



ANNUAL GENERAL MEETING

40 *Years*

OF PUTTING MEMBERS FIRST,
YESTERDAY, TODAY, AND TOMORROW





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- When a motion is withdrawn, it fails.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 2026

Call to Order

Prayer of St. Francis of Assisi

Welcome

Minutes from the 39th Annual General Meeting

Matters Arising

Reports

- Board of Directors' Report
- Auditor's Report
- Treasurer's Report
- 2027 Budget
- Supervisory Committee's Report
- Credit Committee's Report
- Education Committee's Report

New Business

Resolutions

Elections

- Board of Directors
- 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



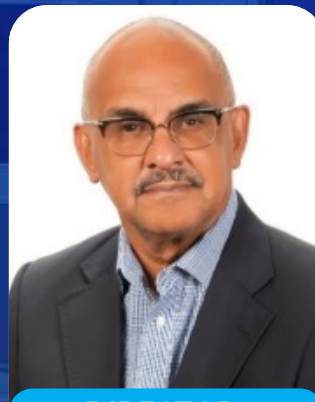
ASSISTANT TREASURER
MARK BULLARD



SECRETARY
JANET GUERRIERA



ASSISTANT SECRETARY
KENNETH LIGHTBOURNE



DIRECTOR
GENE ALBURY

SUPERVISORY COMMITTEE



CHAIRMAN
TANISHA BRENNEN



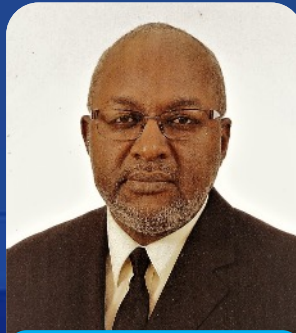
SECRETARY
ALESCIO FOWLER



A. QUENTIN CULMER



RHONDA
RICHARDSON-CHASE



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



**CLAUDETTE
FARRINGTON**



NASHON ROLLE



STAFF



CEO
MARK BASTIAN



CFO
**ALEXANDRIA
BOWE-COOPER**



LOANS MANAGER
SHERISE ADDERLEY



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



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



TELLER SUPERVISOR
KALIYAH WILKINSON

STAFF



**MEMBERSHIP
SERVICES REP. I**
KENDESHA KEMP



ACCOUNTS CLERK
TREYNISHKA CAREY



ACCOUNTS CLERK
KEIARA KEMP



**MEMBERSHIP
SERVICES REP. I**
TAMARA STUBBS



**MEMBERSHIP
SERVICES REP. I**
CHRISTINE LEE



TELLER
ASHLEY FLEURIGENE



TELLER
DWAYNAE SMITH



COMPLIANCE CLERK
OLIVA JOHNSON



MESSENGER/FILING CLERK
VASHTI MCKENZIE



TERMS OF SERVICE

BOARD OF DIRECTORS

DIRECTOR	ELECTED/APPOINTED	2026	2027	2028
Kenneth Lightbourne	2023	√		
Hilton Bowleg	2024		√	
Barry Rolle	2025			√
Mark Bullard	2024		√	
Janet Guerriea	2025			√
Angela Culmer-Hinsey	2023	√		
Gene Albury	2024		√	

SUPERVISORY COMMITTEE

MEMBER	ELECTED/APPOINTED	2026	2027	2028
Kaymark Lightbourne/ Rhonda Richardson-Chase	2025/Appointed	√		
Archelaus Culmer	2023	√		
Tanisha Brennen	2024		√	
Alescio Fowler	2025			√
Samuel Wilkinson	2025			√

CREDIT COMMITTEE

MEMBER	ELECTED/APPOINTED	2026	2027	2028
Tanya McDonald	2024		√	
Maxine Pratt	2023	√		
A. Mary Davis	2025			√
Edwin Morley	2025			√
Frerishia McKenzie Palmer	2023	√		







BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

MINUTES OF THE 39TH ANNUAL GENERAL MEETING

1. CALL TO ORDER

The 39th 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 22nd, 2025, 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 39th 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 Mrs. Cheryl Bowe-Moss, seconded by Ms. Magnal Thompson, and was carried unanimously.

7. MINUTES OF THE 36th AGM

A motion to dispense with the reading of the 38th AGM Minutes was moved by Mrs. Cheryl Bowe-Moss, seconded by Mr. Santino Higgs, and was carried unanimously.

7.1 There were no Corrections.

The motion to accept the minutes was moved by Mrs. Estella Walkes-Pratt 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 only.

The motion to dispense with the reading of the Board of Directors' Report was moved by Mrs. Cheryl Bowe-Moss, seconded by Mrs. Estella Walkes-Pratt, and was carried unanimously.

- 8.1.2 Chairman Bowleg stated that as the Bahamian economy, is heavily influenced by the influx of tourist and as BICCU's membership is still mostly hospitality industry centric, the credit union's success is driven by the performance of the tourism sector.
- 8.1.3 Chairman Bowleg highlighted the fact that the Bahamian economy has had a remarkable recovery since the pandemic due to a great rebound in tourism, which is now back to pre-Hurricane Dorian levels. The Chairman however, stated that the economy is showing signs of slowing down 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, he stated is projected to be relatively flat with a rate of about 1.7 percent with no certainty that the GDP will even be able to reach that mark.
- 8.1.4 The Chairman indicated that tourism activity remains vulnerable to what is happening in the world and more importantly what is happening in the United States. He indicated that the current and possible further introduction of tariffs can result in high inflation in the USA and around the world resulting in a negative impact on tourist travel to the Bahamas. Additionally, he stated that The Bahamas remains vulnerable to natural disasters such as hurricanes and the travel advisories that the United States government issues about our local crime wave.
- 8.1.5 Chairman Bowleg stated that this year, the Board of BICCU, tried to ensure that management is doing everything possible to increase membership, total assets, loan portfolio and member deposits. The Chairman reminded that the credit union is a not-for-profit organization, and that the Board must 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.
- 8.1.6 Chairman Bowleg stated that monthly, at Board meetings, the Directors 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 is adequate collection efforts,
 - 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 to ensure adherence 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.
- 8.1.7 Additionally, the Chairman indicated that the Board met with and received reports from the Supervisory Committee, Credit Committee and the Education Committee quarterly.
- 8.1.8 Chairman Bowleg summarized some of the activities that the Board monitored last year which indicated that the credit union was empowering the expected change. The Chairman stated that 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). He stated that the credit union's total loans portfolio as of December 31st, 2024, stood at \$40,869,736 an increase of 14 percent when compared to December 31st, 2023's total, which was \$35,835,723.

- 8.1.9 The Chairman stated that the significant growth in the loan portfolio was mostly attributable to loans that were fueled by 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).
- 8.1.10 Chairman Bowleg stated that the Board recognizes the high competition in the lending market today. Further, he stated that BICCU is committed to keeping delinquent accounts at a minimal level while recovering accounts that are previously written off. The Chairman stated that the credit union's efforts were on track last year, but it was impacted by the closure of the Sandals Emerald Bay property and the departure of a staff that was critical to our collection effort.
- 8.1.11 Chairman Bowleg pointed out that 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. The Chairman also pointed out that during the year 2024, BICCU gain five hundred and thirty-one (531) members, net. This was a 5.3 percent increase in membership for the year.
- 8.1.12 Chairman Bowleg indicated that in 2024, The Bahamas Co-operative 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. He stated that one of BICCU's Directors, Mr. Ken Lightbourne was instrumental in working on the document. Further, the Chairman stated that the Central Bank indicated that some of the suggestions would be taken into consideration; however, the final decisions will be made following the public consultation with other stakeholders. It is at this phase when others within the credit union movement will be able to redefine some of the items that the Central Bank has said that they are not willing to deviate from.
- 8.1.13 Chairman Bowleg stated that the Central Bank of the Bahamas is actively moving forward with a plan to implement the Bahamas' first Fast Payment system. He indicated that the Central Bank has put together a group of people from various sectors, including the credit union movement to be a part of a working team. The Chairman stated that the Fast Payment System will fully level the playing field for credit unions members in terms of doing transactions. He added that getting on the system will also mean that the credit union will also be able to transact digital currencies, as such, he stated that the credit union will review all the necessary system requirements to ensure that that the credit union is SandDollar enabled before the end of the year.
- 8.1.14 In closing, the Chairman stated that there has been no positive movement as it relates to the sale of the Saunders Beach or Village Road properties; however, recently the credit union closed a deal to purchase two properties that are adjacent to the southern perimeter of the credit union on Rosetta St. He stated that the credit union has run out of parking spaces for staff and members and so when the properties became available, the credit union purchased them.
- 8.1.15 Mr. Calnan Weech enquired as to what the Bahamas Fast Pay System was all about. Chairman Bowleg stated that it is a system that is being developed by the Central Bank which is an alternative to the ACH (automated clearing house) system, for real time, instant transfer of payments between institutions. He stated that the credit union will not have to get on the ACH. Mr. Weech further enquired as to whether this would put credit unions on a more equal footing with banks. Additionally, he enquired as to whether there will still be a need for a credit union to use a bank. Chairman Bowleg responded in the affirmative, saying that credit unions will be on an even playing field, but they will still need banks.

8.1.16 Mrs. Cheryl Bowe-Moss enquired as to whether the entrance fee for the fast pay was much less than for the ACH. Chairman Bowleg stated that the process is in the preliminary phase. He indicated that a committee has been formed by the Central Bank to determine the way forward. The Chairman stated that three persons representing the credit unions are on the committee.

8.1.17 Mrs. Cheryl Bowe-Moss also highlighted the fact that the board report stated that the credit union granted \$13,097,004 loans while payouts was \$7,532,381, which is roughly 58%. She stated that the gain on the loans was only 38%. Mrs. Bowe-Moss enquired as to what mediation activities have been put in place. She enquired as to whether the credit union was considering variable interest rates to attract different customers at different levels.

8.1.18 Chairman Bowleg stated that the credit union now has a Marketing Manager who is doing an awesome job going out to various establishments attracting members. Further, the Chairman stated, that the credit union is moving away from being hotel/hospitality-centric, and more focused on private and government businesses that would accommodate secured salary deductions. Chairman Bowleg also stated that the credit union is also targeting loans via loan promotions.

8.1.19 Mrs. Cheryl Bowe-Moss further enquired as to whether the credit union was looking to partner with other credit unions to offer loans where they were unable to. The Chairman stated that this was not currently being considered.

8.1.20 Mrs. Cheryl Bowe-Moss commended the Board on the Membership activities last year.

8.1.21 Ms. Lynne Lewis referenced a question that she asked in the chat about the Fast-Pay System. Chairman Bowleg indicated that the credit union was unable to answer the question at this time as the process is still in the initial stages. He stated that once the credit union receives all of the information, the information will be forwarded to the membership.

8.1.22 Mr. Alescio Fowler enquired as to whether the two properties were being used or occupied. Chairman Bowleg stated that the property on Village Road is rented by the Drug Council on a five-year lease.

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 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 31st 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 ("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 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.

9.1 Chairman Bowleg opened the floor for questions. There was none. Treasurer Culmer-Hinsey thanked Mr. Roberts for presenting the report.

Motion to accept the Auditor's Report moved by Mrs. Cheryl Bowe Moss; seconded by Mr. Alescio Fowler and was passed unanimously.

10. TREASURER'S REPORT

A motion to dispense with the reading of the Treasurer's Report was moved by Mrs. Estella Walkes-Pratt, seconded by Mrs. Cheryl Bowe Moss and was carried unanimously.

10.1 Chairman Bowleg invited Treasurer Culmer-Hinsey to present the Treasurer's Report. The Treasurer stated that assets increased from \$68 million in 2023 to \$76 million, which represented an increase of 11.8%. She stated that the credit union has already surpassed \$80 million in assets in 2025.

- 10.2 The Treasurer stated that although the credit union was not able to achieve or exceed the net income of 2023, it made a sizable net income of \$639,713 for the year. Further, she stated that expenses were well controlled, and there was a turnaround in the bad debt expense, whereas there was recovery and provision in 2023 of \$478,376 the credit union experienced the reverse in 2024 of \$224,703, a negative turnaround of \$703,079.
- 10.3 Treasurer Culmer-Hinsey highlighted the fact that during the year, the loan with the League was repaid and a new loan was taken out in the amount of \$5,343,398 to ensure that the credit union complied with the liquidity ratio as required by the Pearl Standard.
- 10.4 The Treasurer stated that the credit union continues to be profitable. She reminded the members that they are owners; as such, they need to ensure that they take care of their indebtedness to the credit union. Treasurer Culmer-Hinsey stated that if a member is experiencing challenges in meeting his/her obligation he/she should contact the Collections Department to work out a settlement plan.
- 10.5 Treasurer Culmer-Hinsey thanked the management, staff, Board, and committees for their continued contribution to ensure BICCU remains a viable entity.
- 10.6 Mr. Calnan Weech applauded the credit union on the eleven percent (11%) increase in assets, the five hundred thirty-one (531) increase in membership and the fact that expenses were kept pretty much in line with prior years, with the exception for, the provision for doubtful accounts.
- 10.7 Mr. Weech enquired as to the provisioning, stating that provisioning is done up front, which means that as the credit union adds new loans, the provision increases. Treasurer Culmer-Hinsey stated that this was correct. Mr. Weech further confirmed that, the provisioning had an offsetting impact on the credit union's net income which affected the credit union's liquidity. Treasurer Culmer-Hinsey responded in the affirmative, stating that like last year, the credit union had to borrow from the Bahamas Co-operative League to improve its liquidity position. She explained that the liquidity fund is to ensure that in the event the credit union fails, it has the resources to satisfy all the obligations to the members. Further, she informed that the ratio is based on the PEARL standard ratio, which is a specific calculation requiring the liquidity ratio to be no less than 10% of the credit union's total deposits.
- 10.8 Mr. Calnan Weech clarified that the liquidity ratio is not funded from the credit union's retained earnings or net profits. Treasurer Culmer-Hinsey responded in the affirmative, stating that the credit union must have cash to cover liquidity. Further, she confirmed that the cash is held in an account in the credit union's name at the League.
- 10.9 Mr. Weech also highlighted the Christmas Club account note as reported on page 66 of the auditor's report. He requested clarification as to whether the credit union will still have a Christmas Club account. The Treasurer indicated that there will still be a Christmas Club Account, the policy has been amended to add a cap. Members are only allowed to deposit up to \$25,000 a year. Additionally, she stated that as the purpose of the Christmas Club is to be used at Christmas time, the policy also stated that the funds must be withdrawn from the account by the end of the year. Further, she stated that the funds that were not withdrawn was automatically transfer to the member's KALL Account (\$70) which is a non-interest-bearing account.
- 10.10 Mr. Weech stated that this was new as it was not done in previous years. Treasurer Culmer-Hinsey responded in the affirmative. She stated that the policy was always in place, but it was not enforced.
- A motion for the acceptance of the Treasurer's Report was moved by Mr. Calnan Weech seconded by Ms. Monica Adderley. The motion carried.
- Chairman Bowleg thanked the Treasurer for the report. He invited her to present the Budget Report.

11. 2026 Budget Report

Treasurer Culmer-Hinsey requested a motion to dispense with the reading of the Budget Report. The motion was moved by Mrs. Cheryl Bowe-Moss, seconded by Mr. Calnan Weech and was carried unanimously.

11.1 Treasurer Culmer-Hinsey stated that the budget remains flat. She explained that the budget for 2026 was derived by utilizing projections based on the 2025 budget. The Treasurer stated that payroll increased as the credit union plans to hire an IT person in addition to the 4% which the staff gets after their appraisal. Additionally, she stated that the insurance seems to be increasing so the budget for insurance was also increased.

11.2 The Treasurer opened the floor for questions. There were none.

A motion to accept the 2026 Budget was moved by Mrs. Cheryl Bowe-Moss, seconded by Mrs. Estella Walkes-Pratt and was unanimously carried.

12. SUPERVISORY, CREDIT & EDUCATION COMMITTEES REPORTS

Chairman Bowleg invited the Chairperson of the Supervisory Committee to present their report.

12.1 SUPERVISORY COMMITTEE REPORT

A motion to dispense with the reading of the Supervisory Committees' Report was moved by Mr. Alescio Fowler, seconded by Mr. Keith Seymour and was carried unanimously.

12.1.2 Chairperson Bain stated that the year 2024-2025 has been a very busy year for the Supervisory Committee. She stated that the Committee conducted several successful audits in the sense that the audits have been completed in its entirety.

