LABORIE CO-OPERATIVE CREDIT UNION LTD.

ANNUAL GENERAL MEETING 2026

JULY 26TH, 2026

50TH ANNIVERSARY

NURTURING GROWTH

TRANSFORMING LIVES

PRESERVING VALUES

Credit Union Prayer

Lord, make me an instrument of Your 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.

Amen

Core Values

We believe our members come first.
We believe in being human centred.
We believe in unequivocal excellence in all aspects of our operations.
We believe in being community focused.
We believe in the co-operative philosophy.

Core Purpose | Just Cause:

To provide the means by which members enhance their capabilities and capacities to achieve wellness for themselves, their families, and communities.

Vision

To be the financial institution most adept at enabling each member to thrive, based on his or her potential.

Fifty Years of Impact

The Laborie Credit Union: Transforming Lives, Strengthening Community (1976–2026)

Measuring What Truly Matters

Impact is often reduced to numbers: assets, loans, profits, and buildings. While these indicators are important, they tell only part of the story. The true impact of the Laborie Credit Union is best measured in lives stabilised, opportunities created, confidence restored, and a community transformed.

For fifty years, the Credit Union has stood as a living institution of hope in Laborie, proving that when people pool their resources and trust one another, development becomes attainable, even in the face of persistent constraints.

Impact on People: Dignity, Access, and Empowerment

Perhaps the most profound impact of the Laborie Credit Union has been its role in restoring dignity to financial engagement. At a time when many residents felt alienated and intimidated by formal banking institutions, the Credit Union offered something radically different: familiarity, patience, and respect.

Members were not judged by their literacy level, the size of their savings, or the value of their collateral. Instead, they were known by name, understood in context, and supported with empathy. This human-centred approach transformed fear into confidence and exclusion into participation.

Over five decades:

- Thousands of members opened their first-ever savings account
- Families gained access to affordable, fair credit
- Members learned to plan, save, and invest rather than merely survive

The Credit Union did not simply provide money, it provided control over one's financial life.

Impact on Livelihoods: From Survival to Stability

The Laborie Credit Union played a pivotal role in strengthening household livelihoods across generations. Farmers, fishers, vendors, artisans, construction workers, and micro-entrepreneurs found in the Credit Union a partner willing to understand the rhythms and risks of their work.

By moving away from rigid collateral requirements and instead assessing cash flow, character, and savings behaviour, the institution unlocked access to credit for those traditionally excluded. This innovation allowed members to:

- Invest in farming inputs and fishing equipment
- Expand small businesses

- Improve housing conditions
- Weather seasonal and economic shocks

For many households, the Credit Union became the difference between chronic vulnerability and modest but meaningful stability.

Impact on Education: Investing in the Future

Education has always been recognised by the Laborie Credit Union as a cornerstone of long-term development. Understanding that poverty often reproduces itself across generations, the institution deliberately invested in human capital.

Over fifty years, the Credit Union:

- Supported adult literacy initiatives, helping members overcome barriers of illiteracy and low confidence
- Provided scholarships and bursaries for secondary and tertiary education
- Made annual contributions to early childhood institutions, recognising that development begins early

These investments yielded dividends far beyond the classroom. Children of members became professionals, educators, entrepreneurs, and community leaders, many of whom later returned to serve the Credit Union and the wider community.

Impact on Community: Strengthening the Social Fabric

The Laborie Credit Union has never existed in isolation from the community; it is woven into its social fabric. Over the decades, the institution supported cultural activities, sports, education, and social initiatives that reinforced community pride and cohesion.

Credit Union Day celebrations, community outreach, and partnerships with local organisations helped embed co-operative values into everyday life. The institution reinforced the belief that community development is a shared responsibility.

In times of personal hardship, illness, bereavement, or economic downturn, the Credit Union stood as a stabilising presence. During national and global crises, including economic recessions and the COVID-19 pandemic, it responded with compassion, flexibility, and solidarity.

Impact on Leadership and Governance: Building Democratic Capacity

Beyond finance, the Credit Union functioned as a school of democracy and leadership. Through board service, committee participation, and volunteerism, members gained experience in governance, accountability, and ethical decision-making.

This leadership pipeline extended beyond the institution itself. Many individuals who developed skills within the Credit Union went on to serve in:

- Community organisations

- National co-operative bodies
- Public and private sector leadership roles

In this way, the Credit Union contributed quietly but powerfully to strengthening civic capacity and democratic culture.

Impact on the Co-operative Movement: A Model of Possibility

Nationally, the Laborie Credit Union emerged as a model co-operative, demonstrating that size, geography, and limited resources are not barriers to excellence. Its success challenged the notion that sophisticated financial services must be delivered by large, profit-driven institutions.

By remaining financially sound while staying true to co-operative principles, the institution proved that ethical finance is viable finance. Its oft-quoted declaration, *"We are not a bank; we are better,"* captured the essence of its difference.

Impact Beyond Numbers

While balance sheets tell a story of growth and resilience, the deeper impact of the Laborie Credit Union lives in:

- The farmer who accessed credit for the first time
- The parent who educated a child through a Credit Union scholarship
- The member who learned to save consistently
- The community that learned to believe in itself

These stories, repeated thousands of times over fifty years, form the true measure of success.

A Legacy That Endures

As the Laborie Credit Union marks its 50th Anniversary, it does so not merely as a financial institution, but as a legacy of collective courage. It stands as evidence that development rooted in trust, participation, and shared values is not only possible, but sustainable.

The next fifty years will bring new challenges. Yet the foundation laid over the past five decades, people-centred, principled, and purposeful, ensures that the institution is well equipped for the journey ahead.

Fifty Years On, the Impact Is Clear

The Laborie Credit Union did not just change balance sheets. It changed lives, mindsets, and futures.

Special GENERAL MEETING

TO BE HELD BEFORE THE

ANNUAL GENERAL MEETING

Notice is hereby given that a Special General Meeting of the Laborie Co-operative Credit Union Ltd. will be held on Sunday 26th July 2026 at the Laborie Boys' Primary School from 1:30 p.m.

Agenda

1. Resolution

Resolution put before members of the Laborie Co-operative Credit Union (LCCU) at a Special General Meeting held on Sunday July 26, 2026.

Resolution

Whereas effective June 27, 2025 the Financial Services Regulatory Authority (FSRSA) appointed a Receiver-Manager for Saltibus Co-operative Credit Union (SCCU) and charged the Receiver-Manager with the responsibility of determining the most viable path forward for SCCU in terms of absorption of the assets and liabilities, mergers or amalgamation.

