members and staff members, including their family members, are classified as related parties and maintained the following balances and transactions with the Credit Union:

	<u>2024</u>	<u>2023</u>
	\$	\$
Directors and committee members:		
Loans including interest	1,435,796	590,172
Interest income	19,997	42,502
Shares and savings	1,282,873	1,314,862
Interest expense	5,418	16,213
Staff members:		
Loans including interest	799,028	416,900
Interest income	8,057	24,321
Shares and savings	810,992	758,308
Interest expense	3,118	12,085

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

25. RELATED PARTY BALANCES AND TRANSACTIONS (cont)

	<u>2024</u>	<u>2023</u>
	\$	\$
Family members:		
Loans including interest	180,583	149,699
Interest income	16,876	21,153
Shares and savings	767,736	724,697
Interest expense	1,857	13,088

Loans are generally granted in accordance with normal lending policies applicable to other members, (i.e. rates, terms, conditions, qualifying criteria, security, etc.) with the exception of loans to those staff members who are to receive preferential rates in their employment package and are included in loans receivable on the statement of financial position.

Shares and savings accounts are maintained under the same terms and conditions as accounts of other members (i.e. rate, terms, conditions, qualifying criteria, security, etc.) and are included in members' deposits and qualifying shares on the statement of financial position.

Key management remuneration and board and committee expenses are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Key management remuneration:		
Salaries and wages	531,609	546,653
Statutory and other costs	130,625	101,266
Board and committee expenses:		
Committee training	5,172	8,403
Allowance	87,900	90,250
Other	3,011	3,617

26. PENSION PLAN

The Credit Union has a defined contribution retirement plan ("the Plan") administered by a financial institution, as trustee, covering the Credit Union's regular employees. The employee's participation in the plan is voluntary. The Credit Union contributes an amount equivalent to 5.00% to 10.00% (2023: 5.00% to 6.00%) of the employees' annual salaries to the Plan. Total pension cost charged to operations amounted to \$77,219 (2023: \$49,065).

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

27. COMMITMENTS AND CONTINGENCIES

Litigation

The Credit Union is not currently involved in any actions arising from the normal course of business.

Credit card operations

The Credit Union is a party to an agreement between the League and Scotiabank (Bahamas) Limited (“Scotiabank”) with respect to the Credit Union’s issuance of credit cards to its members. As part of this agreement, the Credit Union indemnifies Scotiabank against credit losses by settling balances that become more than 90 days delinquent. The League is the intermediary where agreements and correspondence are done through them. The total balance outstanding on credit cards at the reporting date was \$34,494 (2023: \$159,254). As at 31 December 2024, there were delinquent credit cards with aggregate balance of \$3,101 (2023: \$63,888). Subsequent to year end, all mastercard balances owing to Scotiabank were paid off.

Dormant Accounts

Per the Bahamas Co-operative Credit Unions Act, 2015, where a deposit account is declared dormant, the Board shall transfer the account, interest and other sums due or standing to the member’s account to a special statutory reserve account in the Credit Union’s name. After a period of five years in the special reserve fund, the Board may transfer the dormant deposit account to the Central Bank of the Bahamas (“Central Bank”) which shall maintain a separate accounting record of all such accounts. The Credit Union has not yet transferred any dormant deposit account balance to the Central Bank since the first transfer for the dormant account to the reserves was made in 2018 and the statutory period in the fund is not complete. At the 31 December 2024 year-end, the Credit Union is holding dormant account balances amounting to \$108,783 (2023: \$106,485).

28. FINANCIAL RISK MANAGEMENT

By its nature, the Credit Union’s activities are principally related to the use of financial instruments. This will involve analysis, evaluation and management of some degree of risk or combination of risks. The Credit Union’s aims are, therefore, to achieve an appropriate balance between risks and return and minimise potential adverse effects on the Credit Union’s financial performance.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

The Board of Directors (the “Board”) is ultimately responsible for the establishment and oversight of the Credit Union’s risk management framework. The Credit Union’s risk management policies are designed to identify and analyse the risk faced by the Credit Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits by means of regularly generated reports. Risk management procedures are closely integrated into all key business processes. The Credit Union regularly reviews its risk management policies, procedures and systems to reflect recommendations and best practice, as well as changes in markets and products.

The Board, through the following committees, is responsible for monitoring compliance with the Credit Union’s risk management policies and procedures:

- *Supervisory Committee*

The Supervisory Committee oversees how management monitors compliance with the Credit Union’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Credit Union. This Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board.

- *Credit Committee*

The Credit Committee oversees the approval and disbursements of credit facilities to members. It is also primarily responsible for monitoring the quality of loan portfolio.

The Credit Union accepts deposits from members at agreed rates of interest and seeks to earn above average interest margins by investing these funds in high quality assets, as well as lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

These activities expose the Credit Union to a variety of financial risks, the most important risks are:

- Credit Risk
- Liquidity Risk
- Market Risk (including currency risk, interest rate risk and other price risk)

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Credit risk

Credit risk is the risk that borrowers or other counterparties will cause a financial loss for the Credit Union by failing to discharge their contractual obligations when they become due, and that any collateral provided does not cover the Credit Union's claims. Credit risk is the most important risk for the Credit Union's business. As a consequence of the Credit Union's mandate and resulting financial structure, credit risk arises principally from lending activities and are concentrated in loans to members.

For loans, credit decisions are primarily made by the Board of Directors, with some delegation of credit approval authority to the Credit Union's CEO and Loans Manager. There is a documented credit policy in place, which forms the basis for lending operations. The policy aims at maintaining a high quality loan portfolio, as well as enhancing the Credit Union's mission and strategy. The policy sets the basic criteria for acceptable risk and identifies risk areas that require special attention.

Additionally, the Credit Union is exposed to credit risk in its treasury activities, arising from financial assets that the Credit Union uses for investing its liquidity and managing currency and interest rate risks, as well as other market risks.

The Credit Union manages the levels of credit risk they undertake by placing limits on the amount of risk accepted in relation to any one borrower, or group of borrowers. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Exposure to credit risk is managed through regular analysis of the ability of the borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

The principal collateral types for loans are:

- Shares or deposits held at the Credit Union (except qualifying shares); and
- Charges over assets such as automobiles and premises.

Management monitors the fair value of collateral held during its review of the adequacy of the provision for credit losses.

Borrowers of the Credit Union are segmented into two internal classes, performing and nonperforming.

The maximum exposure to credit risk before collateral held or other credit enhancements on loans totaled \$40,869,736 (2023: \$35,835,723) as disclosed in Note 9.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Credit risk (cont)

For all other financial assets on the statement of financial position, the maximum exposure to credit risk is based on the net carrying amounts as reported in the statement of financial position. The Credit Union is also exposed to credit risk on credit card commitments and guarantees as disclosed in Note 27.

Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Credit Union will encounter difficulty in raising funds to meet its obligations and commitments associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Credit Union is exposed to daily calls on its available cash resources from general savings deposits, maturing loans draw-downs, guarantees, withdrawal of shares and operating commitments. The Credit Union does not maintain cash resources to meet all of these needs, as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The liquidity management process is monitored by the Manager and includes:

- Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of the Credit Union's source of funds which includes, cash and bank balances, items in the course of collection and investment maturities in order to determine their ability to meet its commitments;
- Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruptions to cash flow;
- Maintaining committed lines of credit with its Bankers and the League;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to liabilities; and
- Matching and mismatching of the maturities and interest rates of financial assets and financial liabilities. An unmatched position potentially enhances profitability, but can increase risk.

The table in the next page summarises the Credit Union's exposure to liquidity risk based on relevant contractual repayment obligations.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Liquidity risk (cont)

<u>2024</u>	<u>Within 3 Months \$</u>	<u>3 Months to 1 Year \$</u>	<u>Over 1 to 5 Years \$</u>	<u>Over 5 Years \$</u>	<u>Total \$</u>
Financial Assets:					
Cash and cash equivalents	8,340,267	--	--	--	8,340,267
Deposits with banks and other institutions	--	51,664	4,517,739	--	4,569,403
Deposits with the League	13,574,076	--	--	--	13,574,076
Other receivables	1,221,008	176,841	--	--	1,397,849
Financial investments	--	319,500	600,000	250,000	1,169,500
Loans receivable, net	<u>190,207</u>	<u>318,524</u>	<u>11,385,813</u>	<u>27,770,229</u>	<u>39,664,773</u>
	<u>23,325,558</u>	<u>866,529</u>	<u>16,503,552</u>	<u>28,020,229</u>	<u>68,715,868</u>
Financial Liabilities:					
Accounts payable and accrued expenses	242,486	--	--	--	242,486
Members' deposits	38,331,055	399,187	20,250,865	--	58,981,107
Borrowings	<u>164,863</u>	<u>504,582</u>	<u>3,779,254</u>	<u>850,692</u>	<u>5,299,391</u>
	<u>38,738,404</u>	<u>903,769</u>	<u>24,030,119</u>	<u>850,692</u>	<u>64,522,984</u>
Liquidity Gap	<u>\$(15,412,846)</u>	<u>\$(37,240)</u>	<u>\$(7,526,567)</u>	<u>\$27,169,537</u>	<u>\$4,192,884</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Liquidity Risk (cont)

<u>2023</u>	<u>Within 3 Months</u> \$	<u>3 Months to 1 Year</u> \$	<u>Over 1 to 5 Years</u> \$	<u>Over 5 Years</u> \$	<u>Total</u> \$
Financial Assets:					
Cash and cash equivalents	6,119,169	--	--	--	6,119,169
Deposits with banks and other institutions	--	51,664	4,463,827	--	4,515,491
Deposits with the League	12,806,547	--	--	--	12,806,547
Other receivables	804,009	136,050	--	--	940,059
Financial investments	--	304,660	600,000	250,000	1,154,660
Loans receivable, net	<u>186,601</u>	<u>295,774</u>	<u>11,434,044</u>	<u>23,192,865</u>	<u>35,109,284</u>
	<u>19,916,326</u>	<u>788,148</u>	<u>16,497,871</u>	<u>23,442,865</u>	<u>60,645,210</u>
Financial Liabilities:					
Accounts payable and accrued expenses	163,134	--	--	--	163,134
Members' deposits	36,266,725	337,444	18,600,855	--	55,205,024
Borrowings	<u>175,948</u>	<u>322,749</u>	<u>1,305,149</u>	--	<u>1,803,846</u>
	<u>36,605,807</u>	<u>660,193</u>	<u>19,906,004</u>	--	<u>57,172,004</u>
Liquidity Gap	<u>\$(16,689,481)</u>	<u>\$127,955</u>	<u>\$(3,408,133)</u>	<u>\$23,442,865</u>	<u>\$3,473,206</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Market risk

The Credit Union takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk arise from open position in foreign currencies (currency risk), interest rates (interest rate risk), and equity products (other price risk), all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

Currency risk

Currency risk or foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Credit Union has minimum exposure to currency risk, as all its assets and liabilities are stated in the Bahamian dollars, which is the Credit Union's functional and presentational currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, and arises mainly from interest bearing deposits, loans receivable, debt securities, bank overdraft and members' and non-members' deposits.

Floating rate instruments expose the Credit Union to cash flow interest rate risk, whereas fixed interest rate instruments expose the Credit Union to fair value interest rate risk. The Credit Union takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

The Credit Union's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments as determined by the Board. The policy also requires it to manage the maturities of interest-bearing financial assets and interest bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken. The table in the next page summarises the Credit Union's exposure to interest rate risk. They include the Credit Union's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Market risk (cont)

<u>2024</u>	<u>Repricing date of interest sensitive instruments</u>				<u>Non-interest rate sensitive</u>	<u>Total</u>
	<u>Within 3</u>	<u>3 to 12</u>	<u>1 to 5</u>	<u>Over 5</u>		
	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>Years</u>		
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	3,178,070	--	--	--	5,162,197	8,340,267
Deposits with banks and other institutions	--	51,664	4,517,739	--	--	4,569,403
Deposits with League	13,574,076	--	--	--	--	13,574,076
Loans receivable, net	8,952	318,524	11,385,813	27,770,229	181,255	39,664,773
Other receivables	--	--	--	--	1,397,849	1,397,849
Financial investments	<u>--</u>	<u>--</u>	<u>600,000</u>	<u>250,000</u>	<u>319,500</u>	<u>1,169,500</u>
	<u>16,761,098</u>	<u>370,188</u>	<u>16,503,552</u>	<u>28,020,229</u>	<u>7,060,801</u>	<u>68,715,868</u>
Financial Liabilities:						
Accounts payable and accrued expenses	--	--	--	--	242,486	242,486
Members' deposits	35,280,424	399,187	20,250,865	--	3,050,631	58,981,107
Borrowings	<u>164,863</u>	<u>504,582</u>	<u>3,779,254</u>	<u>850,692</u>	<u>--</u>	<u>5,299,391</u>
	<u>35,445,287</u>	<u>903,769</u>	<u>24,030,119</u>	<u>850,692</u>	<u>3,293,117</u>	<u>64,522,984</u>
Net Repricing Gap	<u><u>\$(18,684,189)</u></u>	<u><u>\$(533,581)</u></u>	<u><u>\$(7,526,567)</u></u>	<u><u>\$27,169,537</u></u>	<u><u>\$3,767,684</u></u>	<u><u>\$4,192,884</u></u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. FINANCIAL RISK MANAGEMENT (cont)

Market risk (cont)