The Chairperson stated that the Committee noted financial growth in some areas and the and the stability at BICCU. She highlighted the fact that there were significant efforts to reduce delinquent accounts, while significant steps were taken to enhance the loan offerings. Additionally, she indicated that there were

different types of strategic initiatives which the Committee applauded.

The Chairperson stated that the Committee planned 23 audits at the very beginning of 2024 about 66% of the audits were completed. Of these at least 10 were submitted to the Central Bank as mandated in clause 64 of the Internal Audit and Audit Committee Guidelines. Chairperson Bain stated that the 2025 audit plan was approved in the second quarter of 2025. There were 3 to 5 high risk audits that were brought over into the new year. Additionally, she stated that all audit related findings and management responses were being tracked monthly and discussed at the Supervisory Committee meetings in a timely fashion.

In terms of high-risk findings, the Chairperson confirmed that the Committee discussed the retention of deductions, the non-retention of deduction listings for manual payrolls. Additionally, she indicated that the Committee discussed timely management responses to audit that were completed.

Chairperson Bain stated that the internal auditor had a stellar performance this year, in terms of the audits completed. She stated that the Committee worked with him in reference to his performance appraisal, as well as reviews relative to the completion of his audits, his findings, his observations, and his conclusions.

Additionally, the Chairperson stated that the Supervisory Committee with the assistance of the Internal Auditor made several recommendations to the Board, one of which was a recommendation to improve the standard operating procedures for mortgage administration and disbursement process. Another recommendation she stated had to do with the internal audit consolidated follow-up tracking report which helped to aid in the tracking of substantial risk findings, especially those that were high risk which needed to be tracked monthly.

Other recommendations included the investment in a human capital management system that included a talent management performance module so that from a performance

appraisal standpoint, the process can be completed in a timely manner. The Committee also recommended the hiring of additional support for the Internal Auditor because of his load and volume of work.

The Supervisory Committee expressed gratitude for the guidance and the leadership extended by the Board, CEO, Compliance Manager and the employees. Chairperson Bain stated that the Supervisory Committee continues to applaud the journey of BICCU in terms of the efforts being taken to ensure the credit union continues to be successful. Additionally, she stated that the Committee remains committed to high standards of stewardship and to ensuring that transparency and collaboration are the words of the day.

As for the Committee's attendance relative to the year 2024-2025, the Chairperson stated that the Committee members averaged about 95% full attendance to every meeting. She thanked the Committee for the support and a job well done.

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

Mrs. Cheryl Bowe-Moss requested clarification on the Committee's statement that they supported the recommendation for the Board to increase its insurance policy for cash on hand, she enquired as to the recommendation. The Chairperson stated that the recommendation was to increase the insurance to \$600,000 from \$500,000.

Mrs. Bowe-Moss further enquired as to why the insurance needed to be increased. The Chairperson stated that the increase was to ensure that there was liquidity in the event something happens as it related to the members, the members could be paid out adequately or pay out what the member has due to them.

Mrs. Bowe-Moss stated that the Chairperson was talking about two different things, (1) cash on hand risk and the (2) liquidity risk as per PEARLS. Mrs. Bowe-Moss further enquired as to the decision on the real property tax. Chairperson Bain explained that the real property tax recommendation was to ensure that in the

event the mortgage holder did not pay his/her insurance by the deadline or in the case of real property tax where a decision was made, for the credit union to either increase the mortgage value or to take that deduction from the shares or any cash that the member had on the KALL account so that the real property tax was paid in a timely manner.

Mrs. Bowe-Moss enquired whether the Committee understood the impact on the loan portfolio resulting from the credit union paying the real property tax. The Chairperson stated that from a legal standpoint the Committee wanted to make sure that for every member that had a mortgage, consideration was given to covering the real property tax. Mrs. Bowe-Moss stated that when the mortgage is increased to pay the real property tax that member will never pay off that mortgage. Chairperson Bain responded that based on the operating procedures, the credit union wants to ensure that your home or the mortgage value of your home is insured but also that your real property tax is paid in a timely manner.

Mrs. Cheryl Bowe-Moss stated that the Chairperson keep confusing the matter at hand. She stated that home insurance is one thing and real property tax is a national responsibility. Further, she stated that a person cannot satisfy his/her mortgage until the real property tax is paid. She highlighted the fact that for the credit union to take on the burden of adding the real property tax to the mortgage bill is increasing the exposure on the credit union, so if that mortgage go belly up, the credit union lose more because of the additional debt.

Chairperson Bain stated that the credit union is increasing the loan principle, increasing the loan value for that member. Mrs. Bowe-Moss reiterated the fact that if the loan goes delinquent, the credit union will lose more. The Chairperson stated that if the loan goes delinquent the credit union will lose more but it will have the value of the asset which could be used to pay off any outstanding exposure. Mrs. Bowe-Moss stated that the credit union may end up with a nil or deficit balance because the bill could be more than the true value of the property. Mrs. Bowe-

Moss recommended that the Committee do a progression so that they could see what she was saying.

Mrs. Bowe-Moss then asked if the credit union lost 90% of the loan portfolio net 19%, what was the financial advantage. Chairperson Bain stated that the financial advantage had to do with the credit union's efforts relative to strategically going after additional or diversifying the type of member loans that were brought to the credit union. Further, she stated that when the Committee spoke about the advantages or the successful efforts being made by BICCU in this administrative year, they were referring to the diversification in terms of where they went to solicit members such as banks, government offices, legal firms etc. to increase their loan portfolio.

Mrs. Bowe-Moss explained that the advantage must be to the member to come in to take out a loan with the credit union, not the strategic goals or the efforts made by the credit union. The advantage would be why would the person take a loan out with BICCU as opposed to going elsewhere. This is the strategic advantage.

Mrs. Cheryl Bowe-Moss requested clarification on the Committee's statement that the Internal Auditor had a stellar year; however, he only did 10 of the 24 audits. Chairperson Bain stated that this was due to the type of audits that were on record for him to complete, they required more time. She stated that those audits could not be done in a year. The Chairperson indicated that the Committee had advised the Board, and the CEO who is also in charge of the Internal Auditor, that based on this fact, the audit count should have only been 12 to 15 audits. Additionally, Chairperson Bain stated that the Committee took into consideration that the Internal Auditor also conducts ad hoc audits based on whatever the situation is at hand. She stated that the Internal Auditor's audit performance was rated as a stellar as he was able to complete 10 audits in full, and the ad hoc audits that were assigned to him.

Mrs. Bowe-Moss enquired as to what rollout plan does the Committee have for the Internal

Auditor to be equipped to do the 23 audits, is there a plan of action, resource allocation request or suggestion for the Board to assist the Committee with as not completing audits is not acceptable for the Central Bank. Chairperson Bain responded in the affirmative stating that one of the Committee's recommendations was for the Internal Auditor to get additional resources or some type of assistance relative to completing his audits as the Committee understands the need for him to complete the audits. Further, she confirmed that some of the outstanding audits were included in the audits for 2025.

Per a question in the chat by Ms. Cheryl Cox, Treasurer Culmer-Hinsey clarified that the liquidity ratio is required by the Regulators. The funds are kept at the League but it does not belong to the League so the credit union borrowing to ensure that the funds were at the level that it should be is a requirement for the Central Bank and is based on the Pearl Standard.

There were no more questions.

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

12.2 CREDIT COMMITTEE REPORT

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

12.2.1 Secretary Frerishia McKenzie-Palmer presented highlights from the Committee's Report. She confirmed that per Section 78 of the Act, the Committee met monthly, to review at least 50% of the credit union's approved loans. The committee confirmed that for the most part, the files were in order as it relates to the KYC documents.

The Secretary stated that 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 with the majority being for miscellaneous bills, vacation,

and home improvement, whilst the least of the loans were granted for property, generators, and one for a wedding.

Secretary McKenzie-Palmer stated that of the files reviewed, 32 were board approved ranging from charge-offs, employment status less than a year, high exposure, etc. The Secretary stated that during the period, there were two loans denied due to the debt service ratio being far too high.

The Committee noted that in January 2024, the total value of the delinquent loans was \$1.6 million, versus March 2025, where the value was \$2.8 million. The Secretary stated that the increase warranted the need for two additional recovery agents. The Committee confirmed that the actions taken to follow up delinquent accounts included phone calls, demand letters, collection agencies, as well as court action. The Committee thanked the Recovery Department for a job well done.

The Secretary thanked the Board of Directors, CEO Bastian, Compliance Manager Moss, and Loans Manager Butler. Additionally, the Secretary thanked the members for allowing the Committee the opportunity to serve.

Mr. Alescio Fowler thanked the Committee. He agreed that it is important to commend the recovery team on a stellar performance, to increase recovery by 100% is nothing less than remarkable.

Motion for the acceptance of the Credit Committee's Report moved by Mr. Alescio Fowler, seconded by Mr. Kyle Strachan, 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 Mrs. Estella Walkes-Pratt, second by Mrs. Cheryl Bowe-Moss and was carried unanimously.

12.3.1 Michelle King, Secretary for the Education Committee, presented the report on behalf of the Committee. She stated that the Committee remains committed to providing relevant, timely educational information to empower the members to make informed financial decisions.

She stated that the Committee began the year by hosting a webinar, "Understanding the Credit Bureau and Your Credit Score". The facilitator was Ms. T. Marissa Nixon of CRIF Bahamas. The Secretary stated that the turnout was not as the Committee hoped; however, those who attended found the session valuable and engaging. She stated that the feedback confirmed that the webinar was both timely and appreciated.

Secretary King indicated that the Committee continues to disseminate information through the Committee's Did You Know infomercials, which are played on the phone while members are on hold. The Secretary also highlighted the fact that the Committee also created a short video highlighting recent changes to credit union's Christmas Savings Club Account. The video along with other infomercials are periodically played on the TV screen helping to keep members informed as they do business within the credit union.

The Secretary stated that one of the proudest accomplishments of the Committee has been the continued development and impact of the BICCU newsletter, featuring information such as changes relating to the BAF group medical insurance, the BICCU debit card re travel, recent changes for the Christmas Club account, the discontinuation of the Scotia MasterCard etc. She stated that the newsletter has become a valuable tool in keeping members updated and financially aware. The Secretary stated that the Committee is grateful for the positive responses received and are encouraged to keep sharing practical tips and tools.

Looking ahead, she stated, the Committee is excited to be planning a financial literacy seminar which will focus on practical budgeting techniques, saving strategies, and retirement planning. Secretary King stated that the Committee is of the opinion that this is a topic

that matters to the membership. She stated that the Committee is working to ensure that the seminar is impactful and well supported by the relevant partners. The Secretary encouraged members to make every effort to attend.

The Secretary confirmed that the Committee participated in the AML training. She proudly stated that they all passed with good success.

Secretary King thanked the Board of Directors for their ongoing support. Additionally, she thanked Compliance Manager Carolyn Moss, Board appointed Director Ms. Janet Guerria, CEO Mark Bastian and the entire BICCU staff for their important role in helping the Committee accomplish their goals. The Secretary extended a special thank you to the valued members for their continued support, she stated that it was indeed an honor to serve, and that the Committee looked forward to continuing the journey promoting lifelong financial learning and empowerment. Finally, Secretary King stated that Chairperson Carla Fitzgerald, committee members Nashon Rolle, Claudette Farrington, and Sherkia Oliver, wish to say thank you, and a very pleasant good night.

Chairman Bowleg opened the floor for questions. There were none.

Motion for the acceptance of the Education Committee's Report, moved by Mrs. Cheryl Bowe-Moss, seconded by Mrs. Estella Walkes-Pratt and was carried unanimously.

Chairman Bowleg recognized three questions in the chat:

1. How does the credit union justify giving loans for wedding?
2. Is there a plan for increased social media presence?
3. Did the credit union consider raising deposit instead of borrowing and what was the rate of the loan?

He stated that these will be answered shortly.

13 RESOLUTIONS

Secretary Janet Guerriera presented the Resolutions. She stated that she would read the resolutions into the records, after each reading the members will be invited to vote either in favour or against the resolution.

Secretary Guerriera presented the resolutions as follows:

13.1 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, 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.

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

13.1.2 Fifty-two (52) members were on-line. Secretary Guerriera advised that 100% of the members voted yes, 0 voted no, 0 abstained. The Resolution carried.

13.2 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 2025.

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

13.2.2 There were fifty-one (51) members logged on. Secretary Guerriera advised that 100% of the members voted yes, 0 voted no, 0 abstained. The Resolution carried.

13.3 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.

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

13.3.2 Fifty-five members were logged on. Secretary Guerriera advised that 96% (53) of the members voted yes, 4% (2) member voted no, 0 abstained. The Resolution carried.

13.4 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.

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

13.4.2 There were fifty-eight (57) members logged on. Secretary Guerriera advised that 100% (58) of the members voted yes, 0 voted no, 0 abstained. The Resolution carried.

13.5 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.

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

13.5.2 There were sixty-two (62) members signed on. The Secretary advised that 98% (61) of the members voted yes, 2% (1) of the members voted no. The Resolution carried.

13.6 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.

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

13.6.2 62 members was logged on. Secretary Guerriera advised that 97% (60) of the members voted yes, 2 members voted no, 0 abstained. The Resolution carried.

Chairman Bowleg addressed questions from the chat.

- How does the credit union justify giving loans for wedding? – The Chairman stated that sometimes the credit union must help members in need on their special day.
- Is there a plan for increased social media presence? The Chairman stated that the credit currently has social media presence; however, the goal is to increase the credit union presence throughout the year.

14. New Business

14.1 Mr. Calnan Weech suggested that the credit union setup a Member Complaints Committee. He stated that he was unaware as to whether the credit union has a mechanism in place that allows members to register complaints to or about the credit union and its service. He stated that this would go a long way to measure member satisfaction with the services and gives the credit union an opportunity or methodology for measuring member satisfaction year over year.

14.2 Mr. Weech further recommended that some technology be used where members can send in their complaints anonymously and the Board or the Complaints Committee would cause the complaint to be investigated.

14.3 Chairman Bowleg thanked Mr. Weech. He highlighted the fact that the credit union has a complaints policy, which was mandated by Central Bank. Additionally, he indicated that the credit union also has comment cards. The Chairman acknowledged the suggestion relating to technology where the member could send in a complaint anonymously. Further, Chairman Bowleg stated that the suggestion of formulating a task force to deal with complaints is a good idea which the Board will review. The Chairman thanked Mr. Calnan Weech for his suggestion.

Chairman Bowleg invited the Nomination Committee to conduct the election.

15. ELECTIONS

15.1 Carlton Russell, Chairman of the Nomination Committee stated that in accordance BICCU's bylaws, the Committee has completed its review and vetting of candidates for election to the Board of Directors, Supervisory Committee, and the Credit Committee. He stated that after careful consideration of each of the nominee qualifications, the credit union standing and commitment to the co-operative principles, the Committee is confident that we are presenting a slate of individuals who are well equipped to support BICCU's continued growth and good governance.

15.2 The Chairman invited Mr. Calnan Weech to conduct the election.

15.2.1 Mr. Weech stated this is the second year that the Nominating Committee found itself in a position where there were no suitable candidates offering for the Board of Directors. He said that this is something that the Nominating Committee takes very seriously. He stated that the Committee wants to encourage members to put themselves forward. Further, he stated that even though BICCU has the best Board of Directors in so far as credit unions are concerned, in the Bahamas, but the dedicated board members are not getting any younger. Mr. Weech stated that the Committee wants to ensure succession planning, which means qualified and dedicated persons must put themselves forward to serve the credit union.

15.2.2 Mr. Weech stated that the Committee has dedicated themselves to helping the process by encouraging people who they know personally to follow the path, to have an interest in wanting to serve the credit union. Mr. Weech stated that personally, there was never a better time in his life in terms of serving, he stated that he has learned a lot and it has helped him personally and professionally. He encouraged members to do the same.

15.2.3 Mr. Weech highlighted the requirements such as attendance at least the last three AGMs which is an indication of commitment and interest in the credit union. Further, he stated that the member must serve on the Supervisory or Credit Committee to get an understanding of the credit union. This he stated is important because at the Board level, the requirements for credit union leadership are not getting easier, as the Central Bank through regulations and requirements require more and more from the credit union's leadership.

15.3 ELECTIONS – BOARD OF DIRECTORS

15.3.1 Mr. Calnan Weech directed all to the Terms of Service found on page 13 of the AGM booklet. He stated that Director Barry Rolle and Director Janet Guerriera terms are up this year and they have both been approved by the Committee as candidates for the Board of Directors.