And whereas the Receiver-Manager has determined that the most viable path forward for SCCU is the transfer of assets and liabilities to a credit union willing to accept them.

Be it resolved that LCCU Board of Directors proposes that LCCU accept the assets and liabilities of SCCU.

Laurie Etienne
Secretary

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Notice is hereby given that the 41st Annual General Meeting of the Laborie Co-operative Credit Union Ltd. will be held on Sunday 26th July 2026 at the Laborie Boys' Primary School from 1:30 p.m.

A G E N D A

Part One

- ✓ Call to Order
- ✓ Prayers & National Anthem
- ✓ Welcome Remarks
- ✓ Apologies
- ✓ Introduction of Guests and Greetings from Fraternal Organizations

Part Two

- ✓ Ascertainment of quorum
- ✓ Reading and Confirmation of Minutes of the 38th Annual General Meeting
- ✓ Reports
  - Board of Directors
  - Treasurer
  - Auditor
  - Credit Committee
  - Supervisory Committee
- ✓ Election of Officers
- ✓ Appointment of Auditor
- ✓ Any Other Business
- ✓ Adjournment

Lauric Etienne
Secretary

S T A N D I N G O R D E R S

1. A member shall:
    a. Stand when addressing the Chairperson.
    b. Identify himself / herself by name before proceeding to make speeches.
2. Speeches should be clear and relevant to the subject before the meeting.
3. A member shall only address the meeting when recognized or called to do so by the Chairperson after which he/she shall immediately take his / her seat.
4. No member shall address the meeting except through the Chairperson.
5. A member shall not speak twice on the same subject except:
    a. He/she is the mover of the motion and has the right to reply.
    b. He/she rises to object or explain (with the permission of the Chairperson).
6. No speeches shall be allowed after the question has been put, carried, or negated.
7. A member rising on a 'Point of Order' must state the point clearly and concisely. (A Point of Order must have relevance to the Standing Orders).
8. The mover of a 'procedural motion' (adjournment, postponement) shall have no right of reply.
9. A member shall:
    a. Not 'Call' another member 'To Order' but may draw the attention of the Chairperson to a 'Breach of Order'.
    b. At no time 'Call' the Chairperson 'To Order'.
10. A question should not be put to the vote if a member desires to speak on it or move an amendment to it.
11. Only one motion / amendment should be before the meeting at one and the same time.
12. When a motion is withdrawn any amendment to it fails.
13. The Chairperson shall have the right to a 'Casting Vote' in addition to his/her ordinary vote in the event of an equality of votes.
14. If there is an equality of votes on a motion / amendment, and if the Chairperson does not exercise his/her casting vote the motion / amendment is lost.
15. The Chairperson shall always make provisions for the protection of members from vilification or personal abuse.
16. No member shall impute improper motives against the Chairperson, Board of Directors, Officers, or any other member.

Minutes of the 40th Annual General Meeting (AGM) held at the Laborie Boys' Primary School on Sunday, 17th August 2025.

PART ONE

Call to Order

The meeting was called to order at 2:00 p.m. by President Steven Auguste.

Invocation and National Anthem

The Prayer of St. Francis of Assisi and the Laborie Cooperative Credit Union Core Values were recited following which, a moment of silence was held for members who passed during the last year.

An instrumental version of the National Anthem was played.

Attendance

Board of Directors	Credit Committee	Supervisory & Compliance Committee
Steven Auguste	Dale Louis	Dorna Edward
Francilia Brown	Maravin Auguste	Kendell Peter
Dave Jn. Pierre	Ashley Duncan	
Samara Gabriel – Howell	Tresa Jn. Jules	
Lauric Etienne	Nelta Alexander	
Julian DuBois		
Augustine Dominique		
Vincent Edward		

Apologies were extended for General Lucius Ellevic who was unable to attend in person.

Absent with excuses were Officers Ivy Remy-St. Helen, Nytia James and Cyprian Montrope.

Condolences were extended to Officer Kendell Peter on the death of his father.

Welcome Remarks

The Chairperson welcomed members in the virtual and physical spaces to the 40th Annual General Meeting of the Laborie Cooperative Credit Union (LCCU). He gave special welcomes to the regular attendees as well as those attending for the first time. He emphasized that the members are the heart of everything that the LCCU does. He also stated that through the continued support of the members, the LCCU has been able to grow, overcome challenges and become a beacon of financial empowerment in the community. Finally, he encouraged members to participate and take an interest in the planned activities of the LCCU.

Greetings from Fraternal Organizations

Mr. Augustine Dominique, representing the Laborie Development Foundation (LDF), congratulated the LCCU on its 40th AGM and thanked them for supporting LDF's Secretariat re-establishment in March. He acknowledged LCCU's foundational role in the Laborie community as it nears its 50th anniversary.

Ms. Jeannell Garness, Secretary of Black Bay Farmers and Consumers Cooperative (BBFCC), commended the LCCU's work and dedication, noting that BBFCC has grown beyond its origins as Black Bay 'Small' Farmers. She congratulated the LCCU on its 40th Annual General Meeting and acknowledged the collaboration fostered by the Laborie Union of Cooperatives (LUC), which has strengthened relationships among cooperative organizations. Ms. Garness stated that BBFCC intends to continue supporting the growth of the Cooperative Movement.

Mr. Steven Auguste, on behalf of the Laborie Fishers & Consumers Cooperative (LFCC), wished LCCU the very best on the celebration of its 40th AGM. He expressed gratitude for the continued assistance and support from the LCCU.

1st Raffle Draw: Vina Mc. Farlane won the 1st Raffle Draw of $250.00.

PART TWO

Ascertainment of Quorum

181 total members were present in both the physical and virtual spaces therefore a quorum was achieved.

Minutes of the last AGM

The minutes of the 39th AGM held on Sunday 20th October 2024 were read by Assistant Secretary Samara Gabriel – Howell.

Errors and Omissions

Page 7 Matters Arising

Laura Colllymore should be Laura Collymore

Page 8 Board of Directors Report

Augustin Dominique should be Augustine Dominique

Page 9 Board of Directors Report

Under total assets, the percentage '13.3%' should read 16.3%.

Page 10 5th Raffle Draw

Change '5th' to '6th'.

Page 12 Auditor's Report

Mr. Francilia Brown should be Mrs. Francilia Brown

Page 13 Supervisory Committee Report

Cyrprian should be Cyprian.

Page 15 Elections

Agatha Jm. Panel should be Agatha Jn. Panel.

Page 16 Appointment of Auditor

Llewyln Gill should be Llewellyn Gill

Page 18 Board of Director's Report

Omission: Dave Jn. Pierre (Treasurer)

Confirmation of the Minutes

The Minutes of the 39th AGM were confirmed as amended on a motion moved by Wrena Jn Marie and seconded by Shane Glasgow. The motion was unanimously carried.