<u>2023</u>	<u>Repricing date of interest sensitive instruments</u>				<u>Non-interest rate sensitive</u>	<u>Total</u>
	<u>Within 3</u>	<u>3 to 12</u>	<u>1 to 5</u>	<u>Over 5</u>		
	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>Years</u>		
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Financial Assets:						
Cash and cash equivalents	3,887,338	--	--	--	2,231,831	6,119,169
Deposits with banks and other institutions	--	51,664	4,463,827	--	--	4,515,491
Deposits with League	12,806,547	--	--	--	--	12,806,547
Loans receivable, net	13,603	295,774	11,434,044	23,192,864	172,999	35,109,284
Other receivables	--	--	--	--	940,059	940,059
Financial investments	<u>--</u>	<u>--</u>	<u>600,000</u>	<u>250,000</u>	<u>304,660</u>	<u>1,154,660</u>
	<u>16,707,488</u>	<u>347,438</u>	<u>16,497,871</u>	<u>23,442,864</u>	<u>3,649,549</u>	<u>60,645,210</u>
Financial Liabilities:						
Accounts payable and accrued expenses	--	--	--	--	163,134	163,134
Members' deposits	35,265,546	337,444	18,600,855	--	1,001,179	55,205,024
Borrowings	<u>175,948</u>	<u>322,749</u>	<u>1,305,149</u>	<u>--</u>	<u>--</u>	<u>1,803,846</u>
	<u>35,441,494</u>	<u>660,193</u>	<u>19,906,004</u>	<u>--</u>	<u>1,164,313</u>	<u>57,172,004</u>
Net Repricing Gap	<u>\$(18,734,006)</u>	<u>\$(312,755)</u>	<u>\$(3,408,133)</u>	<u>\$23,442,864</u>	<u>\$2,485,236</u>	<u>\$3,473,206</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

29. CAPITAL RISK MANAGEMENT

The Credit Union's objectives when managing capital are as follows:

- To comply with the capital requirements set by the regulator of the Co-operatives Credit Union;
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for its members and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Credit Union's Board reviews the capital structure on a quarterly basis. As part of the review, the Board considers the provision of the Bahamas Co-operative Credit Unions Act, 2015, Section 65, which states that:

Every credit union shall ensure that:

- a. Not less than 10% of its members' deposits are kept in a liquidity reserve fund; and
- b. Statutory reserves, retained earnings and equity shares are at no stage less than 10% of its total assets, except during the phase in period as permitted by regulations.

The table below summarises the computation of the Credit Union's regulatory capital and the ratios for the years ended December 31:

	<u>2024</u>	<u>2023</u>
	\$	\$
Liquidity reserve fund		
Liquidity reserves deposits	6,003,781	5,694,443
Members deposit	58,981,107	55,205,024
Actual ratio	10.18%	10.32%
Required ratio	10.00%	10.00%
Excess/(deficiency) over regulation	0.18%	0.32%
Statutory reserve, retained earnings and equity shares		
Regulatory reserves	11,424,027	10,732,162
Total assets	76,085,176	68,028,691
Actual ratio	15.01%	15.78%
Required ratio	10.00%	10.00%
Excess over regulation	5.01%	5.78%



**BAHAMA ISLANDS CO-OPERATIVE
CREDIT UNION LIMITED**

BUDGET 2024

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED - BUDGET 2026

#	GENERAL LEDGER ACCOUNT NAME	BUDGET	BUDGET	VARIANCE	PROJECTION
		2026	2025	2026/2025	2025
	INCOME				
1	INTEREST ON MEMBERS' LOANS	3,500,000	3,700,000	(200,000)	3,400,000
2	UNCOLLECTED INTEREST ON LOAN	400,000	300,000	100,000	300,000
3	COMMITMENT FEE	15,000	20,000	(5,000)	41,000
4	LOAN PROCESSING FEE	550,000	500,000	50,000	500,000
5	INTEREST - FIXED DEPOSIT	68,000	66,000	2,000	66,000
6	INTEREST - DORMANT DEPOSIT	1,500	1,500	-	1,500
7	INTEREST-BAF	58,000	56,000	2,000	56,000
8	INTEREST - UNAPPLIED DEPOSITS	1,500	1,500	-	1,500
9	INTEREST - STATUTORY RESERVE	115,000	105,000	10,000	105,000
10	INTEREST ON LIQUIDITY RESERVE	85,000	83,000	2,000	83,000
11	LEAGUE INSURANCE DIVIDENDS	-	-	-	-
12	DIVIDENDS - FOCOL	1,200	960	240	1,200
13	DIVIDENDS - BGRS	29,000	40,000	(11,000)	40,000
14	DIVIDENDS - CB	1,600	1,600	-	1,600
15	DIVIDEND INCOME-CABLE BAH	7,500	8,600	(1,100)	7,500
16	LEAGUE DUES FROM MEMBERS	155,000	145,000	10,000	145,000
17	LOAN PROTECTION (LN) RECOVERY	260,000	223,000	37,000	240,000
18	DEBIT CARD REVENUE	22,000	22,000	-	20,000
19	ATM	1,200	1,500	(300)	1,000
20	FEES AND CHARGES	-	-	-	-
21	ENTRANCE FEES	37,000	35,000	2,000	35,000
22	MASTERCARD MEMBERSHIP FEES	-	-	-	1,440
23	RETURNED CHECK FEE	300	300	-	300
24	30 DAY NOTICE WAIVER FEE	135,000	135,000	-	125,000
25	LATE PAYMENT FEES	32,000	32,000	-	32,000
26	GAIN (LOSS) ON SALE OF MOTOR	-	-	-	6,000
27	CREDIT REPORT INCOME	25,000	25,000	-	22,000
28	OTHER INCOME	1,500	15,000	(13,500)	1,500
29	LOANS RECOVERY INCOME	900,000	900,000	-	900,000
30	EARLY LOAN PAYOFF FEE	20,000	20,000	-	20,000
31	LOAN WAIVER FEE	7,000	7,000	-	7,000
32	BILL PAYING FEE	54,000	54,000	-	51,000
33	CD PENALTY FEE	5,000	5,000	-	5,000
34	REFERENCE LETTER FEE	2,500	2,500	-	2,500
35	EARLY WITHDRAWAL CHRISTMAS CL	3,000	3,000	-	3,000
36	MASTERCARD OVERLIMIT FEES (VR	-	-	-	125
37	SCHOOL FEE & VACATION CLUB CH	1,150	1,150	-	1,150
38	RENTAL INCOME	90,000	90,000	-	90,000
39	SERVICE INCOME ON LOANS	-	-	-	-
	TOTAL INCOME	6,584,950	6,600,610	(15,660)	6,313,315