15.3.2 Mr. Weech stated that as there were no other qualified candidates, Mr. Barry Rolle and Ms. Janet Guerriera are elected for a further three years unopposed. He congratulated the new Directors.

15.4 ELECTIONS – SUPERVISORY COMMITTEE

15.4.1 Mr. Weech stated that there were three vacancies on the Supervisory Committee. He indicated that during the year, Mr. Rashad Ritchie stepped down, Mr. Samuel Wilkinson was appointed to replace him. Mr. Weech stated that per the Act and Regulations and the credit union's bylaws, a person who is appointed, serves until the AGM.

15.4.2 Mr. Weech highlighted the fact that Mrs. Rhonda Richardson-Chase and Mrs. Shevaun Stubbs have completed their three years so there terms up.

15.4.3 Mr. Calnan Weech confirmed that the nominating committee received four nominations; however, one individual was not qualified, resulting in three vacancies and three candidates, Mr. Samuel Wilkinson, Mr. Alescio Fowler, and Mr. Kaymark Lightborne. Mr. Weech allowed the candidates 1 minute each to present themselves. Mr. Folwer addressed the membership, however, Mr. Wilkinson and Mr. Lightbourne had technical difficulties.

15.4.4 Mr. Weech reiterated the fact that four nominations were received, however, only three were qualified. He stated that as there were three vacancies, the three people who qualified, Mr. Kaymark Lightborne, Mr. Samuel Wilkinson and Mr. Alescio Fowler are elected unopposed so there is no need for an election. Mr. Weech congratulated the trio on their election to the Supervisory Committee.

15.5 ELECTIONS – CREDIT COMMITTEE

15.5.1 As for the Credit Committee, Mr. Weech indicated the Nominating Committee received, four nominations for two vacancies. One nomination, he stated was denied resulting in three remaining candidates. Mr. Weech stated that Mrs. A. Mary Davis and Mr. Edwin Morley have reached the end of their service on the Committee as such, they both made application to serve again. Additionally, he stated that the Nomination Committee received a nomination from Marcia Sandiland to serve on the Credit Committee; therefore, there three nominees, and two vacancies.

15.5.2 Mr. Weech invited the nominees to address the membership. The three nominees, Marcia Sandiland, A. Mary Davis, and Mr. Edwin Morley gave short introductions.

15.5.3 Mr. Weech instructed the membership to go to the email address, which was used for their registration. He stated that there should be a return email from BICCU on the same day of registration, with the subject “Your Invitation to Vote in the Election”. He advised that in the body of the e-mail is a button which says, “Click Here to Vote”. which will automatically go to the election. He instructed the members to vote for two candidates.

Votes:

NOMINEES	VOTES RECEIVED	ELECTED
A. Marie Davis	41%	√
Edwin Morley	39%	√
Marcia Sandiland	19%	

15.5.4 Mr. Weech stated that there were 86 voters online. He confirmed the results, A. Marie Davis with 41% of the votes, Edwin Molley with 39% of the votes, and Marcia Sandiland with 19% of the votes. He congratulated Mary Davis and Edwin Morley for being returned to the credit committee. Additionally, he thanked Marcia Sandiland for nominating, he encouraged Ms. Sandiland to remain interested and knowledgeable about the Credit Union and to consider offering again for the Credit or Supervisory Committees.

15.5.5 On behalf of the nomination Committee, Mr. Weech thanked the Board for the opportunity.

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

16. NOMINATION COMMITTEE

16.1 Mrs. Cheryl Bowe-Moss thanked the Nomination Committee, she commended them on the job that they have been doing over the last couple of years. She stated that the Committee is able to work autonomously, and they do an excellent job. Mrs. Bowe-Moss moved a motion to have the Nomination Committee returned next year. She requested a second Mr. Alescio Fowler provided a second for the motion. The Motion carried.

16.2 Chairman Bowleg thanked the Nomination Committee for a fine job and for being such a vital and reliable arm of the credit union. The Chairman also thanked the former Committee members for their service. He stated that he hopes that they will see fit to return to this great credit union to give some service. Thank you very much for your time.

16.3 Chairman Bowleg stated that the current Nomination Committee will remain.

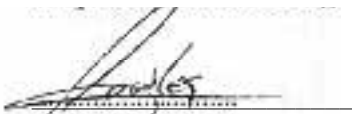
17. MOTION FOR ADJOURNMENT

Vice Chairman thanked the members, he requested their continued support. Mrs. Cheryl Bowe-Moss thanked the Board and Committees for a successful AGM. Additionally, she encouraged the younger members to come forward and volunteer their service.

The Motion for the adjournment of the 39th Annual General Meeting of BICCU was moved by Mrs. Cheryl Bowe-Moss and seconded by Mrs. Shevaun Bain

The meeting ended at 7:58 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 22nd, 2025.



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.

According to the IMF the Bahamian economy has had a solid recovery in recent years. This recovery has been boosted by tourism along with steps taken to strengthen public finances. Real GDP growth for 2025 was expected to be around 1.7 percent at the start of the year but appears to have come in above that at 2.8 percent. This was mostly supported by construction and cruise tourism.

Early in 2026, the IMF concluded that the risks to the economic outlook for the country was broadly balanced and looking ahead, they indicated the government ought to reduce fiscal vulnerabilities and foster sustained growth. This outlook was presented prior to the United States/Israel war against Iran which has altered the world economics due to the rise in fuel costs. The uncertainty created by the war suggests that it may impact travel to the country and therefore tourism activity remains vulnerable. With 2026 being a general election year, regardless of the winner there should not be any major impact to the Bahamas economy, however, we remain highly vulnerable to the effects of natural disasters such as hurricanes.

OPERATIONS

Overview

BICCU celebrates its 40th year of existence and for that reason we have chosen the theme "40 Years of Putting Members First, Yesterday, Today, and Tomorrow" as it aptly fits what we are trying to accomplish. We, the Board of BICCU, try to ensure that the management and staff are doing everything possible to 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:

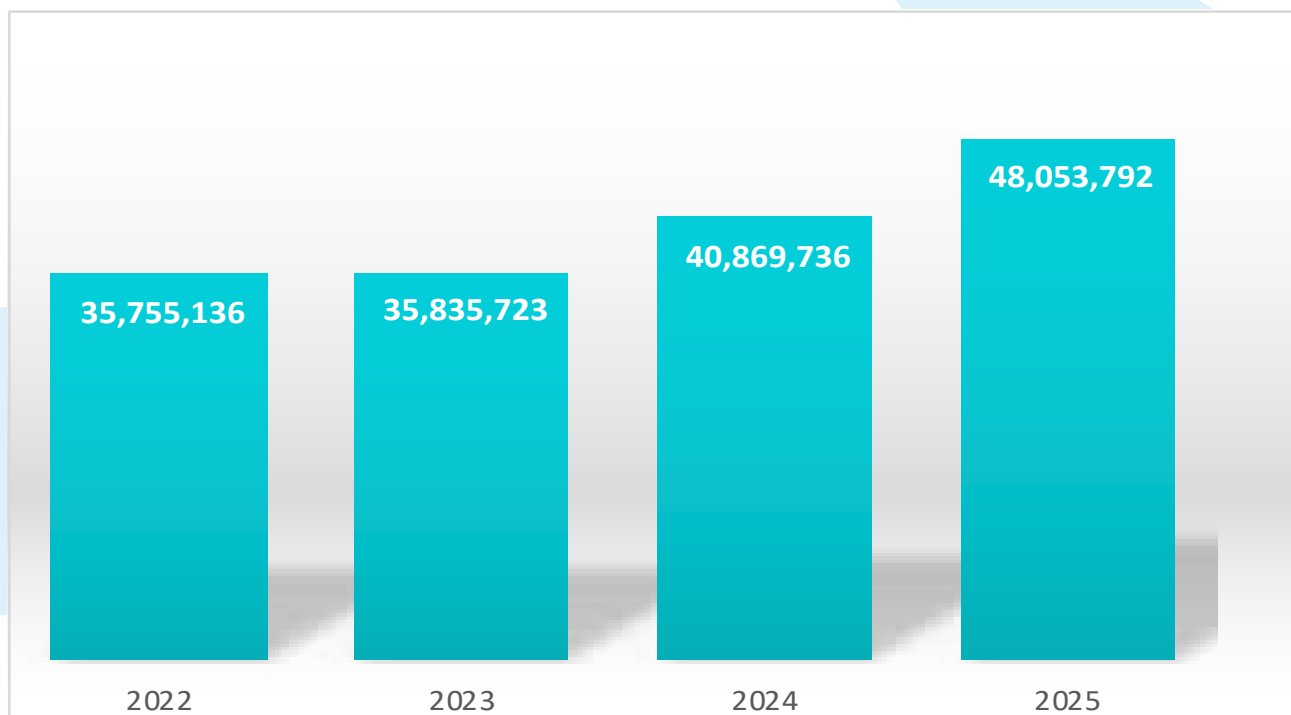
- identifying and recommending ways to mitigate risk,
- reviewing delinquent and written off accounts and ensuring that there are adequate collection efforts surrounding them,
- receiving and analyzing financial reports to ensure the soundness of the credit union,
- reviewing loans and membership reports to ensure that there are 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, 2025, the Credit Union granted loans totaling sixteen million seven hundred and eighty thousand seven hundred and one dollars (\$16,780,701). The loans payoff/payments for the year totaled eight million seven hundred and seventy-five thousand one hundred and eighty-eight dollars (\$8,775,188) and loans written-off totaled eight hundred and twenty-one thousand and four hundred and fifty-seven dollars (\$821,457). For the year ending December 31st, 2025, the loan portfolio had a significant increase of seven million one hundred and eighty-four thousand and fifty-six dollars (\$7,184,056). Our total loans portfolio as of December 31st, 2025, of \$48,053,792 is an increase of 18 percent when compared to December 31st, 2024's total, which was \$40,869,736.



The significant growth in the loan portfolio was mostly attributable to mortgage loans. The credit union partnered with Peak Development Company and provided about \$1.35 million in financing for qualified members wishing to purchase available triplex buildings and lots from that company. In total, loans for the purchase of land building accounted for more than \$4 million of the overall growth in the Loans portfolio. The credit union initially resisted the temptation to grow the loan portfolio by loan promotional activity, however, we added more than \$1.1 million to the portfolio due to the November and December 2025's Christmas loan promotion.

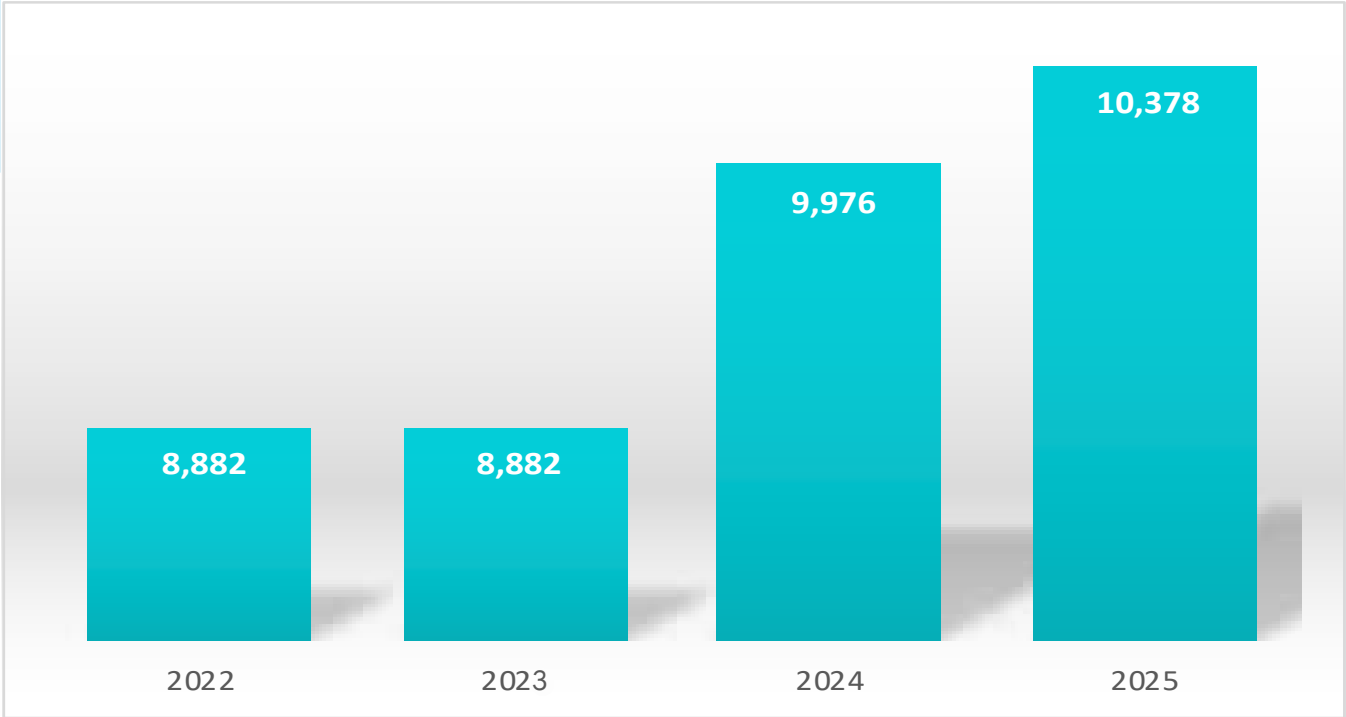
Although the Bahamian lending business is very competitive, we are working with management to ensure that they get aggressively grow the loan portfolio.

Non-Performing Loans

The changes made to the staff in the Collections department at the end of year 2024 and early 2025 resulted in mixed results in our collection efforts as they related to non-performing loan accounts. Provisions for loan impairment increased from \$1,017,392 during 2024 to \$1,239,195 in 2025, and delinquent accounts written off also increased to \$821,457 during 2025 as compared to \$530,610 during 2024. On the other hand, recovery of written off accounts totaled \$909,188 in 2025 compared to \$835,294 in 2024.

Membership

During the year 2025, BICCU crossed the 10,000-membership barrier and gained four hundred and two (402) members, net. This was a 4 percent increase in our membership for the year. The net increase would have been larger, however in December 2025, the credit union cleaned up its membership list by removing 145 members who had passed or whose account were either dormant or inactive.



From the end of the year December 2022 to end of the year December 2025, BICCU has experienced a 16.8 percent net increase in its membership. Management continues in their efforts to grow the credit union with quality members by embarking on a marketing strategy that targets large and reputable companies that grant salary deductions to their employees. This strategy also targets non-hospitality industry related entities that allow the credit union to have a more diverse membership base.

Services

As noted previously, the credit union intentionally tried to limit the amount of promotional loan activity during 2025. When it was noticed that consumer lending pace was below the desired levels, the credit union introduced a Christmas loan promotion that ran from mid-November through mid-December. That promotion yielded more than 275 top up loans. The promotion also included a separate element that was specifically geared towards Baha Mar employees as we have been reaching out to their management to approve the irrevocable salary deductions for the credit union. We approved 18 loans for those employees and thought that the more employees we signed up, the better our chances of receiving the irrevocable salary deduction. We are still waiting, but the current deductions are received without any issues.

Our goal is to serve you better now and, in the future, to do this we need to upgrade our operating system. The credit union has used CruiseNet as its core operating system for more than twenty years. The company that owned the system sold it more than 5 years ago. That company no longer appears to have the capacity to keep up with the necessary upgrades. We are searching for a new system and are in communication with a company called Smart Solutions about their Inversa system. This system was recently installed at another credit union, and the company has reached out individually and collectively to all other credit unions in the Bahamas. Currently the Bahamas Co-operative League Limited has put forth a proposal where they will aid in purchasing the system up front and offer a shared service for all the credit unions. The League will host the entire system at their office, with proper firewall protection. The credit unions can then pay a portion of the cost over time based on the number of users. There is some uncertainty coming out from the other credit unions; however, BICCU believes that the system is right for us, and we will work with the shared service approach or move on our own. The major drawback is the fact that the annual maintenance cost is high, so we wish to continue trying to reduce that cost.

The Central Bank is implementing a Fast Payment System which will allow instantaneous transfers between individuals, entities and banks. The expected go live date for the system is the first quarter of 2027. This system will place BICCU and other credit unions on the same playing field as the banks. In other words, we will not have to have a third-party bank to flow monies through. Salary deductions and member deposits can be received directly from a bank account into an account at the credit union. BICCU currently does not have the necessary infrastructure in place, but rather than reinventing the wheel, we are looking to form a partnership with entities that currently have the network in place. We have discussed the possibility with SunCash and Kanoo and a final decision will be made in short order.