Matters Arising : There were no matters arising.

Board of Directors Report

President Steven Auguste delivered the board of directors' report for the financial year under review. He indicated that despite ongoing global instability and domestic economic challenges, the LCCU maintained its commitment to fostering financial empowerment, ensuring security, and offering responsive services to its members throughout all communities.

Financial Performance:

The Laborie Co-operative Credit Union recorded another year of strong financial performance. In 2024:

1. Total Assets grew to $464.1 million from $414 million.
2. Total Loans to members totaled $361.7 million from $326.8 million.
3. Total Savings increased to $392.8 million, an increase from $350.6 million of the previous year.
4. Net income stood at $7.58 million compared to $4.98 million generated in the previous year.
5. Operating and administrative expenses were managed at $6.39 million.

Operational Highlights included:

1. Digital Transformation through the expansion of online and mobile banking capabilities.
2. Loan Product innovation: the introduction of new and restructured loan products such as the Summer Splash.
3. Financial Education: Several schools, wellness centres and community- based groups were engaged in discussions on personal financial planning.

4. Support for community: $102,586 was donated to causes and efforts that build community and enhance the welfare of our members.

Governance and Compliance:

President Auguste also presented a record of meeting attendance for all officers from the board of directors, credit and supervisory committees.

Challenges and Opportunities:

1. Rising operational costs and inflationary pressures
2. Increasing competition from commercial banks and other loan providers
3. Evolving member expectations for digital and real-time service

Looking Ahead:

President Auguste also shared the strategic and governance priorities of the Board of Directors for the upcoming year which includes:

1. Improving mobile and online financial services
2. Strengthening internal processes
3. Developing tailored programs for younger members
4. Celebrating the Big 50 - the fiftieth anniversary of the founding of the Laborie Credit Union.

Finally, President Auguste extended his gratitude to the General Manager, management and staff of the LCCU for their unwavering dedication. He closed by thanking the members for their continued support, engagement and belief in the co-operative model.

Dividend and Patronage Refund: The Board recommended a 6% dividend and 6% patronage refund.

A moment of silence was observed in recognition of the contribution of Mr. Pascal Watson Louis, a founding member of the Laborie Credit Union who had passed away.

The following discussions were generated from the Board of Directors report:

Shane Glasgow inquired about whether the LCCU offers grants for start-up businesses, with specific interest in Laborie as a fishing community. President Auguste stated that the LCCU consistently provides support to fishing and farming communities and has assisted various entrepreneurs when their business ideas are feasible. Interested individuals were encouraged to contact the LCCU to determine possible assistance.

Question from the floor on the meaning of 'Summer Splash'. President Auguste stated that it is just a title granted to the current loan promotion.

Wrena Jn. Marie asked whether President Auguste has reached the end of his tenure on the board and whether other individuals would be up for nomination. President Auguste responded in the affirmative.

Agatha Jn. Panel asked whether it was deliberate that the name of the Internal Auditor was not mentioned. However, it was simply an oversight. The current Internal Auditor is Virgil Verneuil. Additionally, Mrs. Jn. Panel stated that she is proud of President Auguste and the growth of the LCCU during his tenure on the Board.

Finally, Mrs. Jn. Panel commented that in the Jubilee year, there should be more than 6% awarded for dividends and patronage refund.

President Auguste noted the point and addressed the floor, reminding that the aim is for sustainable growth of the Credit Union. It was also pointed out that in terms of interest on member savings, the LCCU is paying above the market rate.

Director Dominique referenced the COVID-19 pandemic, stating that despite the surpluses, there is always the chance of financial uncertainty. Therefore, the Board has to make strategic decisions to ensure that the credit union can navigate possible turbulent times while maintaining growth.

The Board of Directors' Report was adopted on a motion moved by Diana Collymore-Cherubin and seconded by Neila Alphonse. The motion was carried.

President Auguste recognized the presence of Mr. Shane Felicien- General Manager of the St. Lucia Cooperative League.

2nd Raffle Draw: Eric James won the 2nd Raffle Draw of $250.00.

3rd Raffle Draw: Kerly Harris won the 3rd Raffle Draw of $250.00.

Treasurer's Report

In the presentation of his report, Treasurer Dave Jn. Pierre made the following observations:

Delinquency: The industry standard is that the rate of delinquency should not be greater than 5%. The LCCU closed the fiscal year with a delinquency rate of 2.99%. This reflects the effort of the LCCU to manage delinquency

Membership and Account Holders: Membership and account holders grew by 8.45% bringing the total to 31,173. Of the 2,429 new accounts, the Vieux Fort Branch accounted for 937, with Laborie and Castries Branches accounting for 276 and 1,818 respectively. Total accounts held at Vieux Fort were 13,283, Laborie Branch was 10,749 and Castries 7,141. Treasurer Jn. Pierre noted that though the Castries Branch is the most recent, it continues to climb and may eventually surpass the Vieux-Fort membership.

Assets: Totalled $464 million or a 12.1% increase over 2023. Most of this increase was driven by a 10.6% increase in member loans.

Liabilities: Increased by a total of $48.5 million or an 11.8% increase, representing amounts due to third parties, member savings and fixed deposits.

Members' Equity: Increased by $8.4 million from $60.7 million to $69.1 million or 13.8%; Share capital increased by $2.5 million; Reserves and funds increased by $3.1 million; Retained earnings increased by $2.7 million.

The Treasurer reiterated that the LCCU continues on its mission to "enhance the standard of living and quality of life of its members" whilst staying true to its Core Values. Members were encouraged to stay informed and take advantage of the many products and services available.

There were no questions or comments on the Treasurer's Report.

The Treasurer's Report was adopted on a motion moved by Janice Soaries and seconded by Shane Felicien. The motion was carried.

Auditor's Report

The Report was presented by Mr. Llewellyn Gill - Independent Auditor.

In his opinion, the audited financial statements of Laborie Co-operative Credit Union Limited, including its financial position, changes in members' equity, income, and cash flows for the year ended December 31, 2024, are deemed fairly presented in accordance with the International Accounting Standards Board (IFRS Accounting Standards). The audit was conducted in accordance with International Standards on Auditing (ISAs) and the International Ethics Standards

Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). The evidence obtained is considered sufficient and appropriate for providing a basis for the audit.

After the presentation of the Auditor's Report, Mr. Gill stated that there were no major issues to note, the organization has grown and showed progress. He also noted that despite the low delinquency ratio, the organization should aim to keep their loans portfolio in check and ensure that loans are paid on time.