VARIANCE	ACTUAL	ACTUAL	COMMENTS
2025	2024	2023	
(300,000)	3,294,344	3,351,816	Based on 2025 projections and growth trend
-	482,425	300,213	Based on collections goals
21,000	34,850	1,400	Based on expectation of mortgage lending
-	580,550	560,665	Based on 2025 projections and budget
-	63,502	44,576	Based on accrual schedule
-	1,238	1,201	Based on 2025 projections
-	50,710	53,246	Based on accrual schedule
-	1,863	590	Based on 2025 projections
-	105,091	95,465	Based on expectation of asset base increase
-	84,338	76,660	Based on membership and savings growth expectation
-	-	60,000	No budgeted amount based on sporadic nature of remittance
240	1,950	960	Based on 2025 projection
-	39,719	40,335	Based on interests schedule
-	1,755	915	Based on 2025 projection
(1,100)	8,684	8,684	Based on 2025 projection
-	126,967	120,489	Based on 6% projected increase of total membership from 2025 projectio
17,000	224,551	210,413	Based on loan portfolio growth expectation
(2,000)	20,900	22,106	Based on 2025 usage trend and projected growth
(500)	1,167	1,126	Based on 2025 projection and 2024 actual
-	30	-	No budgeted amount - account used for one-off fees
-	32,050	31,250	Based on 6% projected increase
1,440	7,280	(7,600)	No budegted amount based on termination of program
-	60	615	Based on 2025 projection
(10,000)	136,749	125,289	Based on 2025 budget
-	29,901	31,911	Based on 2025 projection & budget
6,000	-	-	No sale of company vehicle projected in near future
(3,000)	36,925	28,740	Based on increase in loans portfolio
(13,500)	5,549	15,451	Based on projection for FirstCare Commission
-	809,006	845,347	Based on collections goals
-	26,288	25,010	Based on 2025 budget
-	6,875	6,925	Based on 2025 projection
(3,000)	53,138	54,467	Based on expectation of increase in bill pay services
-	5,225	4,300	Based on historical trend
-	2,674	2,289	Based on historical trend
-	5,185	3,075	Based on new christmas club policy and projected usage
125	685	(123)	No budegted amount based on termination of program
-	1,818	940	Based on 2025 projection
-	90,000	90,000	Based on rental agreement
-	493	-	N/A
(287,295)	6,374,536	6,208,746	

EXPENSES

38	COMPENSATION	2,400	2,400	-	2,400
39	BUY-OUT LABOR	-	-	-	-
40	SALARIES	1,300,000	1,300,000	-	1,150,000
41	OVERTIME	10,000	10,000	-	10,000
42	EMPLOYEE BENEFITS	78,000	78,000	-	78,000
43	NATIONAL INSURANCE	60,000	55,000	5,000	55,000
44	HEALTH INSURANCE	280,000	250,000	30,000	250,000
45	PENSION PLAN COSTS	100,000	90,000	10,000	90,000
46	OTHER EMPLOYEE BENEFITS	30,000	15,000	15,000	20,000
47	OTHER PAYROLL EXPENSES	1,000	1,000	-	1,000
48	EMPLOYEE'S EDUCATION EXPENSE	45,000	45,000	-	45,000
49	DIRECTORS/OFFICERS/COMMITTEE	15,000	15,000	-	15,000
50	LEAGUE DUES	168,000	160,000	8,000	160,000
51	OFFICE OCCUPANCY EXPENSES	15,000	10,000	5,000	43,000
52	RENT - RECOVERY SITE	65,000	24,000	41,000	65,000
53	MAINTENANCE (OFFICE)	50,000	50,000	-	40,000
54	ELECTRICITY	40,000	40,000	-	40,000
55	WATER & SEWERAGE	6,000	6,000	-	6,000
56	DEPRECIATION OF BUILDING	93,000	93,000	-	93,000
57	REAL ESTATE TAXES	45,000	33,000	12,000	56,000
58	LANDSCAPING	5,000	5,000	-	5,000
59	BUSINESS LICENSE	-	75,000	(75,000)	1,800
60	OFFICE OPERATIONS EXPENSES	-	-	-	-
61	COMMUNICATIONS	45,000	45,000	-	45,000
62	COMPUTER EQUIPMENT MAINTENANCE	8,000	8,000	-	8,000
63	COMPUTER SOFTWARE MAINTENANCE	100,000	71,000	29,000	97,000
64	COMPUTER SUPPLIES	15,000	15,000	-	15,000
65	EQUIPMENT MAINTENANCE	6,000	5,000	1,000	6,000
66	ATM MAINTENANCE	150	150	-	150
67	STATIONERY & SUPPLIES	20,000	20,000	-	20,000
68	POSTAGE	50	50	-	50
69	SAFETY DEPOSIT BOX RENTAL	225	225	-	225
70	BRIDGE TRANSPONDER RENTAL	50	150	(100)	50
71	INSURANCE(BUILDING;CONTENTS&L	85,000	78,000	7,000	72,000
72	INSURANCE - LIABILITY	200	200	-	200
73	COMPREHENSIVE MOTOR VEHICLE	1,250	730	520	700
74	DIRECTORS & OFFICERS LIABILITY	9,200	9,200	-	9,200
75	DEPRECIATION OF FURNITURE & E	32,000	32,000	-	24,000
76	DEPRECIATION EXPENSE - ATM	7,500	7,500	-	7,500
77	DEPRECIATION-MOTOR VEHICLE	5,700	-	5,700	1,000
78	DEP. - COMPUTER HARDWARE	26,000	26,000	-	26,000
79	DEPRECIATION COMPUTER SOFTWARE	12,000	12,000	-	12,000
80	FURNITURE & EQUIPMENT PURCHASE	3,000	3,000	-	3,000
81	BANK SERVICE CHARGES	20,000	20,000	-	15,000
82	MEMBERS EDUCATION	5,000	5,000	-	5,000
83	ADVERTISING	10,000	10,000	-	5,000

-	2,400	2,400	Based on current contractual obligation
-	-	-	No planned projects that will require additional resources
(150,000)	1,083,550	1,038,671	Based on 2025 budget - expectation of new hire (IT), salary increases (4%)
-	9,162	1,295	Based on 2025 projection
-	66,862	67,809	Based on implementation of goal-oriented award system
-	47,736	48,278	Based on 2025 budget & expected salary increase
-	214,367	197,446	Based on current billings with 15% increase and 3 new additions
-	77,219	49,065	Based on salary adjustments and new enrollees
5,000	58,768	22,979	Based on historical trend and employee socials
-	-	-	Based on 2025 projection
-	20,854	20,784	Increased focus on staff training and development
-	4,872	8,403	1/3 of staff training budget
-	153,009	143,888	Based on 2025 budget and projections
33,000	14,894	19,840	Based on current maintenance costs
41,000	49,619	28,100	Based on lease agreement and current maintenance costs
(10,000)	45,250	46,005	Based on 2025 budget
-	41,625	46,638	Based on 2025 budget
-	3,714	3,872	Based on 2025 budget
-	92,959	91,940	Based on depreciation schedule for RS
23,000	12,549	11,965	Based on 2025 payment
-	4,800	4,800	Based on historical trend
(73,200)	75,565	-	Exempt Status received in 2025
-	-	23,512	N/A - GL used for one-off projects
-	44,869	43,361	Based on 2025 budget
-	110	463	Based on 2025 projection
26,000	82,300	67,845	Based on current maintenance costs & expected increase
-	13,275	10,414	Based on 2025 budget
1,000	5,760	4,332	Based on 2025 projection
-	-	-	Based on 2025 projection
-	11,711	14,435	Based on 2025 projection
-	-	66	Based on historical trend and 2025 projection
-	225	225	Based on annual rental fee
(100)	150	-	Based on 2025 projection
(6,000)	70,515	61,335	Based on increase in premiums
-	67	(15)	Credit Card insurance, based on 2025 projection
(30)	681	763	Based on 2025 premium
-	9,138	9,138	Based on 2025 premium
(8,000)	15,636	14,171	Based on 2025 budget
-	-	7,489	Based on depreciation schedule for RS
1,000	7,489	-	New Vehicle purchased in 20225
-	24,645	19,132	Based on depreciation schedule for RS
-	9,061	9,529	Based on 2025 budget
-	1,542	680	Based on normal operations
(5,000)	15,065	18,623	Based on 2025 budget
-	-	460	Based on 2025 budget
(5,000)	-	-	Based on change in marketing strategy and 2025 budget