Moving into 2026, BICCU will celebrate 40 years of serving our members. Activities are currently being planned, and we hope to have participation coming from most of you, our members.

Staff

After the 2025 AGM, BICCU experienced a lot of movement as it relates to its staff. In June 2025, we brought in Arielle Sands as a Telephone Operator, Olivia Johnson as a Membership Services Representative and Vashti McKenzie as a Filing Clerk/Messenger. As a result of these hires, other changes took place. We eventually moved Tamara Stubbs over to the Membership Services Department where she assumed the Telephone Operator job and Arielle was moved to be a Teller. Olivia Johnson and Christine Lee swapped positions with Olivia taking over the Document Imaging Specialist position and Christine Lee assuming the Membership Services Representative position.

In August 2025, Justin Knowles resigned from his Accounts Clerk position, and as a result this position needed to be filled therefore Treynishka Carey moved from her Teller's role to that position. In September 2025, Keira King was hired to fill the Telephone Operator position and Ashley Fleurigene was hired as a Teller. These events allowed Tamara Stubbs to move to the Receptionist desk to replace Kendesha Kemp who was promoted to Membership Services Supervisor. In October 2025 Errin Green, Head Teller resigned from her position as Head Teller. The credit union has not hired a replacement but eventually hired Dwaynae Smith as a Teller. She joined us in February 2026.

The start of this year is also testing our resilience. On March 1st, 2026, we experienced our first employee to reach the mandatory retirement age of 65. Bryan Butler, Loans Manager, reached that milestone. The credit union asked him to remain with us for an additional 3 months to properly train and have a transfer of the role to Sherise Adderley who was hired on April 7th, 2026 to replace Mr. Butler. On April 23rd, 2026, Waydrissa Seymour was relieved of her position of Accounts Clerk. This month has also seen two resignations, with Neko Moss resigning from his position of Accounts Officer and Arielle Sands resigning from her position as a Teller. We are currently reviewing resumes and hope to hire individuals to fill these positions in short order.

TRAINING

Board of Directors/Committees

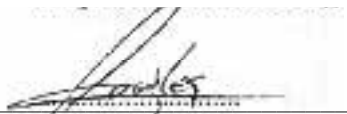
June	2025	Caribbean Confederation of Credit Union Conference (Dominican Rep.)
June	2025	Continuing Professional Development
July	2025	Anti-Money Laundering & Counter Financing Terrorism (Nassau)
September	2025	Cyber Security Managing the Risks of Digitalization
October	2025	CCCU Swoboda Credit Union Governance (Webinar)

Staff

June	2025	Caribbean Confederation of Credit Union Conference (Dominican Rep.)
July	2025	Anti-Money Laundering & Counter Financing Terrorism (Nassau)
July	2025	CCCU Expected Credit Loss Workshop
August	2025	BICA/CFE Fraud Seminar
September	2025	Supervisor Training
September	2025	Member Service Excellence Training
September	2025	CFE Training
September	2025	Cyber Security Managing the Risks of Digitalization
September	2025	Cyber Security and Privacy Training
September	2025	CCCU – Teller Supervisor Training
October	2025	Aurora Amplified/CruiseNet Conference
November	2025	Internal Audit Webinar
November	2025	BICA Accountants Week (Nassau)
February	2026	CaribDE (Guyana)
February	2026	Global Leadership Summit (Nassau)
April	2026	CCCU - Delinquency Management and Collections Workshop
April	2026	Compliance Aid Conference (Miami)

Thank You

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



Hilton Bowleg
Chairman



Janet Guerriea
Secretary



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

FINANCIAL STATEMENTS

31 DECEMBER 2025



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Bahama Island Co-Operative Credit Union Limited

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 December 31 2025, 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.

Opinion

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 December 31 2025 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).

Other Auditors

The audited financial statements for the year ended December 31, 2024 were audited by other auditors who issued an unqualified opinion on the financial statements, dated April 26, 2025.

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 December 31, 2025. 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.

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.



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Fund 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.

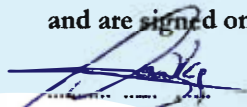
C R O W E

Crowe Bahamas
Nassau, The Bahamas
April 22, 2026

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(Expressed in Bahamian Dollars)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5(a)	4,128,179	8,340,267
Deposits with banks and other institutions	5(b)	4,624,986	4,569,403
Deposits with the League	6	14,885,280	13,574,076
Other receivables and prepayments	7	1,536,846	1,532,680
Financial investments, current portion	8	662,320	319,500
Loans receivable, net, current portion	9	<u>444,717</u>	<u>508,731</u>
		<u>\$26,282,328</u>	<u>\$28,844,657</u>
NON CURRENT ASSETS			
Financial investments, non-current portion	8	500,00	850,000
Loans receivable, net, non-current portion	9	46,014,924	39,156,042
Investment properties	10	4,992,000	4,992,000
Property and equipment, net	11	<u>2,762,489</u>	<u>2,242,477</u>
		<u>\$80,551,741</u>	<u>\$76,085,176</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	12	373,895	242,486
Members' deposits, current portion	13	42,269,373	38,730,242
Borrowings, current portion	14	<u>702,111</u>	<u>669,445</u>
		<u>43,345,379</u>	<u>39,642,173</u>
NON-CURRENT LIABILITIES			
Members' deposits, non-current portion	13	21,134,953	20,250,865
Borrowings, non-current portion	14	<u>3,963,661</u>	<u>4,629,946</u>
TOTAL LIABILITIES		<u>68,443,993</u>	<u>64,522,984</u>
MEMBERS' EQUITY			
Qualifying shares	15	2,075,600	1,995,200
Statutory reserve fund		6,365,675	4,365,675
Fair value reserve		129,785	138,165
Donated capital		156,200	112,200
Retained earnings		<u>3,380,488</u>	<u>4,950,952</u>
		<u>12,107,748</u>	<u>11,562,192</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY		<u>\$80,551,741</u>	<u>\$76,085,176</u>

The statements were approved by the board of directors and authorised for issue on April 22, 2026 and are signed on its behalf by:


 Director


 Director

The notes on pages 45-88 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
FINANCE INCOME			
Loan interest income	16	4,057,208	3,776,769
Investment interest income	16	<u>366,780</u>	<u>346,461</u>
		<u>4,423,988</u>	<u>4,123,230</u>
FINANCE COST			
Deposit interest expense	16	1,302,449	1,264,066
Interest expense on borrowings	16	<u>201,337</u>	<u>61,020</u>
		<u>1,503,786</u>	<u>1,325,086</u>
NET FINANCE INCOME BEFORE PROVISION FOR LOAN LOSSES			
Expected credit loss allowance for loan losses	9	2,920,202	2,798,144
		<u>(305,728)</u>	<u>(224,703)</u>
NET FINANCE INCOME			
Non-interest income	17	2,614,474	2,573,441
		<u>1,107,622</u>	<u>1,031,534</u>
		<u>3,722,096</u>	<u>3,604,975</u>
OPERATING EXPENSES			
Personnel	18	1,714,170	1,580,918
Occupancy	19	567,990	483,897
Members' security	20	331,834	309,348
General business	21	262,056	281,110
Organisational	22	144,590	133,171
Computer costs	23	165,875	129,391
Marketing	24	<u>26,541</u>	<u>47,427</u>
		<u>3,213,056</u>	<u>2,965,262</u>
NET INCOME FOR THE YEAR			
		509,040	639,713
OTHER COMPREHENSIVE INCOME			
Fair value gain on investments		<u>(8,380)</u>	<u>13,640</u>
TOTAL COMPREHENSIVE INCOME			
		<u>\$500,660</u>	<u>\$653,353</u>

The notes on pages 45-88 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Qualifying shares	Statutory reserve fund	Fair value reserve	Donated capital	Retained earnings	Total
January 1, 2024	\$ 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)
Retained earnings appropriations	--	--	--	--	--	--
Comprehensive income						
Net income for the year	--	--	--	--	639,713	639,713
Other comprehensive gain						
Fair value gain on investment	--	--	13,640	--	--	13,640
Total comprehensive income						
December 31, 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>
Additional membership	124,400	--	--	--	--	124,400
Transfer to donated capital	(44,000)	--	--	44,000	--	--
Dividend paid	--	--	--	--	(79,504)	(79,504)
Retained earnings appropriations	--	2,000,000	--	--	(2,000,000)	--
Comprehensive income						
Net income for the year	--	--	--	--	509,040	509,040
Other comprehensive income						
Fair value gain on investment	--	--	(8,380)	--	--	(8,380)
Total comprehensive income						
December 31, 2025	<u>\$2,075,600</u>	<u>\$6,365,675</u>	<u>\$129,785</u>	<u>\$156,200</u>	<u>\$3,380,488</u>	<u>\$12,107,748</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	509,040	639,713
Adjustment for items not involving the movement of cash:		
Interest income	(4,423,988)	(4,123,230)
Interest expense	1,503,786	1,325,086
Depreciation	154,080	149,790
Provision for loan losses	<u>1,239,194</u>	<u>1,017,392</u>
Operating loss before working capital changes	(1,017,888)	(991,249)
Increase in loans receivable	(8,005,512)	(5,564,623)
Increase in other receivables and prepayments	(4,166)	(521,173)
Increase in members' deposits	4,371,042	3,745,255
Increase/(decrease) in accounts payable and accrued expenses	131,409	79,352
Interest received	4,395,438	4,114,972
Interest paid	<u>(1,451,607)</u>	<u>(1,294,258)</u>
Net cash (used)/provided by operating activities	<u>(1,581,284)</u>	<u>(431,724)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in deposits with banks and other institutions	(55,584)	(53,912)
Increase in deposits with League	(1,311,204)	(767,529)
Acquisition of shares in the League	(1,200)	(1,200)
Purchase of property and equipment	<u>(674,093)</u>	<u>(72,234)</u>
Net cash used by investing activities	<u>(2,042,081)</u>	<u>(894,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	--	5,340,398
Borrowings paid	(633,619)	(1,844,853)
Dividend paid	(79,504)	(75,248)
Issuance of members' shares	<u>124,400</u>	<u>127,400</u>
Net cash provided by financing activities	<u>(588,723)</u>	<u>3,547,697</u>
Net increase in cash and cash equivalents	(4,212,088)	2,221,098
Cash and cash equivalents at beginning of the year	<u>8,340,257</u>	<u>6,119,169</u>
Cash and cash equivalents at end of the year	<u>\$4,128,179</u>	<u>\$8,340,267</u>

The notes on pages 45-88 form an integral part of these financial statements.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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 DECEMBER 31, 2025

2. BASIS OF PREPARATION (Contd.)

Judgement and estimates (Contd.)

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 DECEMBER 31, 2025

3. MATERIAL ACCOUNTING POLICIES (Contd.)

Investment properties (Contd.)

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 recognized 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 DECEMBER 31, 2025

3. MATERIAL ACCOUNTING POLICIES (Contd.)

Financial assets and financial liabilities (Contd.)

Recognition and initial measurement (Contd.)

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: amortized cost, fair value through other comprehensive income (FVOCI) or FVTPL.

A financial asset is measured at amortized 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 amortized 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 amortized 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 DECEMBER 31, 2025

3. MATERIAL ACCOUNTING POLICIES (Contd.)

Financial assets and financial liabilities (Contd.)

Financial assets - classification and subsequent measurement (Contd.)

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 amortized 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 recognized in profit or loss.

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

Financial liabilities at FVTPL:

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

Financial liabilities at amortized cost:

- The Credit Union's financial liabilities include accounts payable and accrued expenses, member's deposits and borrowings which are measured subsequently at amortized 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 DECEMBER 31, 2025

3. MATERIAL ACCOUNTING POLICIES (Contd.)

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 DECEMBER 31, 2025

3. MATERIAL ACCOUNTING POLICIES (Contd.)

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 DECEMBER 31, 2025

3. MATERIAL ACCOUNTING POLICIES (Contd.)

Revenue and expenses recognition (Contd.)

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 DECEMBER 31, 2025

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.

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. The amendments also introduce additional disclosure requirements to enhance transparency regarding the impact of such circumstances.

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 December 31, 2025, are not expected to have a significant impact on the Credit Union in the period of initial application.

Effective for the period beginning January 1, 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 DECEMBER 31, 2025

4. NEW AND AMENDED STANDARDS (Contd.)

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 January 1, 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 and 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 DECEMBER 31, 2025

5. CASH AND CASH EQUIVALENTS AND OTHER DEPOSITS

a. Cash on hand and in banks

	Rate	<u>2025</u>	Rate	<u>2024</u>
		\$		\$
Scotiabank (Bahamas) Limited				
Operating account		1,378,474		4,234,088
Payroll account		19,332		22,141
Fidelity Bank (Bahamas) Limited				
Business savings	0.00%	1,678,862	0.50%	3,178,070
Business checking		124,921		128,025
RBC Royal Bank (Bahamas) Limited		<u>415,316</u>		<u>362,144</u>
		3,616,905		7,924,468
Cash on hand and in ATM		<u>511,274</u>		<u>415,799</u>
		<u>\$4,128,179</u>		<u>\$8,340,267</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>2025</u>	Rate	<u>2024</u>
		\$		\$
Fidelity Bank (Bahamas) – term deposit	2.50%	2,500,000	2.00%	2,500,000
BAF Financial & Insurance	2.75%	2,073,322	2.75%	2,017,739
Scotiabank (Bahamas) – term deposit	0.08%	<u>51,664</u>	0.08%	<u>51,664</u>
		4,624,986		4,569,403
Pledged as security		<u>(50,000)</u>		<u>(50,000)</u>
		<u>\$4,574,986</u>		<u>\$4,519,403</u>

Fidelity Bank (Bahamas) Limited 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 DECEMBER 31, 2025

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

b. Deposits with banks and other institutions (Contd.)

Scotiabank (Bahamas) term deposit has an original maturity of 1 year and matures on 14 March 2026 (2024: 14 March 2025), of which \$50,000 was pledged as security in Note 5(a).

6. DEPOSITS WITH THE LEAGUE

	Rate	<u>2025</u>	Rate	<u>2024</u>
		\$		\$
Statutory reserve deposits				
Balance, beginning	1.44%	7,552,047	1.44%	7,096,956
Net deposits and other movements		700,000		350,000
Interest earned		<u>117,197</u>		<u>105,091</u>
Balance, ending		<u>8,369,244</u>		<u>7,552,047</u>
Liquidity reserve deposits				
Balance, beginning	1.44%	6,003,781	1.44%	5,694,443
Net deposits and other movements		400,000		225,000
Interest earned		<u>90,899</u>		<u>84,338</u>
Balance, ending		<u>6,494,680</u>		<u>6,003,781</u>
Other deposits, net				
Balance, beginning	1.00%	284,404	1.00%	273,150
Net deposits		20,972		8,153
Interest earned		<u>3,108</u>		<u>3,101</u>
Balance, ending		308,484		284,404
Assigned to unapplied deposits		(171,427)		(157,373)
Dormant accounts transferred		<u>(115,701)</u>		<u>(108,783)</u>
		<u>21,356</u>		<u>18,248</u>
		<u>\$14,885,280</u>		<u>\$13,574,076</u>

During 2025, the Credit Union transferred to the League a net total of \$14,054 (2024: \$4,400) to the League representing the unapplied deposits and a net total of \$6,918 (2024: \$2,047) representing dormant account transfers.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

6. DEPOSITS WITH THE LEAGUE (Contd.)

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>2025</u>	<u>2024</u>
	\$	\$
Statutory reserve deposits	8,369,244	7,552,047
Less: requirement (10% of total assets)	<u>(8,055,174)</u>	<u>(7,608,518)</u>
	<u>\$314,070</u>	<u>\$(56,471)</u>

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

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>2025</u>	<u>2024</u>
	\$	\$
Liquidity reserve deposits	6,494,680	6,003,781
Less: requirement (10% of members' deposit)	<u>(6,340,433)</u>	<u>(5,898,111)</u>
	<u>\$153,247</u>	<u>\$105,670</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

7. OTHER RECEIVABLES AND PREPAYMENTS

	<u>2025</u>	<u>2024</u>
	\$	\$
Members' payroll deductions receivable	1,186,568	1,220,039
Other receivables	108,844	176,841
Prepaid expenses	77,647	134,831
Accrued investments income	<u>180,702</u>	<u>124,075</u>
	1,553,761	1,655,786
Allowance for bad debts	<u>(16,915)</u>	<u>(123,106)</u>
	<u>\$1,536,846</u>	<u>\$1,532,680</u>

The movement of the allowance for bad debts follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	123,106	83,869
Write-off	(130,470)	(3,368)
Provision/(recovery) for the year	<u>24,249</u>	<u>42,605</u>
Balance, ending	<u>\$16,915</u>	<u>\$123,106</u>

8. FINANCIAL INVESTMENTS

Financial investments comprised of the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Marketable securities	312,320	319,500
BGRS	<u>850,000</u>	<u>850,000</u>
	<u>\$1,162,320</u>	<u>\$1,169,500</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

8. FINANCIAL INVESTMENTS (Contd.)

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).