Query from Neila Alphonse re: impairment losses and the difference in the two years. Mr. Gill responded that this is based on context and timing; the value could change based on when it is checked. He also clarified that impairment losses occur when the collection of debt is challenged.

Mr. Gill wished the LCCU well and thanked the organization for their patience.

Mr. Dave Jn. Pierre moved a motion for the adoption of the Auditor's Report which was seconded by Mr. Julian Dubois. The motion was carried.

4th Raffle Draw: Jehan Browne won the 4th Raffle Draw of $250.00.

5th Raffle Draw: Kediana Charlery won the 5th Raffle Draw of $250.00.

Credit Committee Report

In his presentation of the Credit Committee's report for the financial year ending December 31, 2024, Officer Dale Louis recapped the Committee's mandate of ensuring fair access to members' deposits through loans which are guided by Board-approved lending policies. He highlighted the following:

Four thousand, eight hundred and seventy two (4872) loan applications were processed, representing three hundred and thirty five (335) loan requests more than the year 2023.
4826 loans totaling $100,336,395.56 were disbursed.

Ten (10) out of 4846 loan requests were denied for reasons including insufficient information, inadequate security, uncertainty about ability to repay and prior delinquent history. Members were reminded of the requirements necessary for the prompt processing of their loan applications.

The Committee also attended Joint Committee meetings, training sessions and other organized activities which provided opportunities to clarify loan processing matters, make recommendations and assist management in implementing projects.

Chairperson Dale Louis has served consecutive terms and therefore is not eligible for re-election. He took the time to thank the management and staff of the credit union for the opportunity to serve. The Committee expressed gratitude to the management, Board of Directors, and Supervisory Committee, for their support and cooperation in processing loan applications, particularly Mrs. Julitta Chicot and Mr. Ellevic, for their assistance when called upon.

In the ensuing discussions, explanations were offered on Kwedi Allez. Milissa Emmanuel also asked whether the Smartclime loan product is still offered. She was informed that it is but there were no request during in the last year.

A motion to adopt the Credit Committee Report was moved by Daena Jn. Pierre and seconded by Kedia Chicot. The motion was carried.

Supervisory and Compliance Committee Report

Officer Dorna Edward presented the Supervisory & Compliance Committee's report for the financial year ending December 31, 2024. Tedley Cotter, Compliance Officer and Virgil Vernuiel, Internal Auditor also attended the Committee's meetings.

The Committee is tasked with monitoring LCCU's operations and ensuring adherence to policies through regular appraisals of governance, internal control, and risk management systems. Officer Edward expressed the Committee's general satisfaction with the outcomes, noting general compliance with LCCU's policies and evidence of transparency and accountability throughout the conduct of activities during the review year. The following activities were undertaken by the Committee during 2024:

1. Observation of the Credit Committee
2. Review of Declaration of Source of Funds
3. Review of loans over one year delinquent
4. Cash Audit
5. Director Satisfaction Survey
6. Follow up on Health and Safety Recommendations
7. Review of Investment Policy and Portfolio
8. Members Satisfaction Survey
9. Review of Business Continuity Plan
10. Observation of Education Committee

Throughout the year, observations and recommendations have been made to the board of directors based on the findings of these activities. The Supervisory Committee acknowledged the efforts of the board, management and staff in maintaining transparency and efficiency in operations.

The Supervisory & Compliance Committee's Report was adopted on a motion moved and seconded by Gemma Edwin and Salahuddeen William respectively. The motion was carried.

Nomination and Election of Officers

Director Augustine Dominique, serving as the chairperson of the nominations committee, managed the nomination and election process. A call for volunteers was posted on the LCCU's social media platforms, which received a large number of responses. A workshop was then held with the interested parties to inform them of the roles and responsibilities of officers. He thanked everyone who participated and stated that there are three vacancies on the board and one on the credit committee.

Board of Directors:

Outgoing: Directors Auguste, Brown and Etienne. Director Etienne has come to the end of his first term and is eligible for re-election.

Nomination Committee's nominees: Lauric Etienne, Noelia Alexander-McDonald and Gemma Edwin

There were no nominations from the floor.

A motion to close nominations was moved by Dave Jn. Pierre and seconded by Francine Marius. The motion was carried.

Lauric Etienne, Noelia Alexander-McDonald and Gemma Edwin were elected to the board of directors unopposed.

Credit Committee:

Outgoing: Officer Louis.

Committee's nominee: Carina Snagg

Mrs. Annette Desir-Butcher asked whether it is the norm for the committee to only present exact numbers for the vacancies available. Director Dominique responded that the floor is open for any nominations and Ms. Jeanell Garness further clarified that from the bylaws, the nominations committee can only present one individual per vacancy.

A motion that nominations be closed was moved by Samara Gabriel-Howell and seconded by Francine Marius. The motion was carried.

Carina Snagg – Elected Officer.

Appointment of Auditor

A motion authorizing the Board of Directors to appoint an Auditor for the financial year ending December 31, 2024, was moved and seconded by Don Howell and Nhioka Fred respectively. The motion was carried.

6th Raffle Draw: Christopher Chicot won the 6th raffle draw of $500.00.

7th Raffle Draw: Sherlene Fevrier won the 7th raffle draw of $500.00.

8th Raffle Draw: Zenna Chitolie won the 8th raffle draw of $500.00.

Any Other Business

Neila Alphonse expressed appreciation of the decor and set up of the room.

9th Raffle Draw: Chewen Emmanuel-Verneuil won the 9th raffle Draw of $500.00.

10th Raffle Draw: The draw of $1,000.00 was won by Nhioka Fred.

Adjournment

President Auguste thanked all members for their participation in the 40th Annual General Meeting of the LCCU. The meeting was adjourned at 5:06 p.m. on a motion moved by Salahuddeen William and seconded by Diana Collymore-Cherubin. The motion was carried.

Lauric Etienne
Secretary

Board of Directors' Report

For the period ending December 31, 2025

Introduction

It is my honour to present this year's Board of Directors (BOD) Report under the guiding theme: *Nurturing Growth, Transforming Lives, and Preserving Values*.

The year 2025 was one of resilience, reflection, innovation, addressing challenges, and preparation for the historic fiftieth anniversary of the Laborie Cooperative Credit Union (LCCU). Throughout all this the Board remained focused on the task of governance and responding to the trust placed in it by the membership, with the full support of the Officers and General Manager.