84	PUBLICITY AND PROMOTIONS	40,000	40,000	-	20,000
85	DONATIONS & GIFTS	15,000	15,000	-	15,000
86	BUILDING RENOVATIONS	15,000	10,000	5,000	10,000
87	COLLECTION EXPENSES	25,000	20,000	5,000	20,000
88	CREDIT REPORTS	30,000	25,000	5,000	25,000
89	DEBIT CARD EXPENSES	15,000	15,000	-	15,000
90	VAT EXPENSE-DEBIT CARD (OUTPU	25,000	22,000	3,000	25,000
91	PROFESSIONAL & OUTSIDE SERVIC	40,000	40,000	-	40,000
92	LEGAL FEES	5,000	5,000	-	5,000
93	AUDIT FEES	40,000	38,000	2,000	39,000
94	SECURITY SERVICES	75,000	75,000	-	75,000
95	BAD DEBTS	600,000	700,000	(100,000)	700,000
96	BAD DEBTS - OTHER RECEIVABLE	-	-	-	(600)
97	BAD DEBTS - SCOTIA MC RECEIVA	-	-	-	(7,000)
98	SHARE INSURANCE	60,000	56,000	4,000	57,000
99	LIFE SAVING INSURANCE	290,000	255,000	35,000	275,000
100	BORROWERS` INSURANCE	255,000	223,000	32,000	242,000
101	SUPERVISION FEES EXPENSE	5,000	50	4,950	50
102	CASH OVER AND SHORT	50	50	-	50
103	PENNY OVER AND SHORT	2	2	-	2
104	COMMITTEES` EXPENSES	7,000	7,000	-	7,000
105	A.G.M EXPENSES	15,000	15,000	-	15,000
106	COMMITTEES TRAINING	-	-	-	-
107	STIPEND ALLOWANCE EXPENSE	93,000	93,000	-	93,000
108	MOTOR VEHICLE MAINT.	6,000	5,000	1,000	5,000
109	OPERATING SUPPLIES	10,000	10,000	-	10,000
110	MISCELLANEOUS	3,000	3,000	-	3,000
111	INTEREST EXPENSE-BICCU ROSETT	173,000	44,000	129,000	200,000
112	CHRISTMAS CLUB INTEREST	34,000	127,000	(93,000)	32,000
113	INTEREST EXPENSE ON FIXED DEP	202,000	181,000	21,000	190,000
114	RETIRMENT SAVINGS INTEREST	400,000	337,000	63,000	378,000
115	EDUCATIONAL SAVINGS INTEREST	30,000	28,000	2,000	28,000
116	KIDS ACCOUNT INTEREST	20,000	19,000	1,000	19,000
117	QUEEN`S COLLEGE INTEREST	-	-	-	-
118	INTEREST EXPENSE ON SAVINGS A	697,000	597,000	100,000	657,000
119	INTEREST EXPENSE SCHOOL FEE	2,300	2,100	200	2,100
120	INTEREST EXPENSE VACATION CLU	4,800	3,200	1,600	4,500
121	RECONCILIATION ADJUSTMENTS	-	-	-	200
TOTAL EXPENSES		6,051,877	5,736,007	315,870	5,797,577
NET INCOME/(LOSS)		533,073	864,603	(331,530)	515,738

(20,000)	35,275	16,371	Based on change in marketing strategy and 2025 budget
-	12,153	4,602	Based on expectation of increase community involvement
-	-	7,152	Based on increase in building renovations & amortized costs
-	23,260	30,017	Based on increase of collections activities expectation
-	32,959	25,505	Based on 2025 projection and potential increase
-	23,842	23,519	Based on 2025 projection
3,000	25,063	19,711	Based on historical trend
-	36,559	9,261	Based on 2025 projection
-	3,265	6,168	Based on 2025 budget
1,000	41,390	51,104	Based on Audit engagement fees
-	72,407	72,334	Based on 2025 projections
-	1,017,392	423,546	Based on increased collections efforts
(600)	3,292	(8,261)	N/A - Recoveries to be posted here
(7,000)	39,313	(23,303)	N/A - Recoveries to be posted here
1,000	53,012	24,418	Based on deposits growth expectation
20,000	254,152	234,918	Based on membership growth expectation
19,000	226,735	203,278	Based on loan portfolio growth expectation from 2025 projections
-	50	50	Based on expected increase in License annual fee
-	57	205	Low tolerance for overage & shortages
-	2	0	Based on trend
-	3,011	3,617	Based on 2025 budget
-	11,046	12,981	Based on historical trend for virtual meeting
-	300	-	N/A - GL not used
-	87,900	90,250	Based on 2025 projection
-	4,973	5,292	Based on historical trend and increase in cost
-	9,335	6,707	Based on 2025 budget
-	981	607	Based on expectation of minimal use of this GL
156,000	61,020	79,742	Based on amortization schedule for BCLL loan
(95,000)	112,712	117,588	Based on 2025 projected deposits growth
9,000	171,161	166,712	Based on 2025 projected deposits growth
41,000	330,379	313,392	Based on 2025 projected deposits growth
-	28,521	26,107	Based on 2025 projected deposits growth
-	18,899	17,737	Based on 2025 projected deposits growth
-	-	11	N/A - Program terminated
60,000	597,918	536,738	Based on 2025 projected deposits growth
-	1,822	1,838	Based on 2025 projected deposits growth
1,300	2,653	2,638	Based on 2025 projected deposits growth
200	-	(10,071)	No budgeted amount based on nature of account
61,570	5,734,822	4,652,617	
(348,865)	639,713	1,556,129	

SUPERVISORY COMMITTEE ANNUAL REPORT

Bahama Island Corporate Credit Union (BICCU)
Prepared by the Supervisory Committee

Date: May 22, 2025
Period Covered: June 1, 2024 – May 31, 2025

1. Introduction

In accordance with Section 80, Item 2 of the Bahamas Co-operative Credit Union Act 2015, the Supervisory Committee (SC) convened monthly with an average attendance of 90–100%. The committee remained focused on its mandate of ensuring transparency, safeguarding member interests, and strengthening internal audit effectiveness through consistent engagement and strategic oversight.

2. Financial Condition and Strategic Observations

The Supervisory Committee observed continued financial growth and stability at BICCU. Significant efforts to reduce delinquent accounts and enhance loan offerings were commended. The financial efforts secured to address liquidity issues were deemed a positive development. The Committee supported the recommendation to increase its insurance policy to manage cash-on-hand risks. The SC also applauded the resolution of Real Property Tax issues, restructuring of the Christmas Club account, and new property acquisitions.