	<u>Fair Value Level</u>			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2025				
Marketable securities	<u>\$269,710</u>	<u>\$ -</u>	<u>\$42,610</u>	<u>\$312,320</u>
2024				
Marketable securities	<u>\$278,090</u>	<u>\$ -</u>	<u>\$41,410</u>	<u>\$319,500</u>

Marketable securities are comprised of the following:

	<u>Number of shares</u>	<u>Cost</u>	<u>Market Value</u>
		\$	\$
2025			
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>42,610</u>	<u>42,610</u>
		<u>\$167,970</u>	<u>\$312,320</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

8. FINANCIAL INVESTMENTS (Contd.)

	<u>Number of shares</u>	<u>Cost \$</u>	<u>Market 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>
		<u>\$166,770</u>	<u>\$319,500</u>

BGRS

BGRS earned interest during the year at 4.00% to 5.00% (2024: 4.00% to 5.00%), and mature as noted below:

<u>Year of maturity</u>	<u>2025 \$</u>	<u>2024 \$</u>
2026	350,000	350,000
2028	250,000	250,000
2038	<u>250,000</u>	<u>250,000</u>
	<u>\$850,000</u>	<u>\$850,000</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. LOANS RECEIVABLE, NET

Summary of classification of loans receivable is as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Consumer	23,357,353	24,036,915
Construction and real estate	22,643,153	15,646,606
Motor vehicle	1,929,792	1,141,273
Business	<u>123,494</u>	<u>44,942</u>
	48,053,792	40,869,736
Accrued interest	<u>209,805</u>	<u>181,255</u>
	48,263,597	41,050,991
Allowance for doubtful loans	<u>(1,803,956)</u>	<u>(1,386,218)</u>
Total loans to members	<u>\$46,459,641</u>	<u>\$39,664,773</u>

Summary of changes in the loans receivable:

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	40,869,736	35,835,723
Loans disbursed during the year	16,780,701	13,097,004
Loans paid during the year	(8,775,188)	(7,532,381)
Loans written off during the year	<u>(821,457)</u>	<u>(530,610)</u>
	48,053,792	40,869,736
Accrued interest	<u>209,805</u>	<u>181,255</u>
	48,263,597	41,050,991
Allowance for doubtful loans	<u>(1,803,956)</u>	<u>(1,386,218)</u>
Total net loans to members	<u>\$46,459,641</u>	<u>\$39,664,773</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. LOANS RECEIVABLE, NET (Contd.)

Summary of changes in allowance for doubtful loans:

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	1,386,218	899,436
Increase in provision during the year	1,239,195	1,017,392
Loans written off during the year	<u>(821,457)</u>	<u>(530,610)</u>
Balance, ending	<u>\$1,803,956</u>	<u>\$1,386,218</u>
Provision for the year	1,239,195	1,017,392
Recoveries of bad debts	<u>(909,188)</u>	<u>(835,294)</u>
	330,007	182,098
Provision/(recoveries) of bad debts – other assets (Note 7)	<u>(24,279)</u>	<u>42,605</u>
Loan losses/(recovery)	<u>\$305,728</u>	<u>\$224,703</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 recognized, 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 DECEMBER 31, 2025

9. LOANS RECEIVABLE, NET (Contd.)

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 DECEMBER 31, 2025

9. LOANS RECEIVABLE, NET (Contd.)

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>2025</u>		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Stage 1	2,462	45,505,071	32,959,612	12,545,459	378,920
Stage 2	116	911,748	220,201	691,547	127,952
Stage 3	<u>217</u>	<u>1,636,973</u>	<u>251,681</u>	<u>1,385,291</u>	<u>1,297,084</u>
	<u>2,795</u>	<u>48,053,792</u>	<u>33,431,494</u>	<u>14,622,297</u>	<u>1,803,956</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>2024</u>		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</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>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

10. INVESTMENT PROPERTIES

2025

	<u>Lands</u> \$	<u>Building</u> \$	<u>Total</u> \$
Fair value, January 1, 2025 and December 31, 2025	<u>\$3,749,675</u>	<u>\$1,242,325</u>	<u>\$4,992,000</u>

2024

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

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 December 31, 2025. 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 December 31, 2025.

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 DECEMBER 31, 2025

11. PROPERTY AND EQUIPMENT, NET

<u>2025</u>	<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 2025	525,665	2,280,932	275,505	270,602	52,426	29,595	3,434,725
Additions	541,584	46,372	6,678	46,173	2,291	30,995	674,093
Disposals	-	-	-	-	-	(29,596)	(29,596)
December 31, 2025	<u>1,067,249</u>	<u>2,327,304</u>	<u>282,183</u>	<u>316,775</u>	<u>54,717</u>	<u>30,994</u>	<u>4,079,222</u>
DEPRECIATION							
1 January 2025	-	660,439	256,286	204,738	41,190	29,595	1,192,248
Charge for the year	-	93,073	11,315	36,275	7,735	5,682	154,080
Disposals	-	-	-	-	-	(29,995)	(29,995)
December 31, 2025	<u>-</u>	<u>753,512</u>	<u>267,601</u>	<u>241,013</u>	<u>48,925</u>	<u>5,682</u>	<u>1,316,733</u>
NET BOOK VALUE							
December 31, 2025	<u>\$1,067,249</u>	<u>\$1,573,792</u>	<u>\$14,582</u>	<u>\$75,762</u>	<u>\$5,792</u>	<u>\$25,312</u>	<u>\$2,762,489</u>
December 31, 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>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. PROPERTY AND EQUIPMENT, NET (Contd.)

<u>2024</u>	<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	—	<u>29,034</u>	<u>8,671</u>	<u>34,529</u>	—	—	<u>72,234</u>
December 31, 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	—	<u>92,959</u>	<u>15,637</u>	<u>33,705</u>	<u>7,489</u>	—	<u>149,790</u>
December 31, 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							
December 31, 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>
December 31, 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 DECEMBER 31, 2025

12. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>2025</u>	<u>2024</u>
	\$	\$
Accounts payable	137,242	77,097
Accrued expenses	154,722	65,490
Stale dated cheques	54,991	67,203
Tenants deposit	15,000	15,000
Unapplied receipts	4,808	11,210
Other payables	<u>7,132</u>	<u>6,486</u>
	<u>\$373,895</u>	<u>\$242,486</u>

13. MEMBERS' DEPOSITS

	<u>Rates</u>	<u>2025</u>	<u>2024</u>
		\$	\$
Regular deposits	2.00%	36,942,958	34,113,963
Other deposits			
Retirement savings	3.25% - 4.25%	12,073,392	11,926,545
Certificate of deposits	2.50% - 4.25%	8,053,885	7,280,586
Kall Accounts		3,100,458	2,791,424
Kids accounts	2.00%	931,968	904,573
Deposit accrued interest		837,177	784,998
Educational savings	3.00% - 4.25%	643,854	657,921
Vacation club deposits		414,285	184,252
Debit card accounts		135,043	125,994
Group insurance		95,513	88,620
School fee deposits		100,259	77,636
Master card accounts		-	26,974
Bill paying accounts		14,750	16,279
Business accounts		617	1,157
Mortgage escrow accounts		18,325	185
Christmas club accounts	2.25%	<u>41,842</u>	<u>--</u>
		<u>\$63,404,326</u>	<u>\$58,981,107</u>

Effective December 31, 2025, 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 DECEMBER 31, 2025

13. MEMBERS' DEPOSITS (Contd.)

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>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	5,299,391	1,803,846
Additional loan	--	5,340,398
Repayments	<u>(633,619)</u>	<u>(1,844,853)</u>
	<u>\$4,665,772</u>	<u>\$5,299,391</u>

These are broken down as follows:

Current portion	702,111	669,445
Long-term portion	<u>3,963,661</u>	<u>4,629,946</u>
	<u>\$4,665,772</u>	<u>\$5,299,391</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 February 7, 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 DECEMBER 31, 2025

14. BORROWINGS (Contd.)

The Bahamas Co-operative League Limited Loan

On December 10, 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 instalments 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>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	1,995,200	1,889,000
Issued during the year	124,400	127,400
Transfer to donated capital	<u>(44,000)</u>	<u>(21,200)</u>
	<u>\$2,075,600</u>	<u>\$1,995,200</u>

Shares in the Credit Union entitle each member 1 vote at the AGM. as at December 31, 2025, the Credit Union had 10,378 members (2024: 9,976 members).

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

15. QUALIFYING SHARES AND OTHER RESERVE (Contd.)

b. Statutory reserve fund

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

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	4,365,675	4,365,675
Appropriation	<u>2,000,000</u>	<u>---</u>
Balance, ending	<u>\$6,365,675</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 December 31, 2025, the Credit Union has deposited a total of \$8,369,244 (2024: \$7,552,047) with the League, which represents an excess of \$2,003,569 (2024: \$3,186,372). Effective December 31, 2025, The Board of Directors passed a resolution to transfer the amount of \$2,000,000 from retained earnings to the statutory reserve account.

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 \$11,977,963 (2024: \$11,424,027) is above the minimum 10.00% total assets requirement by \$3,922,789 or 14.87% of total assets (2024: \$3,815,509 or 15.01% of total assets).

c. Fair value reserve

The movements in fair value reserve comprise:

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	138,165	124,525
Fair value gain	<u>(8,380)</u>	<u>13,640</u>
	<u>\$129,785</u>	<u>\$138,165</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 DECEMBER 31, 2025

15. QUALIFYING SHARES AND OTHER RESERVE (Contd.)

d. Donated capital

The movements in donated capital comprise:

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance, beginning	112,200	91,000
Transfer from qualifying shares	<u>44,000</u>	<u>21,200</u>
	<u>\$156,200</u>	<u>\$112,200</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>2025</u>	<u>2024</u>
	\$	\$
Balance beginning	4,950,952	4,386,487
Dividend paid	(79,504)	(75,248)
Profit for the year	509,040	639,713
Transfer to Statutory Reserve	<u>(2,000,000)</u>	<u>--</u>
	<u>\$3,380,488</u>	<u>\$4,950,952</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

16. NET FINANCE INCOME BEFORE PROVISION FOR LOAN LOSSES

Net finance income before provision for loan losses comprises:

	<u>2025</u>	<u>2024</u>
	\$	\$
<i>Net interest on members operations</i>		
Interest earned on loan to members	4,057,208	3,776,769
Interest expense on members' deposit	<u>(1,302,449)</u>	<u>(1,264,066)</u>
	<u>2,754,759</u>	<u>2,512,703</u>
<i>Investment interest income</i>		
Statutory reserve deposits at the League	117,197	105,091
Liquidity reserve deposits with the League	90,899	84,338
Fixed deposits at the Bank	60,274	63,502
BAF Financial & Insurance (Bahamas) Ltd.	55,583	50,710
Bahamas Government Registered Stock	39,719	39,719
Other deposits at the League	<u>3,108</u>	<u>3,101</u>
	<u>366,780</u>	<u>346,461</u>
Interest expense on borrowings	<u>(201,337)</u>	<u>(61,020)</u>
	<u>\$2,920,202</u>	<u>\$2,798,144</u>

17. NON-INTEREST INCOME

	<u>2025</u>	<u>2024</u>
	\$	\$
Service charges	830,987	838,408
Rental income	90,000	90,000
League Insurance dividends	86,955	--
Bill payment fees	52,182	53,138
Entrance fees	31,000	32,050
Dividends on equity investment	7,981	12,389
Gain on sale of motor vehicle	6,001	--
Other income	<u>2,516</u>	<u>5,549</u>
	<u>\$1,107,622</u>	<u>\$1,031,534</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

18. PERSONNEL

	<u>2025</u>	<u>2024</u>
	\$	\$
Salaries	1,293,500	1,161,974
Medical and pension	311,653	291,586
National insurance	55,880	47,736
Employee training and development	23,487	20,854
Other benefits	<u>29,650</u>	<u>58,768</u>
	<u>\$1,714,170</u>	<u>\$1,580,918</u>

19. OCCUPANCY

	<u>2025</u>	<u>2024</u>
	\$	\$
General maintenance	161,996	114,563
Depreciation – building	93,073	92,959
Business licence	75,726	75,565
Security	71,745	72,407
Insurance – building	78,212	70,515
Utilities	43,938	45,339
Property tax	<u>43,300</u>	<u>12,549</u>
	<u>\$567,990</u>	<u>\$483,897</u>

20. MEMBERS' SECURITY

	<u>2025</u>	<u>2024</u>
	\$	\$
Loans and savings insurance premium, net	274,284	256,336
Share insurance	<u>57,550</u>	<u>53,012</u>
	<u>\$331,834</u>	<u>\$309,348</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

21. GENERAL BUSINESS

	<u>2025</u>	<u>2024</u>
	\$	\$
Professional and legal fees	54,095	81,214
Telephone	46,692	44,869
Other general expense	36,301	26,266
Value added tax (VAT)	28,954	25,063
Debit card expenses	13,981	23,842
Stationery and supplies	26,283	21,046
Depreciation – furniture and fixtures	11,560	15,637
Bank charges	13,432	15,065
Insurance – office liabilities	9,156	9,205
Depreciation - ATM	7,489	7,489
Depreciation – motor vehicle	5,682	--
Equipment maintenance	4,191	5,760
Motor vehicle maintenance	2,993	4,973
Insurance – motor vehicle	1,047	681
Reconciliation adjustments	<u>200</u>	<u>--</u>
	<u>\$262,056</u>	<u>\$281,110</u>

Reconciliation adjustments pertain to the general provision made by the Credit Union for the unknown and unreconciled debit balances in previous years.

22. ORGANISATIONAL

	<u>2025</u>	<u>2024</u>
	\$	\$
Board and committee meetings	94,412	90,911
Annual league dues, net	25,227	26,042
Annual general meeting	15,131	11,046
Board training	<u>9,820</u>	<u>5,172</u>
	<u>\$144,590</u>	<u>\$133,171</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

23. COMPUTER COSTS

	<u>2025</u>	<u>2024</u>
	\$	\$
Maintenance and supplies	129,599	95,686
Computer hardware – depreciation	22,866	24,645
Computer software – depreciation	<u>13,410</u>	<u>9,060</u>
	<u>\$165,875</u>	<u>\$129,391</u>

24. MARKETING

	<u>2025</u>	<u>2024</u>
	\$	\$
Advertising and promotions	15,525	35,275
Donations and gifts	<u>11,016</u>	<u>12,152</u>
	<u>\$26,541</u>	<u>\$47,427</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>2025</u>	<u>2024</u>
	\$	\$
Directors and committee members:		
Loans including interest	1,910,821	1,435,796
Interest income	73,920	19,997
Shares and savings	1,764,867	1,282,873
Interest expense	45,121	5,418
Staff members:		
Loans including interest	1,129,798	799,028
Interest income	45,828	8,057
Shares and savings	878,047	810,992
Interest expense	12,703	3,118

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

25. RELATED PARTY BALANCES AND TRANSACTIONS (Contd.)

	<u>2025</u>	<u>2024</u>
	\$	\$
Family members:		
Loans including interest	859,011	180,583
Interest income	34,384	16,876
Shares and savings	946,470	767,736
Interest expense	12,842	1,857

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>2025</u>	<u>2024</u>
	\$	\$
Key management remuneration:		
Salaries and wages	574,019	531,609
Statutory and other costs	154,938	130,625
Board and committee expenses:		
Committee training	9,820	5,172
Allowance	90,700	87,900
Other	3,711	3,011

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% (2024: 5.00% to 6.00%) of the employees' annual salaries to the Plan. Total pension cost charged to operations amounted to \$75,600 (2024: \$77,219).