We commend our General Manager, **Dr. Lucius Ellevic**, whose leadership reflects the principles of Peter Senge's *Learning Organisation*. Through systems thinking, team learning, and a commitment to continuous improvement, Dr. Ellevic has strengthened the Credit Union's capacity to adapt and thrive. His recent attainment of a **Doctoral Degree** is a proud achievement for LCCU and the wider cooperative movement, inspiring both staff and members.

On behalf of the Board of Directors, staff, and members, I salute Dr. Ellevic for his visionary leadership and academic accomplishment. We reaffirm our commitment to sustained growth, member empowerment, and ethical stewardship, ensuring that LCCU remains a beacon of cooperative strength in Saint Lucia and the sub-region.

Nurturing Growth

Financial Expansion and Stability

LCCU continued to strengthen its financial base through resilient member savings, a strong lending programme, and careful monitoring of emerging risks. The Credit Union is also revitalising its relationship with School Thrift Cooperatives by developing software to help teachers manage these junior cooperatives more efficiently. This digital transformation will significantly reduce the time required to maintain students' accounts and the cooperative generally.

Strategic Investments

The Board advanced LCCU's strategy to diversify income through approved fixed-income investments. These liquid investments, totaling $13.35 million, are intended to support long-term stability and returns.

Product Development

In May 2025, the Board approved the decision to collaborate with sister credit unions Choiseul, Mon Repos and Teachers to provide our members with access to an international debit card under the Mastercard network. Contract signing was in December 2025.

Organisational Development

The Board awarded a 13% salary increase, over three years, and new benefits for staff. The salary increases underscores LCCU's commitment to talent retention and placing LCCU salary scales on par with what obtains in the credit union sector. The Board is also putting together an organisational redesign plan which will address succession planning and the need to sustain leadership capacity as the institution grows.

From nurturing Growth to Wealth Creation

During the period under review, the Board emphasised the need for a **paradigm shift** in the Credit Union's development trajectory. The first fifty years of LCCU's journey were dedicated to developing institutional strength, expanding the loan portfolio and providing members with opportunities for saving and borrowing; tools that improved lives and strengthened communities. As the institution begins life after 50, the focus must evolve toward **member wealth creation and economic mobility**. This shift envisions moving beyond the traditional roles of saving and borrowing to empowering members as investors and creators of wealth. By fostering investment opportunities, entrepreneurial ventures, and financial literacy, LCCU aims to equip its membership with the capacity to generate sustainable prosperity, ensuring that growth is not only nurtured but multiplied for generations to come. This paradigm shift will be guided by an LCCU redesign plan focusing on members' financial wellness.

Transforming Lives

LCCU continues to emphasise that credit union success should be measured not only by institutional growth, but also by how effectively the Credit Union uses its strength to transform the lives of members and the wider community. This commitment is reflected in LCCU's revenue allocation.

Community Sponsorships and Donations

The Credit Union contributed $25,000 to the **Jady Emmanuel Athlete Assistance Fund** to support talented athletes in their growth and development aspirations. The Board also approved donations for school athletic meets across the various educational districts. Additionally, financial support was provided to organisations and events including the Laborie Development Foundation, the Laborie Youth & Sports Council, the Laborie Youth & Arts Festival, and the Archdiocesan Pastoral Centre Lecture Series.

LCCU Scholarships

On the recommendation of the Education Committee, the budget for the LCCU Annual Scholarship was increased from $85,000 to $90,000 in response to the rising cost of living. Through this support, LCCU continues to help parents meet their children's education costs while transforming lives and empowering communities.

Impact of the LCCU Loans Portfolio

The loan portfolio remained central to LCCU's member impact, growing by 14% over 2024 to reach $411.85 million in 2025. More broadly, members continue to use LCCU financing to strengthen household security, pursue higher education, develop enterprise opportunities, and improve their financial wellbeing and quality of life.

Preserving Values

At the heart of our Credit Union lies the cooperative philosophy.

Following the August 2025 AGM elections, new directors and officers joined LCCU's leadership team and took the Oath of Office and Secrecy, reaffirming their commitment to accountability and sound governance. As LCCU enters its fiftieth anniversary year, the milestone provides an opportunity to reflect on its journey, plan for the future, and uphold the cooperative philosophy while resisting pressures for credit unions to operate like banks.

Ethical and prudent stewardship guided all Board decision-making, including key matters such as dividends and patronage refund, while ensuring alignment with compliance measures such as the Capital Adequacy Ratio.

In carrying out its responsibility, throughout the year the Credit Committee worked diligently to ensure members' loan applications were processed promptly.

The Supervisory and Compliance Committee worked to keep LCCU aligned with its mission and cooperative identity.

Member Engagement

AGM reflections highlighted registration challenges and declining in-person attendance. The Board reaffirmed that member engagement is essential to preserving LCCU's democratic cooperative ethos and has allocated additional resources to strengthen online participation at the AGM.

Institutional Resilience

The Board supported strategies that empower employees to make decisions and take ownership of their work. The Board also addressed the risks of relying too heavily on a few individuals by helping to develop strategies for leadership pipelines, succession planning, knowledge sharing, and reduced key-person dependency.

To support training, the Board has agreed to establish the LCCU Academy, with plans now at an advanced stage. The Academy will provide technical training for Directors, Officers, and Staff; cooperative education and continuous learning programmes.

Governance and Compliance

During the year under review, the Board strengthened governance systems, accountability, and cooperative legitimacy, with a focus on sound governance, institutional responsibility, and fidelity to LCCU's cooperative identity.

The work of the Internal Auditor during the year helped strengthen LCCU's internal control systems and support the work of the Supervisory and Compliance Committee.

The Board reviewed and approved policies to support LCCU operations, namely:

1. Anti-Money Laundering /Counter Terrorism Financing/Counter Proliferation Financing Policy.
2. Fraud Policy.

3. Common Reporting Standard (CRS)/ Foreign Account Tax Compliance Act (FATCA) Filing Policy.

Compliance Oversight

The Supervisory and Compliance Committee implemented their work plan and submitted monthly reports to the Board of their surveys, audit findings and recommendations for improvement.

Attendance Report

The table below gives an account of the attendance of elected Officers at various mandatory meetings. Attendance ranges from a high of 100% to a low of 53.8%.