The Supervisory Committee acknowledges that the combined efforts by both the Board of Directors and the BICCU employees in reducing the number of delinquent accounts while at the same time increasing efforts around its loan campaign continues to be a priority for BICCU. We applaud the Board and management in its work of maintaining a competitive financial advantage as a member of the financial industry in the Bahamas and a preferred choice of financial facility for its members.

3. Internal Audit Oversight

2024 Audit Plan:
23 audits were approved; 66% were completed with 10

finalized. 8 audits were not started (5 overdue), with 2 classified as high-risk. Outstanding audits were rolled over to the year 2025 for completion.

As mandated in Clause 64 of their Internal Audit and Audit Committee Guidelines (Amended 2023) that all finalized reports be submitted to BICCU management and the Central Bank, it must be noted that ten audits were fully completed, finalized, and submitted successfully.

2025 Audit Plan:

The 2025 Internal Audit Plan was submitted for Board approval in December 2024; guidance was received in March 2025. Key priorities include expanding scope and focusing on high-risk teller processes. Audits completed in 2025 include: Delinquency Audit and Posting of Member Deposits Audit, with Loan Department audit currently underway. Several ad hoc audits were also conducted, and we note the efforts made in eliminating risk and establishing preventative methods quickly. The Supervisory Committee applauds the efforts of the Internal Auditor for this administrative year.

All audit-related findings and management responses are tracked, and the Supervisory Committee emphasizes timely submission of finalized reports.

High-Risk Findings:

Non-retention of deduction listings for manual payrolls
Lapses in delinquency recovery procedures
Lack of fraud detection analytics
Timely management responses are urged to comply with audit guidelines.

4. Internal Auditor Performance and Committee Development

A performance evaluation framework using Balanced Scorecard metrics was developed for the Internal Auditor. Initial goals were revised after feedback from the CEO and they are pending final approval. Focus

includes leadership, audit integrity, and alignment with BICCU's mission.

5. Supervisory Committee Recommendations

The Supervisory Committee worked closely with the Internal Auditor and was able to make several recommendations over the last 12 months. These recommendations included:

- Improved the Standard Operating Procedures for mortgage the mortgage administration and disbursement process
- Introduction of the Internal Audit Consolidated Follow-up Tracking report for tracking substantial risk findings especially and management and Board response.
- The need for segregation of duties by hiring a dedicated Human Resources Officer that would make Human Capital Management a priority for BICCU. Targeted improvements noted were the reduction in employee turnover, recruitment and sourcing of the best talent, improvements in the structure of the onboarding process and timely performance management process.
- The investment in a Human Capital Management System that includes a Talent and Performance Module. Improved Target: Automated Performance Appraisal process and Succession Planning module. (BICCU purchased TriBlock HR in April 2025)
- The hiring of additional support the Internal Auditor
- Provide fraud awareness training to all employees
- Implementation of a more random validation process for verifying the Kids Club Account maturity age process.
- Enforce accountability in post-fraud action

6. Committee Engagement and Administration

The Supervisory Committee commitment to transparency, accountability, and excellence in the oversight of their responsibilities continues to be its strength in achieving and accomplishing its mandate. The SC is fully prepared to continue to collaborate with the Board to align its actions with the credit union's strategic goals and compliance framework.

Ms. Sherrell Hamilton was formally engaged as a Scribe to assist with minute transcription. Her position was endorsed by the Committee and approved by the Board and the Supervisory Committee was grateful for the support provided. The Committee has taken steps to locate, confirm and archive all minute documentation from 2022–2025 successfully. All tasks were consistently tracked and reported through a Committee Task Tracker recommended by the Internal Auditor.

7. Conclusion

The Supervisory Committee expresses gratitude to the Board, CEO, and employees for improving operations and compliance. The Supervisory Committee continues to applaud BICCU's journey to success and commits to doing its part for the betterment of the operations of the Credit Union. The Committee remains committed to high standards of stewardship, transparency, and collaboration. Thanks to all for the work of excellence this year.

Signatories

Chair – Shevaun Bain

Secretary – Rhonda Richardson Chase

Members – Archelaus Culmer, Tanisha Brennen, Samuel Wilkinson

REPORT OF THE CREDIT COMMITTEE TO THE 39TH ANNUAL GENERAL MEETING

Section 73 (1) (a) of the Co-operative Societies Act, 2015 states that every Co-operative Credit Union shall have a Credit Committee which consist of no less than three (3) and no more than five (5) members, who are elected by the membership at the Annual General Meeting. BICCU's Credit Committee consisted of the following:

- Maxine Pratt, Chairperson
- Frerishia McKenzie-Palmer, Secretary
- A. Mary Davis, Member
- Edwin Morley, Member
- Tanya McDonald, Member

MANDATE

The Committee confirms that as outlined in Section 78 of the Act they have fulfilled the mandate to meet at least once per month, to keep Minutes of each meeting and to provide a quarterly report outlining the loan activity for the period.

DUTIES

While the Central Bank of The Bahamas' draft uniform bye-laws provide for Credit Committees to approve member's loans, BICCU, in an effort to facilitate loans in a more timely manner subscribed to Section 77 (1) of the Bahamas Co-operative Credit Union Act, 2015, (the "Act"). This allows for the Board of Directors, upon such terms and conditions as it specifies, to authorize the manager or other employee of the co-operative credit union to approve loans to members within an approved limit as prescribed in the bye-laws.

The Board by resolution, has delegated the approval of all loans within approved and documented parameters to the CEO, Loans Manager and the Loan Officers. Loans outside the parameters require Board Approval. The Credit Committee remained responsible for ensuring that all loans conform to the Act and BICCU's policies, namely the Loan and Collections Policy. This being the case the Credit Committee randomly selects and reviews fifty percent (50%) of the approved loans.

TRAINING

To ensure that the Committee had the required competency for the position, the members received training relating to their duties and responsibilities from the Compliance Manager. Additionally, the members participated in the annual Anti-Money Laundering and Counter Terrorism Financing training facilitated by Dr. Tanya McCartney, DBA of GEM Management & Advisory Services

REVIEW OF FILES

The Committee confirms that for the most part, the files are in order as it relates to the KYC documents. We note that this is due to the Management policy that no loan, except for the occasional rewrite of a charged off loan, is paid until all KYC documentation is received.

The rewrite of charged off loans may not have an address confirmation or salary deduction; however, we understand that getting these members to start paying again takes precedence as the credit union needs to recover its money. We also confirm that some of the rewrite loans are paid over the counter and not by salary deduction because the member may not be able to get a deduction as he/she may be over the limit, or the company may not offer deductions. In any case we know that the Collections Department is working closely with these individuals.

During the period January 2024 to April 2025, the credit union granted 1,916 new or add-on loans. The Committee reviewed 1,063 of these loans.