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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. In 2024, the Credit Union solidified its decision to discontinue administering the BCLL Mastercard Program on behalf of our members. As of February 2025, final payments were made based on the balances reported on the February 2025 trial balance and Scotiabank was instructed to block and cancel all cards associated with the program. The total balance on credit cards at the reporting date was a credit of \$22,228 (2024: \$34,494). As at December 31 2025, there were delinquent credit cards with aggregate balance of -\$1,898 (2024: \$3,101) which the members are responsible for.

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 December 31 2025 year-end, the Credit Union is holding dormant account balances amounting to \$115,701 (2024: \$108,783).

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 DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

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 DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

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 totalled \$48,053,792 (2024: \$40,869,736) as disclosed in Note 9.

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

Credit risk (Contd.)

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 fulfil 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 DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

Liquidity risk (Contd.)

2025

Financial Assets:

Cash and cash equivalents
 Deposits with banks and other institutions
 Deposits with the League
 Other receivables
 Financial investments
 Loans receivable, net

	Within 3 Months \$	3 Months to 1 Year \$	Over 1 to 5 Years \$	Over 5 Years \$	Total \$
	4,128,179	--	--	--	4,128,179
	--	51,664	4,573,323	--	4,573,323
	14,885,280	--	--	--	14,885,280
	1,428,003	108,844	--	--	1,536,846
	--	662,320	250,000	250,000	1,162,320
	<u>219,287</u>	<u>225,430</u>	<u>11,523,369</u>	<u>34,491,555</u>	<u>46,459,641</u>
	<u>20,660,749</u>	<u>1,048,258</u>	<u>16,346,692</u>	<u>34,741,555</u>	<u>72,797,253</u>

Financial Liabilities:

Accounts payable and accrued expenses
 Members' deposits
 Borrowings

	373,895	--	--	--	373,895
	41,796,018	473,355	21,134,953	--	63,404,326
	<u>172,908</u>	<u>529,203</u>	<u>3,963,662</u>	--	<u>4,665,772</u>
	<u>42,342,820</u>	<u>1,002,558</u>	<u>25,098,615</u>	--	<u>68,443,993</u>
	<u>\$(21,682,071)</u>	<u>\$45,699</u>	<u>\$(8,751,923)</u>	<u>\$34,741,555</u>	<u>\$4,353,260</u>

Liquidity Gap

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

Liquidity Risk (Contd.)

	2024	Within 3 Months \$	3 Months to 1 Year \$	Over 1 to 5 Years \$	Over 5 Years \$	Total \$
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	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>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>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>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>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>\$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 DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

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 DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

Market risk (Contd.)

	<u>Repricing date of interest sensitive instruments</u>					<u>Total</u>
	<u>Within 3</u>	<u>3 to 12</u>	<u>1 to 5</u>	<u>Over 5</u>	<u>Non-interest</u>	
<u>2025</u>	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>Years</u>	<u>rate sensitive</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Financial Assets:						
Cash and cash equivalents	--	--	--	--	4,128,179	4,128,179
Deposits with banks and other institutions	--	51,664	4,573,323	--	--	4,624,987
Deposits with League	14,885,280	--	--	--	--	14,885,280
Loans receivable, net	9,482	225,430	11,523,369	34,491,555	209,805	46,459,641
Other receivables	--	--	--	--	1,536,846	1,536,846
Financial investments	--	--	250,000	250,000	662,320	1,162,320
	<u>14,894,762</u>	<u>277,094</u>	<u>16,346,692</u>	<u>34,741,555</u>	<u>6,537,150</u>	<u>72,797,253</u>
Financial Liabilities:						
Accounts payable and accrued expenses	--	--	--	--	373,895	373,895
Members' deposits	38,431,312	473,356	21,134,952	--	3,364,706	63,404,326
Borrowings	172,908	529,203	3,963,662	--	--	4,665,772
	<u>38,604,220</u>	<u>1,002,559</u>	<u>25,098,614</u>	<u>--</u>	<u>3,738,601</u>	<u>68,443,993</u>
Net Repricing Gap	<u>\$(23,709,458)</u>	<u>\$(725,465)</u>	<u>\$(8,751,922)</u>	<u>\$34,741,555</u>	<u>\$2,798,550</u>	<u>\$4,353,260</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL RISK MANAGEMENT (Contd.)

Market risk (Contd.)

	<u>Repricing date of interest sensitive instruments</u>					<u>Total</u>
	<u>Within 3</u>	<u>3 to 12</u>	<u>1 to 5</u>	<u>Over 5</u>	<u>Non-interest</u>	
<u>2024</u>	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>Years</u>	<u>rate sensitive</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</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	--	--	600,000	250,000	319,500	1,169,500
	<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>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>\$(18,684,189)</u>	<u>\$(533,581)</u>	<u>\$(7,526,567)</u>	<u>\$27,169,537</u>	<u>\$3,767,684</u>	<u>\$4,192,884</u>

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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>2025</u>	<u>2024</u>
	\$	\$
Liquidity reserve fund		
Liquidity reserves deposits	6,494,680	6,003,781
Members deposit	63,404,326	58,981,107
Actual ratio	10.24%	10.18%
Required ratio	10.00%	10.00%
Excess/(deficiency) over regulation	0.24%	0.18%
Statutory reserve, retained earnings and equity shares		
Regulatory reserves	11,977,963	11,424,027
Total assets	80,551,741	76,085,176
Actual ratio	14.87%	15.01%
Required ratio	10.00%	10.00%
Excess over regulation	4.87%	5.01%

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. POST-REPORTING DATE EVENTS

The Company calculated the impact of all post-reporting date events through April 22, 2026 which is the date the financial statements were available to be issued.

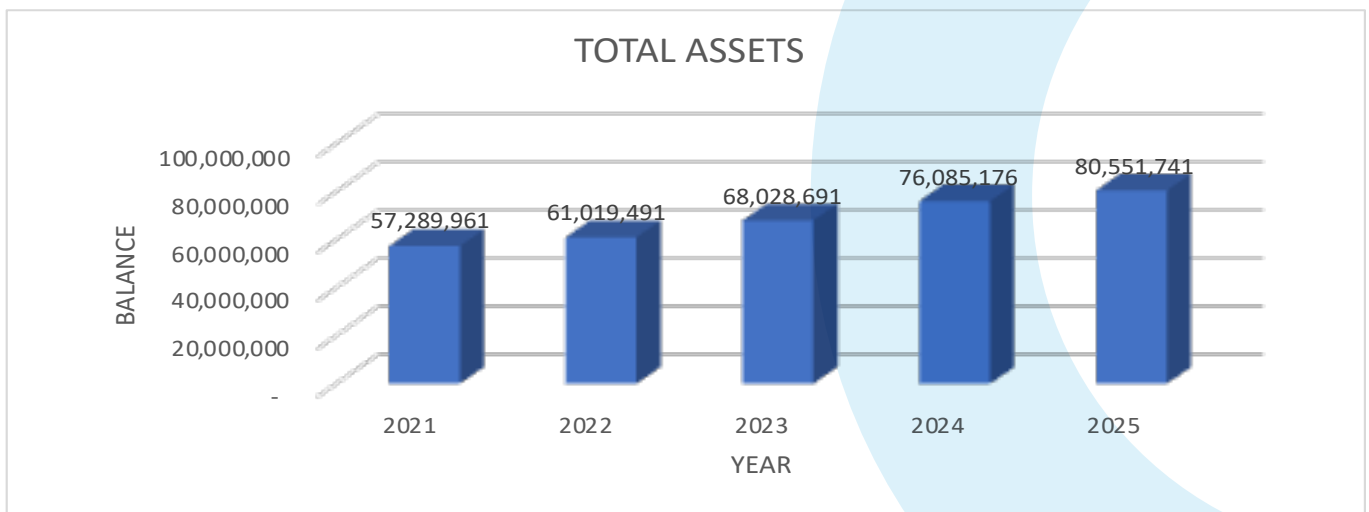
The Company determined that there were no further significant post-reporting events for disclosure in these financial statements.



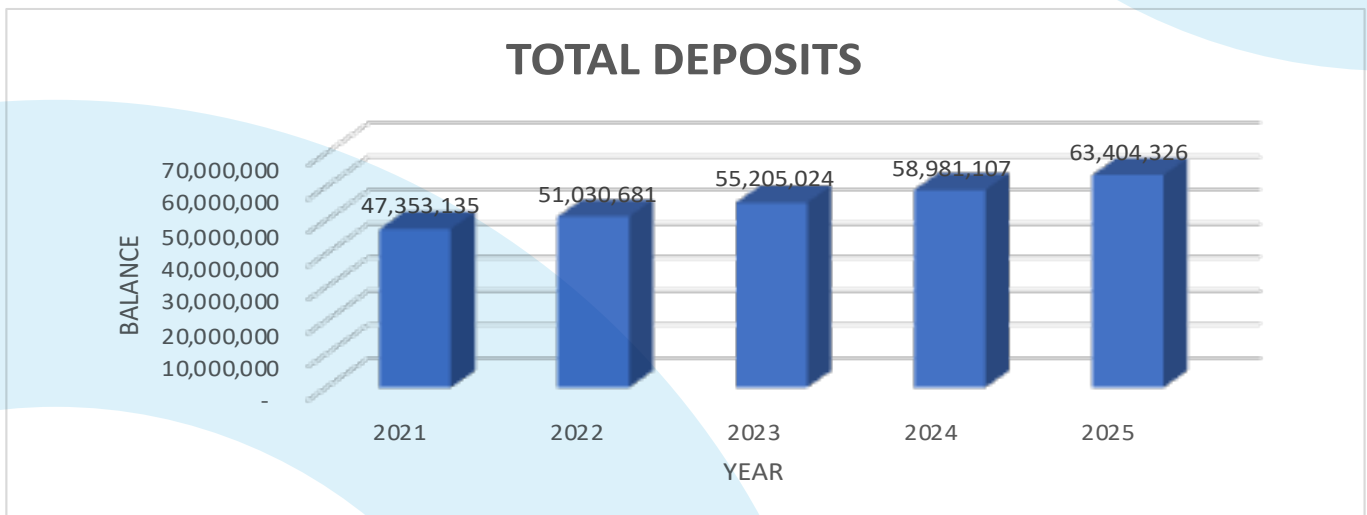
TREASURER'S REPORT 2025

BALANCE SHEET

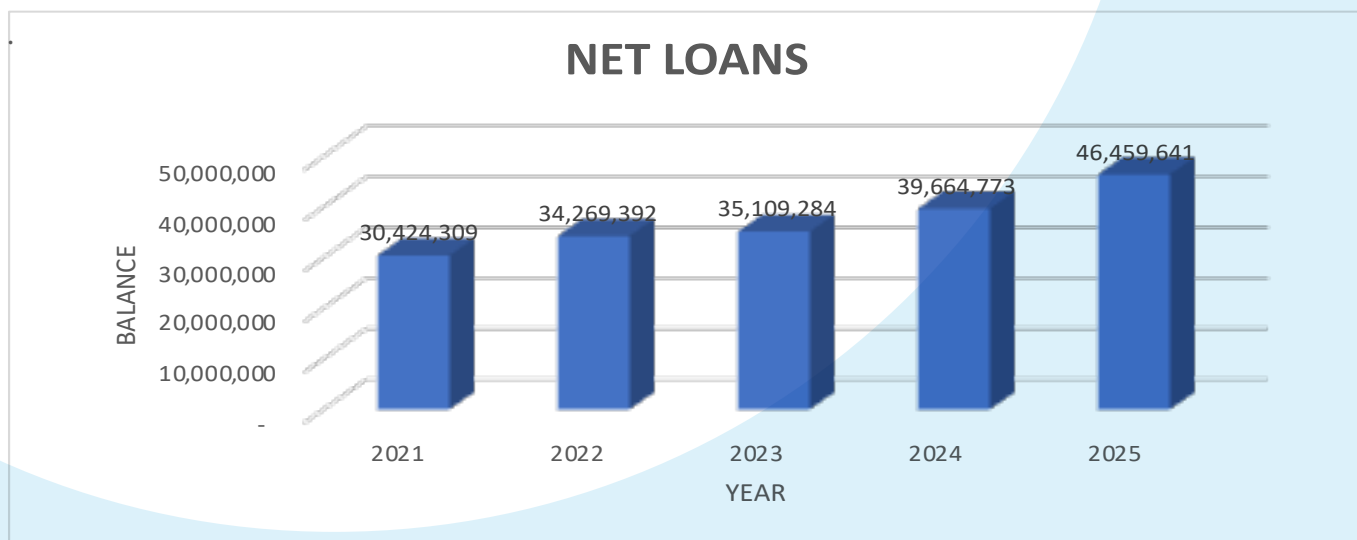
The Treasurer of the Bahama Islands Co-operative Credit Union (BICCU) reports that 2025 has been a year where our credit union experienced an increase in assets. Our total assets are now above the \$80 million milestone and stood at \$80,551,741 at the end of December 2025. That represented an increase of 6% from December 2024 total assets figure of \$76,085,176.



We experienced growth in both the member deposits and the loan portfolio during the year. At the end of December 2025, total member deposits in the Credit Union were \$63,404,326 compared to the balance as of December 2024 of \$58,981,107, which represented a growth of 7%.



Our net loans portfolio grew at a rate of 17% when comparing December 2025 balance of \$46,459,641 to December 2024 balance of \$39,664,773.



INCOME STATEMENT

BICCU recorded a net income of \$509,040 for the year ending December 31st, 2025. This was a decrease from prior year's net income of \$639,713 by approximately 20%. The Board and management continue to place an emphasis on profitability to ensure the sustainability of the Credit Union.

The Credit Union experienced an increase in recoveries of 9% from \$835,294 in 2024 to \$909,187 in 2025. Loan impairment provisioning increased by 22% from \$1,017,392 in 2024 to \$1,239,195 in 2025.

There were increases in both interest income and interest expense. 'Interest Income' increased over the prior year by \$280,439 or 7% and 'Interest Expense' had an increase of \$38,383 or 3%.

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 after "40 Years of Putting Members First, Yesterday, Today and Tomorrow".

Angela Culmer-Hinsey
Treasurer

Mark Bullard
Assistant Treasurer

BAHAMA ISLANDS CO-OPERATIVE
CREDIT UNION LIMITED

BUDGET 2027



ANNUAL
GENERAL MEETING



OF PUTTING MEMBERS FIRST,
YESTERDAY, TODAY, AND TOMORROW

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED - BUDGET 2027

#	GENERAL LEDGER ACCOUNT NAME	BUDGET	BUDGET	VARIANCE	PROJECTION
		2027	2026	2027/2026	2026
INCOME					
1	INTEREST ON MEMBERS` LOANS	4,000,000	3,500,000	500,000	3,810,000
2	UNCOLLECTED INTEREST ON LOAN	450,000	400,000	50,000	400,000
3	COMMITMENT FEE	4,000	15,000	(11,000)	1,000
4	LOAN PROCESSING FEE	570,000	550,000	20,000	510,000
5	INTEREST - FIXED DEPOSIT	69,000	68,000	1,000	66,000
6	INTEREST - DORMANT DEPOSIT	1,600	1,500	100	1,600
7	INTEREST-BAF	59,000	58,000	1,000	58,000
8	INTEREST - UNAPPLIED DEPOSITS	1,600	1,500		1,600
9	INTEREST - STATUTORY RESERVE	125,000	115,000	10,000	120,000
10	INTEREST ON LIQUIDITY RESERVE	100,000	85,000	15,000	93,000
11	LEAGUE INSURANCE DIVIDENDS	-	-	-	-
12	DIVIDENDS - FOCOL	1,200	1,200	-	1,440
13	DIVIDENDS - BGRS	23,750	29,000	(5,250)	32,500
14	DIVIDENDS - CB	1,600	1,600	-	1,620
15	DIVIDEND INCOME-CABLE BAH	6,000	7,500	(1,500)	5,000
16	LEAGUE DUES FROM MEMBERS	163,000	155,000	8,000	152,500
17	LOAN PROTECTION (LN) RECOVERY	247,000	260,000	(13,000)	240,000
18	DEBIT CARD REVENUE	20,000	22,000	(2,000)	14,500
19	ATM	1,200	1,200	-	1,200
20	FEES AND CHARGES	-	-	-	-
21	ENTRANCE FEES	37,000	37,000	-	31,000
22	MASTERCARD MEMBERSHIP FEES	-	-	-	-
23	RETURNED CHECK FEE	300	300	-	300
24	30 DAY NOTICE WAIVER FEE	135,000	135,000	-	125,000
25	LATE PAYMENT FEES	35,000	32,000	3,000	35,000
26	GAIN (LOSS) ON SALE OF MOTOR	-	-	-	-
27	CREDIT REPORT INCOME	28,000	25,000	3,000	25,000
28	OTHER INCOME	1,500	1,500	-	1,700
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	-	6,000
32	BILL PAYING FEE	54,000	54,000	-	54,000
33	CD PENALTY FEE	7,000	5,000	2,000	6,000
34	REFERENCE LETTER FEE	3,200	2,500	700	2,500
35	EARLY WITHDRAWAL CHRISTMAS CL	3,000	3,000	-	2,650
36	MASTERCARD OVERLIMIT FEES (VR	-	-	-	-
37	SCHOOL FEE & VACATION CLUB CH	1,200	1,150	50	1,150
38	REPRINT CHECK FEE	-	-	-	-
39	RENTAL INCOME	90,000	90,000	-	90,000
40	SERVICE INCOME ON LOANS	-	-	-	-
TOTAL INCOME		7,166,150	6,584,950	581,100	6,810,260