Officers	Meeting Attendance by Committee							
	Board		Joint		Supervisory		Credit	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Augustine Dominique	11	11	2	2				
Julian Du Bois	11	9	2	2				
Dave Jn Pierre	11	10	2	2				
Lauric Etienne	11	10[1]	2	1				
Samara Gabriel-Howell	11	6	2	2				
Vincent Edward	11	10	2	2				
Gemma Edwin	11	10	2	0				
Noellia Alexander-McDonald	11	7	2	1				
Kisna Oscar	11	11	2	2				
Kendal Peter			2	2	11	11		
Nytia James			2	2	11	11		
Cyprian Montrope			2	0	11	7		
Dorna Edward			2	2	11	10		
Ivy Remy St Helen			2	1	11	11		

1 Absenteeism is due to attendance at OECS Summit.

Officers	Meeting Attendance by Committee							
	Board		Joint		Supervisory		Credit	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Tressa Jn Jules			2	2			39	38[i]
Nelta Alexander			2	1			39	33
Maravin Auguste			2	2			39	36
Ashley Duncan			2	2			39	38
Carina Snagg			2	2			39	37

1 Absenteeism is due to attendance at OECS Summit.

Celebrating 50 Years of Service

As LCCU enters its fiftieth anniversary year, the Board has approved a celebration programme that reflects our 50-year journey; from High Street and Allan Louisy Street in Laborie, to Clarke Street and New Dock Road in Vieux Fort, and now to Bridge Street in Castries. The programme is designed to be both reflective and forward-looking. Running from **July 2026 to July 2027**, the anniversary celebrations will feature themes and activities that honour our heritage, strengthen community ties, and set an agenda for the future.

The 50th Anniversary Programme

Beginning in July 2026, the celebrations will unfold over a year, each month carrying its own theme and activities designed to honour our past, engage our members, and envision our future.

We will launch the Golden Year with the unveiling of the anniversary theme, calendar, and documentary teaser, setting the tone for twelve months of reflection and renewal. In August, we will honour our roots through heritage displays and an ecumenical service. September marks the beginning of Service in Action across Saint Lucia and will feature undertakings throughout the year. The celebrations will then highlight solidarity and enterprise with a national rally and business expo in October, followed by a focus on youth and innovation in November.

During the festive season in December, we will celebrate culture, music, and community spirit, while January 2027 will promote wellness and healthy living through sports and family activities. In February, the focus will be on financial empowerment with activities including savings challenge, financial education series and member consultations. During March, we will tell our story through a documentary release and in April, we will celebrate excellence with awards and tributes to founders.

Looking ahead, June 2027 will be dedicated to imagining the future, with strategic visioning and youth-led forums shaping the future. Finally, in July 2027, we will bring the celebrations to a grand close with a commemorative magazine, a community-wide celebration, and the presentation of legacy materials for future generations.

Together, these activities reflect the spirit of Nurturing Growth, Transforming Lives, and Preserving Values, making LCCU's golden year both a celebration of our heritage and a foundation for the future.

Financial Performance

As LCCU enters its fiftieth anniversary year, it continues to perform strongly. As at **December 2025,** total assets stood at **$531.9 million**, net loans at **$411.9 million**, member savings at **$439.6 million**, and surplus at **$9.58 million**.

Loan interest income exceeded projections; however, other income fell below expectations, underscoring the need to identify and invest in safe opportunities that can better manage LCCU's high liquidity levels.

Challenges and Opportunities

In 2025 managing delinquency continues to be challenging. The Board continues to improve systems of delinquency management to ensure that delinquency is controlled and remains within the industry standard.

The Credit Bureau

To improve credit granting and help manage delinquency, the Eastern Caribbean Currency Union (ECCU) has supported the establishment of a regional credit bureau operating as EveryData ECCU Limited. EveryData ECCU Limited is licensed by the Eastern Caribbean Central Bank to operate as a Credit Bureau under Saint Lucia's Credit Reporting Act No. 13 of 2023. LCCU is a "Credit Information Provider" as defined in Section 27 of the Act.

Since EveryData ECCU Limited is the only licensed credit bureau in St Lucia at this time, all credit unions and commercial banks are mandated to be a Credit Information Provider of EveryData ECCU Limited.

LCCU will soon begin using EveryData ECCU Limited, the Credit Bureau, as part of its commitment to responsible lending and compliance with the Credit Reporting Act, 2023. When assessing loan applications, members will be asked to consent to LCCU accessing their credit information from the Credit Bureau and submitting relevant loan-related information to it. As a Credit Information

Provider, LCCU is required to submit this information in accordance with the Act. This initiative supports regional efforts to promote greater transparency and consistency in lending practices.

Mobile App

Our Mobile App stopped working for android users, a source of embarrassment in an era when the LCCU continues to position itself to introduce new technologies into its operations. We continue to engage with the supplier to seek a resolution to the issue.

Our Cooperative Future

Reflections on the last decade suggest that the LCCU’s role in facilitating the **Laborie Union of Cooperatives (LUC)** has already begun to reshape the social and economic fabric of our community. With the improvement in operations and management at the **Laborie Fishers and Consumers Cooperative** and the remarkable growth of the **Black Bay Farmers and Consumers Cooperative**, we have seen firsthand how collective effort can transform livelihoods and strengthen resilience. The Black Bay Farmers now stand as a national example of what organised cooperation can achieve. It presents ample proof that when communities unite, prosperity follows.

But this is only the beginning. As LCCU approaches its fiftieth anniversary, we must **consolidate these gains and expand their reach**. The next phase calls for building a **socio-economic ecosystem** that integrates organisations like the Laborie Development Foundation and other development partners, creating a network that empowers fishers, farmers, entrepreneurs, and consumers alike.

This is our call to action: to move beyond isolated successes and embrace a **shared vision of transformation**. Socially, we must deepen solidarity and inclusiveness. Economically, we must generate wealth that sustains households and strengthens our communities and nation. Culturally, we must preserve and celebrate our heritage while innovating for the future. Together, we can ensure that the cooperative movement becomes not just a model for Laborie, but a beacon for Saint Lucia; transforming lives, communities, and the nation for generations to come.

Dividend and Patronage Refund

In the context of a changing regulatory framework for credit unions, the increased surplus recorded for the period ending December 2025 has allowed the LCCU to continue building its capital reserves, and at the same time reward members for their commitment during the period under review. Consequently, I am pleased to announce that the Board has recommended payment of **6% dividend** and **6.5% patronage refund**.

Appreciation

I have come to the end of my tenure as a Director and I use this opportunity to extend sincere gratitude to fellow Directors, Officers, the General Manager, Dr. Lucius Ellevic, and staff, for their support and unwavering commitment to service. Your steadfast dedication to the cooperative philosophy and to the proud traditions of the Laborie Cooperative Credit Union has been both inspiring and humbling. It has been an honour to serve and I deeply appreciate the collective spirit and commitment that continues to strengthen our institution and community.

I also express my gratitude to Directors Dave Jn Pierre and Vincent Edward, who have completed their tenure. They served with dedication and upheld the ideals of the Laborie Credit Union.