Per the Act, bye-laws and Loan policy the review entailed ensuring the following:

- That the loan application was properly written up with the appropriate signatures and dates.
- Documentation such as KYC requirements, job letter and salary slip are on file.
- The rates, exposure limits, saving requirements etc were in keeping with the loan policy.
- That the required salary deduction was on file.
- The required security is being held.

Loans were granted as follows:

CATEGORY	#LOANS REVIEWED
Miscellaneous Bills	298
Vacation/ Travel	142
Education	90
Home Improvement	120
New Car	9
Restructure	87
Used Car Purchase	90
Customs	2
Moving	11
Medical	50
Auto Repair	19
Consolidation	50
Credit Card	3
Funeral	13
Business Venture	8
Legal	6
Furniture	6
Christmas	55
Property	1
Boat engine	1
Generator	1
Wedding	1
TOTAL	1063

BOARD APPROVED LOANS

Of the files the Committee reviewed, there were 32 Board approved loans in the following categories:

January – 2 Loans

- 1 Restructure of charged off loan
- 1 Per policy, employee

February - 1 Loan

- Charge-off \$20,911.87, 1753 days delinquent

March – 2 Loans

- Exceptional approval due to loans being charged off
- Exceptional approval due to loan being less than the required 6 months

April – 2 Loans

- Employment status less than 1 year (9 months)
- Employment status less than 1 year (10 months)

May – 2 Loans

- High exposure, over tier 1
- Exceptional approval due to proposed down payment of existing loan

June – 4 Loans

- Member of Education Committee
- High exposure, over tier 1
- Exceptional approval due to loan being less than the required 6 months
- Member just made permanent at Bahamas Development Bank May 1, 2024

July – 2 Loans

- Charge-off \$11,000, 1819 days delinquent
- Charge-off \$10,000, 2083 days delinquent

August – 4 Loans

- Last payment date exceeding working age by 2 months
- Employment status less than 1 year (10 months)
- 2 Loans with salary just under \$30,000 required for tier 2

September – 3 Loans

- High exposure, over tier 2 - \$20,000
- Employment status less than 1 year (8 months)
- Rewrite of charged off loan, 407 days delinquent, exposure over threshold, employed since July 2024, less than a year.

October – 4 Loans

- Employment status less than 1 year (7 months)
- Employment status less than 1 year (9 months)
- Exceptional approval to allow facility to remain within lending guidelines
- Loan charged off at \$11,789.92, 2008 days delinquent, High exposure, over tier 1 - \$10,000

November – 3 Loans

- Staff loans

December - 0 Loan

- No loans selected

January - 1 Loan

- Employment status less than 1 year (8 months)

February - 1 Loan

- High exposure, over tier 1

March – 1 Loan

- 1 Restructure of charged off loan

The Committee wishes to highlight the fact that in keeping with Section 66(3) of the Bahamas Credit Union Act, 2015 loans to staff, Directors and Committee Members must be approved by the Board. These loans are not necessarily outside of policy.

SECURITY FOR LOANS

The Committee confirms that the irrevocable and voluntary salary deductions are the security held against the New Member Loan. The salary deductions and members' savings are held for the other loans.

TOTAL DEBT SERVICE RATIO

As the Central Bank of The Bahamas relaxed the rate for the total debt services ratio from 45% to 50% most loans were under 50%. Anything above this required Board approval.

DENIED LOANS

The Committee was advised of two (2) denied loans due to the TDSR being too high.

DELINQUENCY

The Committee notes the delinquency as follows:

January there were 215 accounts with a total dollar value of \$1,679,310.17

February there were 207 accounts with a total dollar value of \$1,624,413.48

March there were 200 accounts with a total dollar value of \$1,456,347.38

April there were 202 accounts with a total dollar value of \$1,528,902.07

May there were 189 accounts with a total dollar value of \$1,403,323.95

June there were 191 accounts with a total dollar value of \$1,756,424.54

July there were 184 accounts with a total dollar value of \$1,334,392.02

August there were 212 accounts with a total dollar value of \$1,779,022.70

September there were 194 accounts with a total dollar value of \$1,612,67.04

October there were 378 accounts with a total dollar value of \$3,625,834.87

November there were 356 accounts with a total dollar value of \$2,951,828.94

December there were 352 accounts with a total dollar value of \$2,915,996.40

January there were 401 accounts with a total dollar value of \$3,895,432.16

February there were 420 accounts with a total dollar value of \$3,760,206.44

March there were 359 accounts with a total dollar value of \$2,899,082.01

The Committee confirms that the actions taken to follow-up delinquent accounts include:

- Phone call to delinquent member
- Demand Letters
- Collections Agencies
- Court Action

Additionally, the Collections Department has two collections officers and two recovery officers. The recovery officers are responsible for collecting the funds which are charged off. The Committee confirms that, year over year the recovered amount has increased as follows:

YEAR	RECOVERY AMOUNT
2021	\$334,423
2022	\$439,797
2023	\$869,137
2024	\$835,294

The Committee congratulates the Collections Department.

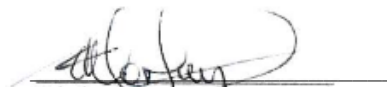
The Credit Committee takes this opportunity to thank the Board of Directors, CEO Bastian, Compliance Manager Moss, Loans Manager Butler and Chairman Bowleg, the Board appointed Director for their continued guidance and assistance throughout the year. The Committee also extends a sincere thank you to you the members for allowing us the opportunity to serve you. We solicit your continued support.

We pray that God continues to bless you all.


Maxine Pratt, Chairperson


Frerishia McKenzie-Palmer, Secretary


A. Mary Davis Chairman


Edwin Morley


Tanya McDonald

EDUCATION COMMITTEE

AGM REPORT MAY 2025

The Education Committee remains committed to its mission of educating the members of the Bahama Islands Co-operative Credit Union Limited (BICCU). We are pleased to present this report outlining the key initiatives and activities undertaken during the past year.

CRIF Bahamas Webinar

Following the success of our initial webinar on Understanding the Credit Bureau and Your Credit Score and its implications for members' loan eligibility, the Committee was encouraged to host a follow-up webinar/seminar. The Committee was disappointed that despite the importance of the topic, only seventy-three people participated.

This informative session, once again featured Ms. T. Marissa Nixon, Sales Manager of CRIF Bahamas. Members who had experienced the impact of the Credit Bureau since our last session had the opportunity to raise their questions and voice concerns. The discussion was robust and enlightening, and based upon the positive comments in the chat, the session was deemed a success by attendees.

Infomercials and Video Presentations

The "Did You Know?" audio infomercials, which are played while members are on hold at the Credit Union, continued to generate positive feedback. Building on this success, the Committee expanded its educational outreach by producing a video presentation highlighting recent changes to the Credit Union's Christmas Club Savings Accounts. The video was distributed by mass email, WhatsApp and is currently being played on the in-house television screens, offering members continuous access to important information.

Newsletter

The Committee recently and successfully published the third edition of its newsletter. This edition focused on the topic "The Importance of Budgeting"—a crucial aspect of financial literacy. The newsletter has served as a valuable resource for members and aligns with our goal of promoting informed financial decisions.