EXPENSES

VARIANCE	ACTUAL	ACTUAL	PREPARER COMMENTS
2026	2025	2024	
310,000	3,618,419	3,294,344	Based on 2026 projection and growth trend
-	438,789	482,425	Based on projected collections efforts
(14,000)	58,358	34,850	Based on expectation of decrease mortgage lending
(40,000)	538,100	580,550	Based on 2026 projection and growth trend
(2,000)	60,274	63,502	Based on accrual schedule
100	1,388	1,238	Based on historical trend
-	55,584	50,710	Based on accrual schedule
	1,720	1,863	Based on 2026 projection
5,000	117,196	105,091	Based on expectation of asset base increase
8,000	90,899	84,338	Based on membership and savings growth expectation
-	86,955	-	No budgeted amount based on sporadic nature of remittance
240	1,440	1,950	Based on 2026 projection
3,500	39,719	39,719	Based on interests schedule
20	2,160	1,755	Based on 2026 projection and current profitability state
(2,500)	4,381	8,684	Based on historical trend
(2,500)	136,385	126,967	Based on 5% projected increase of total membership from 2026 projections
(20,000)	251,244	224,551	Based on loan portfolio growth expectation and decrease in premiums
(7,500)	19,373	20,900	Based on 2026 usage trend and projected growth
-	983	1,167	Based on 2026 budget
-	-	30	No budgeted amount - account used for one-off fees
(6,000)	31,000	32,050	Based on 2026 budget
-	1,440	7,280	No budgeted amount due to service discontinuation
-	250	60	Based on 2026 projection
(10,000)	141,240	136,749	Based on 2026 budget
3,000	40,687	29,901	Based on 2026 projection
-	6,001	-	No sale of company vehicle projected in near future
-	28,235	36,925	Based on increase in loans portfolio
200	2,515	5,549	Based on projection for FirstCare Commission
-	885,377	809,006	Based on projected collections efforts
-	23,810	26,288	Based on 2026 budget
(1,000)	5,908	6,875	Based on 2026 budget
-	52,182	53,138	Based on 2026 budget
1,000	7,775	5,225	Based on historical trend
-	3,212	2,674	Based on historical trend
(350)	3,727	5,185	Based on 2026 budget
-	125	685	No budgeted amount due to service discontinuation
-	1,745	1,818	Based on 2026 projection
-	10		No budgeted amount based on the decrease in cheque printing
-	90,000	90,000	Based on rental agreement
-	3,250	493	N/A
225,210	6,851,856	6,374,536	

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED - BUDGET 2027

#	GENERAL LEDGER ACCOUNT NAME	BUDGET	BUDGET	VARIANCE	PROJECTION
		2027	2026	2027/2026	2026
EXPENSES					
41	COMPENSATION	15,000	2,400	12,600	3,000
42	SALARIES	1,400,000	1,300,000	100,000	1,300,000
43	OVERTIME	10,000	10,000	-	8,000
44	EMPLOYEE BENEFITS	81,000	78,000	3,000	78,000
45	NATIONAL INSURANCE	63,000	60,000	3,000	61,500
46	HEALTH INSURANCE	340,000	280,000	60,000	317,000
47	PENSION PLAN COSTS	95,000	100,000	(5,000)	83,000
48	OTHER EMPLOYEE BENEFITS	35,000	30,000	5,000	35,000
49	OTHER PAYROLL EXPENSES	700	1,000	(300)	700
50	EMPLOYEE'S EDUCATION EXPENSE	50,000	45,000	5,000	45,000
51	DIRECTORS/OFFICERS/COMMITTEE	17,000	15,000	2,000	16,125
52	LEAGUE DUES	177,000	168,000	9,000	168,000
53	OFFICE OCCUPANCY EXPENSES	25,000	15,000	10,000	25,000
54	RENT - RECOVERY SITE	65,000	65,000	-	65,000
55	MAINTENANCE (OFFICE)	50,000	50,000	-	50,000
56	ELECTRICITY	40,000	40,000	-	40,000
57	WATER & SEWERAGE	6,000	6,000	-	6,000
58	DEPRECIATION OF BUILDING	93,000	93,000	-	93,000
59	AMORTIZATION OF LEASEHOLD IMPROVEMENTS	10,000	-	10,000	-
60	REAL ESTATE TAXES	32,000	45,000	(13,000)	35,000
61	LANDSCAPING	12,000	5,000	7,000	12,000
62	BUSINESS LICENSE	-	-	-	87,000
63	OFFICE OPERATIONS EXPENSES	-	-	-	-
64	COMMUNICATIONS	45,000	45,000	-	45,000
65	COMPUTER EQUIPMENT MAINTENANCE	8,000	8,000	-	8,000
66	COMPUTER SOFTWARE MAINTENANCE	233,000	100,000	133,000	150,000
67	COMPUTER SUPPLIES	15,000	15,000	-	15,000
68	EQUIPMENT MAINTENANCE	7,000	6,000	1,000	7,000
69	ATM MAINTENANCE	150	150	-	100
70	STATIONERY & SUPPLIES	20,000	20,000	-	20,000
71	POSTAGE	50	50	-	50
72	SAFETY DEPOSIT BOX RENTAL	225	225	-	225
73	BRIDGE TRANSPONDER RENTAL	50	50	-	50
74	INSURANCE(BUILDING;CONTENTS&L	81,000	85,000	(4,000)	81,000
75	INSURANCE - LIABILITY	200	200	-	200
76	COMPREHENSIVE MOTOR VEHICLE	1,250	1,250	-	1,250
77	DIRECTORS & OFFICERS LIABILIT	9,200	9,200	-	9,200
78	DEPRECIATION OF FURNITURE & E	10,000	32,000	(22,000)	8,000
79	DEPRECIATION EXPENSE - ATM	7,500	7,500	-	7,500
80	DEPRECIATION-MOTOR VEHICLE	6,200	5,700	500	6,200
81	DEP. - COMPUTER HARDWARE	26,000	26,000	-	26,000
82	DEPRECIATION COMPUTER SOFTWARE	77,000	12,000	65,000	15,000
83	FURNITURE & EQUIPMENT PURCHASE	3,000	3,000	-	3,000
84	BANK SERVICE CHARGES	20,000	20,000	-	20,000

VARIANCE	ACTUAL	ACTUAL
2026	2025	2024

PREPARER COMMENTS

600	2,400	2,400	Based on current contractual obligation
-	1,205,374	1,083,550	Based on 2026 projections - expected salary increases (4%) and new hire (IT)
(2,000)	7,246	9,162	Based on 2026 budget
-	78,479	66,862	Based on implementation of goal-oriented award system
1,500	55,880	47,736	Based on 2026 projection & expected increase
37,000	236,052	214,367	Based on current billings with 7% increase
(17,000)	75,601	77,219	Based on salary adjustments and new enrollees
5,000	29,650	58,768	Based on 2026 projection
(300)	-	-	Based on 2026 projection
-	23,487	20,854	Increased focus on staff training and development
1,125	9,820	4,872	1/3 of staff training budget
-	161,611	153,009	Based on 2026 budget and projected increase in membership
10,000	39,576	14,894	Based on 2026 projection
-	65,525	49,619	Based on lease agreement and 2026 projection
-	50,295	45,250	Based on historical trend
-	40,224	41,625	Based on 2026 budget
-	3,714	3,714	Based on 2026 budget
-	93,073	92,959	Based on depreciation schedule for RS
-	-	-	Based on projected land improvements cost annual depreciation
(10,000)	43,301	12,549	Based on 2026 payment
7,000	6,600	4,800	Based on 2026 projection which includes RS adjacent property maintenance
87,000	75,726	75,565	Based on update of Business License treatment of Credit Unions
-	850	-	N/A - GL USED FOR ONE-OFF PROJECTS
-	46,692	44,869	Based on 2026 budget
-	-	110	Based on 2026 budget
50,000	109,967	82,300	Based on 2026 projection and implementation of Fast Payment System and Smart Solutions
-	19,632	13,275	Based on 2026 budget
1,000	4,191	5,760	Based on 2026 projection
(50)	-	-	Based on 2026 budget
-	16,412	11,711	Based on 2026 budget
-	33	-	Based on historical trend and 2026 projection
-	225	225	Based on annual rental fee
-	50	150	Based on historical trend
(4,000)	78,212	70,515	Based on increase in premiums
-	94	67	Credit Card insurance, based on 2026 projection
-	1,047	681	Based on 2026 premium
-	9,062	9,138	Based on 2026 premium
(24,000)	11,560	15,636	Based on 2026 projections with slight increase
-	7,489	-	Based on depreciation schedule for RS
500	5,682	7,489	Based on depreciation schedule
-	22,866	24,645	Based on depreciation schedule for RS
3,000	13,410	9,061	Based on depreciation schedule & Smart Solutions system implementation
-	1,927	1,542	Based on normal operations
-	13,431	15,065	Based on 2026 budget

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED - BUDGET 2027

#	GENERAL LEDGER ACCOUNT NAME	BUDGET	BUDGET	VARIANCE	PROJECTION
		2027	2026	2027/2026	2026
85	MEMBERS EDUCATION	5,000	5,000	-	5,000
86	ADVERTISING	10,000	10,000	-	10,000
87	PUBLICITY AND PROMOTIONS	40,000	40,000	-	40,000
88	DONATIONS & GIFTS	15,000	15,000	-	15,000
89	BUILDING RENOVATIONS	10,000	15,000	(5,000)	10,000
90	COLLECTION EXPENSES	25,000	25,000	-	25,000
91	CREDIT REPORTS	30,000	30,000	-	30,000
92	DEBIT CARD EXPENSES	15,000	15,000	-	15,000
93	VAT EXPENSE-DEBIT CARD (OUTPU	25,000	25,000	-	25,000
94	PROFESSIONAL & OUTSIDE SERVIC	40,000	40,000	-	71,000
95	LEGAL FEES	5,000	5,000	-	5,000
96	AUDIT FEES	45,000	40,000	5,000	53,300
97	SECURITY SERVICES	80,000	75,000	5,000	75,000
98	BAD DEBTS	800,000	600,000	200,000	600,000
99	BAD DEBTS - OTHER RECEIVABLE	-	-	-	-
100	BAD DEBTS - SCOTIA MC RECEIVA	-	-	-	(3,060)
101	SHARE INSURANCE	63,000	60,000	3,000	62,000
102	LIFE SAVING INSURANCE	290,000	290,000	-	277,000
103	BORROWERS` INSURANCE	257,000	255,000	2,000	255,000
104	SUPERVISION FEES EXPENSE	5,000	5,000	-	50
105	CASH OVER AND SHORT	50	50	-	(67)
106	PENNY OVER AND SHORT	2	2	-	2
107	COMMITTEES` EXPENSES	7,000	7,000	-	7,000
108	A.G.M EXPENSES	17,000	15,000	2,000	16,000
109	COMMITTEES TRAINING	-	-	-	-
110	STIPEND ALLOWANCE EXPENSE	93,000	93,000	-	93,000
111	MOTOR VEHICLE MAINT.	6,000	6,000	-	5,000
112	OPERATING SUPPLIES	10,000	10,000	-	10,000
113	MISCELLANEOUS	3,000	3,000	-	9,500
114	INTEREST EXPENSE-BICCU ROSETT	220,000	173,000	47,000	275,000
115	CHRISTMAS CLUB INTEREST	40,000	34,000	6,000	34,000
116	INTEREST EXPENSE ON FIXED DEP	220,000	202,000	18,000	202,000
117	RETIRMENT SAVINGS INTEREST	405,000	400,000	5,000	400,000
118	EDUCATIONAL SAVINGS INTEREST	30,000	30,000	-	30,000
119	KIDS ACCOUNT INTEREST	21,000	20,000	1,000	20,000
120	INTEREST EXPENSE ON SAVINGS A	780,000	697,000	83,000	715,000
121	INTEREST EXPENSE SCHOOL FEE	3,000	2,300	700	2,300
122	INTEREST EXPENSE VACATION CLU	12,000	4,800	7,200	7,400
123	RECONCILIATION ADJUSTMENTS	-	-	-	-
TOTAL EXPENSES		6,813,577	6,051,877	761,700	6,347,525
NET INCOME/(LOSS)		352,573	533,073	(180,600)	462,735

VARIANCE	ACTUAL	ACTUAL	PREPARER COMMENTS
2026	2025	2024	
-	-	-	Based on 2026 budget
-	-	-	Based on 2026 budget
-	15,525	35,275	Based on 2026 budget
-	11,016	12,153	Based on community involvement
(5,000)	316	-	Based on 2026 projections
-	22,813	23,260	Based on increase of collections activities expectation
-	23,431	32,959	Based on 2026 projection and increase in price
-	13,981	23,842	Based on 2026 budget
-	28,954	25,063	Based on 2026 projection
31,000	15,548	36,559	Based on 2026 budget
-	-	3,265	Based on 2026 budget
13,300	38,546	41,390	Based on Audit engagement fees
-	71,745	72,407	Based on 2026 projections and estimated increase
-	1,239,195	1,017,392	Based on projected movement in provisions
-	(3,464)	3,292	N/A - Recoveries to be posted here
(3,060)	(20,816)	39,313	N/A - Recoveries to be posted here
2,000	57,550	53,012	Based on deposits growth expectation
(13,000)	270,250	254,152	Based on membership growth expectation and decrease in premium rate
-	255,278	226,735	Based on loan portfolio growth expectation from 2026 projections and decrease in premium rate
(4,950)	50	50	Based on increase in Central Bank fees and removal of Business License requirement for Credit Unions
(117)	91	57	Low tolerance for overage & shortages
-	(0)	2	Based on trend
-	3,711	3,011	Based on 2026 budget
1,000	15,131	11,046	Based on historical trend for virtual meeting and potential cost increase
-	-	300	N/A - GL NOT USED
-	90,700	87,900	Based on 2026 projection
(1,000)	2,993	4,973	Based on historical trend and increase in cost
-	9,021	9,335	Based on 2026 projection
6,500	10,797	981	Based on 2026 budget and expectation of minimal use of this GL
102,000	201,337	61,020	Based on amortization schedule for BCLL loan
-	38,444	112,712	Based on 2025 actual deposits growth rate
-	185,890	171,161	Based on 2025 actual deposits growth rate
-	352,245	330,379	Based on 2025 actual deposits growth rate
-	22,282	28,521	Based on 2025 actual deposits growth rate
-	19,510	18,899	Based on 2025 actual deposits growth rate
18,000	677,475	597,918	Based on 2025 actual deposits growth rate
-	1,716	1,822	Based on 2025 actual deposits growth rate
2,600	4,887	2,653	Based on 2025 actual deposits growth rate
-	200	-	No budgeted amount based on nature of account
295,648	6,342,816	5,734,822	
(70,438)	509,040	639,713	



SUPERVISORY COMMITTEE ANNUAL REPORT

Administrative Year: 2025–2026 Presented at the Combined Committee Meeting

Introduction

The Supervisory Committee (SC) is pleased to present its Annual Report for the 2025–2026 administrative year. Throughout the year, the SC remained committed to ensuring that BICCU operates in accordance with established policies, procedures, and regulatory requirements. Our mandate continues to focus on safeguarding members' assets, strengthening internal controls, monitoring operational effectiveness, and enhancing the overall member experience.

The year reflected stable operations, significant progress in internal audit activities, and continued collaboration among the Board, Management, and staff. The SC acknowledges the collective efforts that have contributed to BICCU's financial strength and competitive position within the Bahamian financial services sector.