Your Board of Directors for the year under review were as follows:

Augustine Dominique	President
Julian Du Bois	Vice President
Dave Jn Pierre	Treasurer
Lauric Etienne	Secretary
Samara Gabriel-Howell	Assistant Secretary
Vincent Edward	Director
Gemma Edwin	PRO
Noellia Alexander-McDonald	Director
Kisna Oscar	Director

Conclusion

The year 2025 reflects a Laborie Credit Union that is **growing steadily, transforming lives, and preserving values.** Through natural expansion, community impact, governance vigilance, and institutional reform, LCCU is well-positioned to celebrate its fiftieth anniversary with pride and purpose, while building a cooperative future.

Augustine Dominique
President

Treasurer's Report

For the year ended December 31, 2025

Fellow Members,

The Laborie Cooperative Credit Union (LCCU) continues to grow steadily. As we expand, our greatest challenge is to preserve our identity and core values. With the dedicated support of the Board, Officers, General Manager, and staff, we remain committed to this direction and to ensuring that our members remain our highest priority.

Key performance indicators for the fiscal year ending 2025

Delinquency

The LCCU continues to work hard at managing delinquency. The efforts are paying off and at the end of the fiscal year, delinquency was within the acceptable industry standard. Measures to manage delinquency include stronger loan application screening, improved loan monitoring, and financial counselling. The Credit Union remains ready to work with members who experience difficulties meeting their loan obligations. Members are reminded that nonpayment of loans can affect the LCCU's ability to serve them in the future.

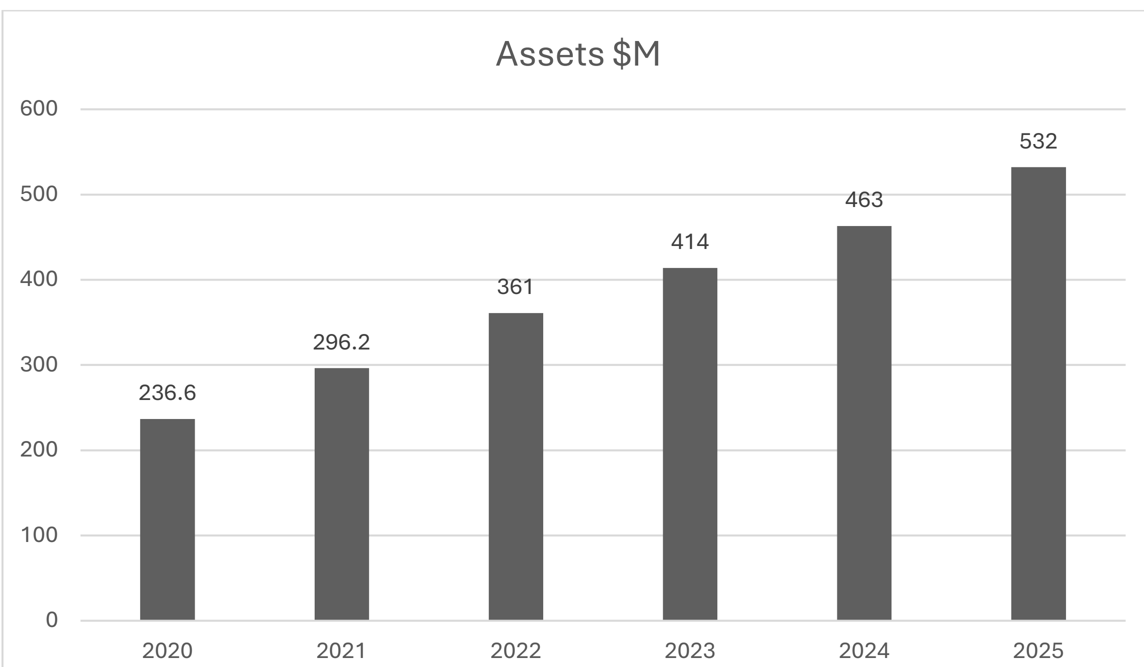
Membership and Account Holders

Membership and account holders grew by 6.06% bringing the total to 33,064. The net growth in Account holders for the year was 1,891. The new accounts at Vieux Fort Branch accounted for 589 while the Laborie Branch accounted for -267 and Castries 1,569. Total accounts held at the Vieux Fort was 13,872, Laborie Branch was 10,482 and Castries 8,710.

Performance Review- Statement of Financial Position

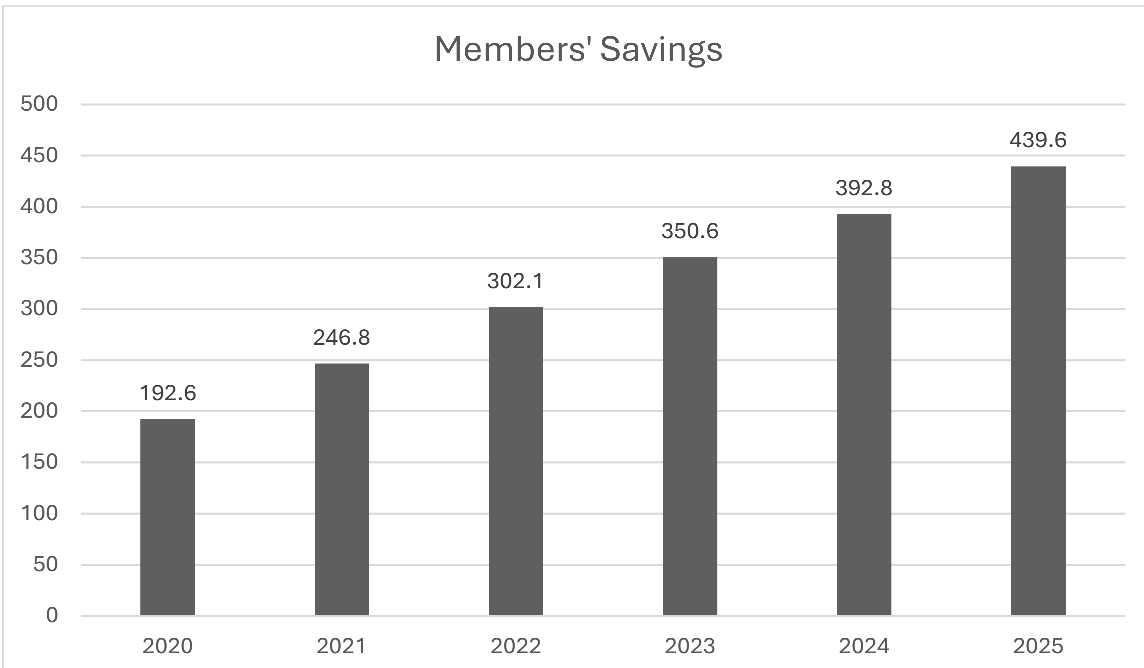
Assets

Total Assets increased by 14.9% over 2024 to $531.9 million dollars. Most of this increase was driven by a 13.6% increase in member loans.