AML Training

In keeping with the requirements of The Central Bank, the

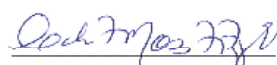
Education Committee participated in the very informative AML training facilitated by Ms. Tanya McCartney. The training was held via Zoom, followed by an online quiz, in which all of the committee received a passing mark.

Upcoming: Financial Literacy Seminar


Prompted by member feedback and the emphasis on budgeting in our recent newsletter, the Committee is actively planning a Financial Literacy Seminar. This session will focus on practical budgeting techniques, strategies for saving, and retirement planning. We are currently collaborating with relevant partners to ensure the session is timely, informative, and impactful for our membership.

Acknowledgements

The Committee extends sincere thanks to the Board of Directors for their continued support and encouragement. We also acknowledge the contributions of Compliance Manager, Ms. Carolyn Moss, Board-Appointed Director, Ms. Janet Guerriea, CEO, Mr. Mark Bastian, and the entire BICCU staff. Your assistance and dedication are truly appreciated. To our valued members, it is a privilege to serve you. We look forward to continuing our work in advancing your financial knowledge and well-being.



Carla Moss-Fitzgerald
Chairperson



Michelle V. King,
Secretary



Claudette Farrington



Nashon Rolle



Sherkia Oliver

RESOLUTIONS

Resolution #1

RESOLUTION FOR THE PAYMENT OF DIVIDENDS

WHEREAS the audited financial statements of the Bahama Islands Co-operative Credit Union Limited (BICCU) for the year ending December 31, 2024, were presented and accepted by this Annual General Meeting;

BE IT RESOLVED that this Annual General Meeting approved the payment of a four percent (4 %) dividend to shareholders on their Qualifying Shares held for the year 2024;

BE IT FURTHER RESOLVED that calculation and distribution of these dividends be credited to the individual member accounts not later than June 30, 2025

Resolution #2

RESOLUTION FOR THE APPOINTMENT OF AUDITORS

WHEREAS The Bahamas Co-operative Union Act, 2015 requires that the Directors cause the accounts of the Credit Union to be audited at the end of each financial year by an auditor appointed by the Board.

BE IT RESOLVED that the Board of Directors of the Bahama Islands Co-operative Credit Union Limited (BICCU) be allowed to choose an auditing firm to conduct the audit for the fiscal year 2025.

Resolution #3

RESOLUTION FOR REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Directors of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT Directors of the Bahama Islands Co-operative Credit Union Limited shall receive a stipend of Six Hundred Bahamian Dollars (B\$600.00) per month.

Resolution #4

REMUNERATION TO SUPERVISORY COMMITTEE MEMBERS OF THE BAHAMA ISLANDS COOPERATIVE CREDIT UNION LIMITED

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Members of the Supervisory Committee of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT the members of the Supervisory Committee of the Bahama Islands Co-operative Credit Union Limited shall be paid a stipend of Three Hundred Bahamian Dollars (B\$300.00) per month.

Resolution #5
REMUNERATION TO CREDIT COMMITTEE
MEMBERS OF THE BAHAMA ISLANDS
COOPERATIVE CREDIT UNION LIMITED

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Members of the Credit Committee of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT the members of the Credit Committee of the Bahama Islands Co-operative Credit Union Limited shall be paid a stipend of Two Hundred Bahamian Dollars (B\$200.00) per month.

Resolution #6
REMUNERATION TO EDUCATION COMMITTEE
MEMBERS OF THE BAHAMA ISLANDS
COOPERATIVE CREDIT UNION LIMITED

WHEREAS The Bahamas Co-operative Union Act, 2015 requires formal approval of all remuneration paid to Members of the Education Committee of the Bahama Islands Co-operative Credit Union Limited in accordance with –

Section 58 (1)

No director and or no member of a committee is entitled to be paid any remuneration in connection with his duties as a director or a committee member of a co-operative credit union or for his attendance at meetings unless the remuneration –

- a) Is fixed in the bye-laws; and
- b) Is ratified annually by the members, by resolution at the annual general meeting.

BE IT RESOLVED THAT the members of the Education Committee of the Bahama Islands Co-operative Credit Union Limited shall be paid a stipend of Two Hundred Bahamian Dollars (B\$200.00) per month.

ATTENDEES 38TH ANNUAL GENERAL MEETING

Albry Davis
Alexandria Bowe-Cooper
Alexandria Moss
Angela Hinsey
Anila Clarke
Annette Brennen
Archelaus Culmer
Barry Rolle
Bernadette Bain
Brenda Jenoure
Brent Roberts
Bryan Butler
Calnan Weech
Carla Fitzgerald
Carolyn Moss
Carrol Brennen
Cheryl Bowe-Moss
Christelle Sturup
Christina Peet
Christina Rolle
Christopher Mackey
Chrystal Johnson
Claudette Arnette
Cleo Stuart
Clothilda Adderley
Danielle Romer
Daphne Kelly-Menon
David Barry
Deborah Hanna
Dellareece Moncur
Desiree Romer
Dominic Deveau
Dominique Burrows
Dominique Moss
D'Vantae Miller
Edwin Morley
Errin Green
Ersley Johnson
Eugeno Maycock
Francisco Garcia
Frerishia Mckenzie-Palmer

Gene Albury
Giovanni Williams
Henry Moncur
Hilton Bowleg
Italia Seymour
Jameko Hepburn
Janet Guerriea
Jayson Lewis
Jerome Gomez
Joshua Escarilla
Julian Lewis
Justin Knowles
Katherine Knowles
Kendesha Kemp
Kenneth Lightbourne
Kent Ferguson
Krishna Wood
Lashan Mckenzie-Boyd
Latasha Allen
Linda A Duncombe
Linda Brennen
Lurose Vedrine
Lydia Armaly
Lynne Lewis
Marionette Johnson
Mark Bastian
Mark Bullard
Mark Taylor
Martinez Davis
Maxine Pratt
Maya Mullings
Michelle King
Monique Adderley
Monique Pratt-Daley
Nashon Rolle
Natasha Smith
Neko Moss
Nerlande's iPhone
Patrice Colebrook
Paul Raeburn
Peter Davis

Rajiv Clarke
Rashan Taylor
Reno Brown
Rhonda Chase
Robert Farquharson
Robertha Murray
Ruth Neily
Ryan Bastian
Samantha Black
Samuel Wilkinson
Sean Cartwright
Seantia Thompson
Shakira Thompson
Sharece Davis
Sharel Brown
Sharranda Larrimore
Sherel Reddock
Sherkia Oliver
Sherrell Hamilton
Shevaun Stubbs
Sophia Miller
Sophia Williams
Stephen Thompson
Tamara Stubbs
Tanisha Brennen
Tanya McDonald
Tenniya Martin
Thelma Taylor
Tina Goodman
Tonia Maynard
Tre Gomez
Treynishka Carey
Verlease Rolle
Waydrissa Seymour
Wence Martin
Wendy Meadows
Yvonne Rolle Hanchell