Committee Composition and Governance

Supervisory Committee Member Replacement

In accordance with the Bahamas Co-operative Credit Union Act, 2015 (Part 12, Section 79), the SC must consist of no fewer than three members. Early in the first quarter, the Committee received the resignation of Mr. Kaymark Lightbourne (July 21, 2025). After consultation with Compliance Manager Moss and review of available candidates, the SC appointed former member. **Ms. Rhonda Richardson-Chase** to fill the vacancy. The Committee expresses appreciation to Compliance Manager Moss for her guidance.

Meeting Attendance

As mandated by Section 80 of the Act, the SC met monthly and examined the affairs of the Credit Union. Attendance remained consistently strong, with full participation across most meetings. Monthly minutes were submitted as required.

Internal Controls and Compliance

Internal controls remained effective throughout the year. Key achievements include:

- All staff and committee members completed **Anti-Money Laundering (AML)** training.
- Employees were provided with **Cybersecurity training** to strengthen information security awareness.

- Cross-training initiatives continued, reducing operational risk and expanding staff capability.

Overall, internal controls continue to safeguard assets, support regulatory compliance, and promote operational efficiency.

Internal Audit Activities

2025 Audit Plan Progress

The Board approved **17 internal audits** for 2025. By year-end:

- **82% of audits were completed**, including six high-risk audits and eight medium risk audits.
- The Internal Auditor developed a **condensed follow-up report** format to ensure findings are addressed and finalized.
- Completed audits and follow-up reports will be submitted to Management and the Central Bank in accordance with Clause 64 of the Internal Audit and Audit Committee Guidelines (Amended 2023).

2026 Draft Audit Plan

The SC reviewed and principally approved the Draft 2026 Audit Plan, enabling the Internal Auditor to begin preliminary work. The Board approved the 2026 Audit Plan during the combined quarterly meeting on March 23, 2026.

Progress on the 2026 plan includes:

- Completion of the **Expected Credit Loss (ECL) Assessment Audit** (Accounts Department).
- Completion of:
 - Reporting (Accounts Department)
 - Charge-off Accounts Monitoring (Collections Department)
- Audits in progress:
 - Recordkeeping & File Management (Membership Services)
 - IT Outsourced Vendor Function Audit
- Upcoming high-risk audits:
 - Loans Portfolio & Origination (Loans Department)

- Deposit Posting & Reconciliation (Accounts Department)

Risk Report Review

The SC continued to monitor the monthly Risk Report, identifying two priority areas:

1. Mortgage Portfolio Review

- Evaluation of processes related to house insurance, real property tax, and documentation.
- Recommendations include annual reminders to members to provide proof of paid Real Property Tax and updated insurance reflecting full replacement value.

2. Deposit Posting Accuracy

- Ensuring deposits are posted accurately and promptly.
- Supporting system enhancements to improve processing efficiency.

Financial Overview and Protection of Assets

The year demonstrated:

- **Continued operational stability**
- **Significant asset growth**, attributed to:
 - Mortgage promotions
 - Improved service efficiency and turnaround times
 - Staff performance incentives
- **Improved member engagement**
- **Maintained regulatory and compliance standards**

Loan delinquency remains an area of focus. The SC anticipates that current incentives and strengthened monitoring will support achieving the **PEARL Standard of 5%**.

Supervisory Committee Recommendations

In addition to the Internal Auditor's findings, the SC recommends:

- **Establishing Escrow Accounts** To cover annual house insurance and real property tax obligations for mortgage members.

- **Strengthening Succession and Strategic Planning** Including ongoing staff development and leadership training.
- **Enhancing Digital Banking Support** Continued member education, platform improvements, and marketing of digital services.
- **Expanding Marketing Efforts** To grow the membership base and increase product uptake.

The SC acknowledges Management’s efforts in implementing an enhanced marketing strategy and looks forward to measurable results.

Conclusion

The 2025–2026 administrative year reflected steady growth, good internal controls, and effective collaboration across all levels of the organization. With continued focus on efficiency, member satisfaction, and risk management, BICCU is well-positioned to achieve its long-term strategic goals.

The Supervisory Committee commends the Board and Management for their dedication and congratulates BICCU on receiving the **CEO of the Year Award (December 2025)**. The SC remains committed to supporting the Credit Union’s mission and ensuring the protection of members’ assets.

“One Team, One Goal.”

Supervisory Committee Signatures

Chair – Tanisha Brennen

Secretary – Alescio Fowler

Member – Archelus Culmer

Member – Samuel Wilkinson

Member – Rhonda Richardson-Chase



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

Section 73 (1) (a) of the Bahamas Co-operative Credit Union Act, 2015 (The "Act") 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, we 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 BICCU's 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 Act which allows for the Board, 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 May 2025 to April 2026, the credit union granted 1,659 new or add-on loans. The Committee reviewed 851 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	395
Vacation/ Travel	69
Education	58
Home Improvement	57
New Car	12
Restructure	54
Used Car Purchase	52
Customs	2
Moving	8
Medical	24
Auto Repair	12
Consolidation	25
Credit Card	1
Funeral	8
Business Venture	15
Legal	3
Furniture	0
Appliances	1
Air Condition	1
Christmas	50
Property	0
Boat engine	0
Generator	1
Generator	2
Generator	1
TOTAL	851

BOARD APPROVED LOANS

Of the files the Committee reviewed, there were 22 Board approved loans in the following categories:

June - 4 Loans

4 - Above the Tier 1 Credit Exposure threshold of \$10,000.00

July - 7 Loans

2 - Above the Tier 1 Credit Exposure threshold of \$10,000.00
5 - Restructured

August - 2 Loans

2 - above the Tier 1 Credit Exposure threshold of \$10,000.00

September - 4 Loans

4 - Above the Tier 1 Credit Exposure threshold of \$10,000.00

October - 1 Loan

1 charged off

November - 3 Loans

3 - Staff Loans

January - 1 Loan

1 - Above the Tier 1 Credit Exposure threshold of \$10,000.00

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 ("TDSR")

As the Central Bank of The Bahamas relaxed the rate for the total debt service ratio from 45% to 50% most loans were under 50%. Loans above the 50% debt service ratio are automatically denied as the 50% maximum is mandated by the Central Bank.

DENIED LOANS

The Committee was advised of ten (10) denied loans due to the TDSR being too high. One (1) mortgage was denied due to concerns regarding the member's ability to repay the loan.

DELINQUENCY

The Committee notes the delinquency as follows:

January there were 400 accounts with a total dollar value of \$3,895,432
February there were 420 accounts with a total dollar value of \$3,760,206
March there were 359 accounts with a total dollar value of \$2,899,082
April there were 434 accounts with a total dollar value of \$3,948,212
May there were 457 accounts with a total dollar value of \$3,703,425
June there were 469 accounts with a total dollar value of \$3,792,205
July there were 459 accounts with a total dollar value of \$3,327,757
August there were 438 accounts with a total dollar value of \$3,355,026
September there were 455 accounts with a total dollar value of \$3,659,910
October there were 380 accounts with a total dollar value of \$2,924,347
November there were 378 accounts with a total dollar value of \$3,064,533
December there were 344 accounts with a total dollar value of \$2,628,562

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 consists of six employees, the Manager, three 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
2023	\$869,137
2024	\$835,294
2025	\$909,188

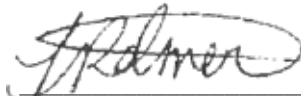
The Committee congratulates the Collections Department.

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 REPORT TO THE AGM

Reporting Period: 2025–2026

Committee Meetings and Mandate

The Education Committee continued to meet regularly to fulfill its mandate of creating educational initiatives aimed at expanding members' knowledge of the products and services offered by Bahama Islands Co-operative Credit Union Limited (BICCU). Committee meetings were conducted virtually via Zoom, allowing members to collaborate efficiently while continuing to serve the membership effectively.

Fall 2025 Cybersecurity Newsletter

During the reporting period, the Committee prepared another edition of its newsletter. The Fall 2025 newsletter focused on the theme of Cybersecurity. This topic was selected in response to the increase in cybercrime, as evidenced by numerous warnings issued by financial institutions, reports in the news and daily newspapers, and advisories from law enforcement agencies. Additionally, October was designated as Cybersecurity Awareness Month throughout the region. In light of these developments, the Education Committee sought to proactively educate members on the importance of Cybersecurity Awareness. It was hoped that with increased awareness, members would be less susceptible to online attacks and AI-related scams designed to obtain sensitive financial information.

The newsletter also included updates relating to BICCU's Visa Card and outlined revised BAF insurance filing protocols.

Financial Literacy and Educational Flyers

In addition to the newsletter, the Committee concentrated on developing financial literacy flyers for the Marketing Department for distribution within the credit union, at the Central Bank of The Bahamas Deposit Insurance Corporation Financial Literacy Fair, and at the Atlantis Men's Wellness Conference. Additionally, a flyer reminding members of the requirements of the Christmas Club was produced and distributed through a mass mailing initiative.

The financial literacy flyers addressed several important topics, including:

- Why Financial Literacy Matters
- Why Your Credit Score Matters
- Understanding and Managing Debt
- Safeguarding Your Finances
- Money Saving Tips

International Credit Union Day Initiatives

The Committee also assisted with the production of flyers for International Credit Union Day. These flyers were distributed to members visiting the credit union during the celebration and highlighted the following topics:

- What is a Co-operative
- The Seven Principles of Co-operatives
- The History of BICCU

Promotion of BICCU Mobile App

A major focus of the Committee during this period was increasing awareness and usage of BICCU's mobile app, debit card, and educating members about CRIF Credit Bureau services. It was brought to the Committee's attention that despite the convenience and accessibility of the BICCU mobile app, it remained underutilized by many members. In response, the Committee developed a flyer outlining the benefits of the app and the steps necessary to access and use it. The flyer was distributed within the credit union and through mass email.

Debit Card Awareness and Education

The Committee also compiled educational information on BICCU's Debit Card. Consideration was given to hosting a Zoom information session specifically for debit card users, with invitations to be sent directly to members who currently used the card. The presentation was intended to help members better understand how to use the debit card while also highlighting its benefits and security features. The Zoom session is being organized.

As part of efforts to increase debit card usage, the Committee is working on producing a flyer comparing the advantages of the BICCU debit card to traditional bank debit cards. For example, if a traditional bank debit card was compromised, criminals could gain access to the individual's entire savings account. In contrast, BICCU debit card only provided access to the limited funds available within the debit card account itself, thereby reducing financial risk to the member.

The Committee believed that emphasizing technological services such as the mobile app and the debit card is essential, particularly in attracting and engaging younger generations who prioritized convenience, technology, and ease of conducting financial transactions.

CRIF Bahamas Credit Bureau Seminar

Per a request from the Credit Bureau-CRIF Bahamas, the Committee attempted to host a Zoom follow-up seminar on credit bureau services. Ms. Treniqua Marisa Nixon, Sales Manager at CRIF Information Services, accepted the Committee's invitation to serve as guest speaker.

Much effort was expended to ensure that the seminar would be a success. The Committee produced flyers and an informative commercial featuring BICCU's own Nashon Rolle. These were played in the credit union, distributed via WhatsApp, and uploaded to BICCU's Facebook page.

The seminar was scheduled for Tuesday, 28th April at 6:00 p.m. Sixty-five (65) people logged on; however, the seminar was cancelled due to technical difficulties related to the guest speaker's electricity service. The Committee is working toward rescheduling the seminar.

Annual General Meeting Preparation

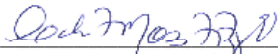
In preparation for the Annual General Meeting, The Committee produced a How to Guide to assist members with registration, logging on and voting.

Appreciation and Commitment

The Education Committee thanks you our members for your continued support of our initiatives. The Committee remains committed to ensuring that you are not only informed but also empowered to make the best possible use of BICCU's products and services. The Committee also welcomes recommendations on additional topics that might be of interest to you.

Acknowledgements

The Education Committee extends sincere gratitude to the Board of Directors for its continued support and guidance. Special thanks are also extended to Board-Appointed Director Janet Guerriea, Compliance Manager Carolyn Moss, CEO Mr. Bastian, Marketing & Membership Services Manager Jameko Hepburn, and the staff of BICCU for their assistance and ongoing support of the Committee's initiatives.



Carla Moss-Fitzgerald, Chairperson



Sherkia Olijer, Secretary



Claudette Farrington



Nashon Rolle



RESOLUTION

BAHAMA ISLANDS CO-OPERATIVE CREDIT UNION LIMITED

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, 2025, 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 2025;

BE IT FURTHER RESOLVED that calculation and distribution of these dividends be credited to the individual member accounts not later than June 30, 2026.

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 2026.

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 39TH ANNUAL GENERAL MEETING

Abigail Ingraham	Estella Walkes-Pratt	Mark Bastian	Shauntae Thompson
Albry Davis	Esther Gibson	Mark Bullard	Shavonne Thompson
Alescio Fowler	Felice Burrows	Mark Taylor	Sheena Lightbourne
Alexandria Bowe-Cooper	Francelaine Dumercy	Marsha Saunders	Shenique Smith
Allison Whymns	Frerishia McKenzie	Mavaloo Duncanson	Sherell Cox
Andriana Steer	Gary Walkes	Maya Mullings	Sherkia Hamilton
Archelaus Culmer	Gene Albury	Melissa Johnson-Labranche	Sherman Bethel
Avernell Darville	Hilda Ferguson	Michelle Bethel-Gibson	Shevaun Stubbs
Barry Rolle	Hilton Bowleg	Michelle King	Sonia Gilbert
Bernadette Bain	Hughdon Rolle	Monica Adderley	Sophia Miller
Bertha Sands	Ian McKenzie	Monique Pratt-Daley	Stephen Thompson
Brent Roberts	Italia Seymour	Nashetta Evans	Tamara Stubbs
Bronson Sands	Jameko Hepburn	Nashon Rolle	Tanisha Brennen
Bryan Butler	Janet Guerriea	Nathan Hart	Tanya McDonald
Calnan Weech	Jayel Gibson	Nerlande Meme	Taurean Butler
Carla Fitzgerald	Jayson Lewis	Nikeva Simmons	Tavia Forbes
Carlton Russell	Justin Knowles	Nikia Forbes	Tesma Moss
Carolyn Moss	Kaliyah Wilkinson	Omar Davis	Tina Shantel Goodman
Cheryl Bowe-Moss	Kassen Liberal	Patrice Colebrooke	Toinette Munnings
Christine Lee	Katie Longley	Paul Raeburn	Tory Gilbert
Christine Sherman	Katie Minnis	Pauline Ferguson	Tracy Goodman
Clarice Hutchinson Smith	Kaymark Lightbourne	Perez Newbold	Travon Patton
Claudette Farrington	Keisha Russell	Peter Davis	Tredika Davis
Cleo Johnson	Keith Seymour	Rachael Johnson	Valden Fernander
Clothilda F Adderley	Kendal Dames	Radesha Hanna	Verlease Rolle
Dané Dean	Kendesha Kemp	Raemiesh Darling	Waydrissa Seymour
Danielle Moss	Keniska Bain	Rashan Taylor	Wence Martin
Danielle Romer	Kenneth Lightbourne	Raynaldo Morris	Wendell Pratt
Darnell Chipman-Ward	Kent Ferguson	Rhianna Ingraham	Wendy Pearce
David Barry	Kyle Strachan	Rhonda Hepburn	Yolantha Yallop
Denise Higgs	Latasha Allen	Rhonda Richardson-Chase	Zelda Allen
Deshawn Moss	LaVorn Taylor	Robertha Murray	
Diana Bowe	Lockhart Dennis	Ronald Campbell	
Dominic Deveaux	Lynden Williams	Rudolph Dean	
Dominique Moss	Lynn major	Rufus Johnson	
Donald Sands	Lynne Lewis	Samuel Wilkinson	
Dontae Saunders	Magnal Thompson	Sandra Dee Chea	
Edwin Morley	Makell Farrington	Santino Higgs	
Erica King	Marcia Sandiland	Seantia Thompson	
Errin Green	Marion Capron	Shanra Kelly	
Ersley Johnson	Marionette Johnson	Sharel Brown	

Congratulations

— ON YOUR —

RETIREMENT

BRYAN BUTLER

Congratulations on your retirement and sincere thanks for your years of service and commitment to **BICCU**. Your dedication over the years have contributed to the continued growth and success of the credit union.

As you close this chapter and begin a new journey, we wish you future success, good health, happiness, and many enjoyable moments in the years ahead. May your retirement be filled with joy, relaxation, and the opportunity to enjoy the fruits of your labor.

Best wishes on your well-deserved retirement.