Liabilities

Total liabilities increased by 11.8%, reflecting amounts owed to third parties as well as member savings and fixed deposits. Member fixed deposits, special savings, and regular deposits rose by $46.8 million. The LCCU continues to offer competitive interest rates, making our deposit products among the most attractive investment opportunities currently available. However, liabilities are expanding at a faster pace than loans, and as a result, restrictions will be introduced on certain categories of deposits to maintain balance and sustainability.



Members' Equity

Members' Equity increased by $22.1 million from $68 million to $90.1 million or 32.5%.

Share capital increased by $14.4 million

Reserves and funds increased by $3.8 million

Retained earnings increased by $3.9 million

Performance Review- Statement of Comprehensive Income

Income

The total income generated by the core business activities in 2025 was $27.5 million compared to $24.4 million in 2024, an increase of 12.7%.

Interest Expense

Interest paid to members increased from $11.74 million to $12.6 million, reflecting a 7.3% rise. Additionally, member savings grew by 11.9%, demonstrating the confidence members have in our operations.

Administrative Expenses

Total administrative expenses increased by $1.02 million or 16%. Most of that increase was as a result of increases in Salaries benefits & allowances, Education and Training, and Marketing.

Surplus

The credit union recorded an increase in surplus of $3million compared to the results of 2024.

Conclusion

The LCCU continues on its mission to "enhance the standard of living and quality of life of its members" whist staying true to its Core Values. We encourage members to stay informed and take advantage of the many products and services available.

Loans	Equity Shares
Family Indemnity Plans	Fixed or Term Deposits
Online Member Service	Withdraw-able Shares
Payroll Deductions	Vision Accounts
Safety Deposit Box	Ordinary Deposit
Standing Order Payments	Vision Accounts
Utility Bill Payments	Surepay Services
Western Union Transfers	ATM
And more….	

This marks my final term on the Board. Having served as Treasurer for most of my tenure, I wish to express my sincere gratitude for the opportunity to serve. It has been an honor to contribute to the work of the Board and to support our shared mission.

Thank you.

Daveon Pierre
Treasurer

Credit Committee's Report

For the year ended December 31, 2025

It is indeed a privilege to present the report for the financial year ended December 31, 2025. Credit granting is guided by the lending policies which are determined by the Board of Directors and dutifully implemented by the Credit Committee. These policies highlight the criteria which qualify members for credit granting. It is worth noting that the lending process is pivotal to the advancement and success of the Laborie Cooperative Credit Union (LCCU), one of the leading financial institutions in Saint Lucia. It fulfills its mission of meeting members' financial needs while generating sustainable growth, maintaining financial stability and fostering economic well-being.

During the year in review, the Credit Committee comprised the following officers:

Mr. Ashley Duncan	Chairperson
Mr Maravin Shervy Auguste	Deputy Chairperson
Ms. Tresa Jn Jules	Secretary
Ms. Nelta Alexander	Member (Assistant Secretary)
Ms. Carina Snagg	Member

During the year under review, the Credit Committee held forty-eight (48) weekly meetings and processed four thousand nine hundred and seventy-two (4,972) loan applications, representing one hundred (100) more applications than in the previous year. Personal, Promotion, Housing and Vehicle loans remained the categories most requested by members. Table 1 also shows that no

Agricultural Loan applications were processed during the period January 1, 2025 to December 31, 2025.

TABLE 1: LOAN APPLICATION BY CATEGORY

CATEGORY	No. of Loans	
	2024	2025
Agriculture	7	0
Business	76	68
Education	50	44
Housing	298	289
Kwedi Alez	39	39
Land	79	110
Line of Credit	79	69
Medical	22	28
Mortgage	77	44
Personal	3073	3172
Promotions	758	670
Vehicle	312	435
Vision	2	4
TOTAL	**4872**	**4972**

Loans Approved

The Credit Committee approved a total of four thousand nine hundred and fifty-one (4951) loans for the year 2025. The total amount was one hundred thirteen million, seven hundred eighty-six thousand, five hundred twenty dollars and sixty-eight cents **($113,786,520.68)**, an increase of thirteen million, four hundred fifty thousand, one hundred twenty-five dollars and twelve cents (**$13,450,125.12)** when compared to that of 2024.

Table 2 indicates the number of Approved Loans for 2025

TABLE 2: APPROVED LOANS

CATEGORY	NUMBER	% OF APPROVED LOANS	AMOUNT	% OF APPROVED AMOUNT
Agriculture	-	-	-	-
Business	64	1.35	$4,191,364.89	3.68
Education	44	0.88	$1,156,481.45	1.02
Housing	285	5.75	$9,620,042.90	8.45
Kwedi Alez	39	0.78	$108,223.60	0.1
Land	104	2.1	$18,401,024.85	16.17
Line of Credit	69	1.39	$1,960,282.03	1.72
Medical	28	0.56	$522,799.84	0.46
Mortgage	41	0.82	$16,735,898.17	14.71
Personal	3169	64	$30,305,603.25	26.63
Promotion	670	13.53	$10,763,321.29	9.46
Vehicle	431	8.7	$20,016,708.41	17.59
Vision	4	0.08	$4,770.00	0.01
TOTAL	**4951**	**100**	**$113,786,520.68**	**100**

Loans Not Approved

The Laborie Cooperative Credit Union (LCCU) is committed to serving its members by providing quality financial services, promoting financial stability and supporting the community. Thus, as the Credit Committee, it is our responsibility to thoroughly review loan applications, serve members and safeguard the financial standing of LCCU. In this regard, nine (9) of the four thousand nine hundred and seventy two (4972) loan applications were denied for several reasons including insufficient security, uncertainty about the member's ability to repay and prior delinquent history.

Table 3 illustrates the number of loans Not Approved for 2025

TABLE 3: LOANS NOT APPROVED

CATEGORY	NUMBER OF LOANS
Business	1
Housing	1
Land	3
Mortgage	2
Personal	1
Vehicle	1
TOTAL	**9**

The Credit Committee would like to remind members that approval requirements for loans include, among other things, Cash Security, Mortgages, Bill of Sales, suitable Co-makers, Life and other Insurances. In order to prevent the denial of a loan request and ensure prompt processing of loan applications, the Credit Committee implores you, our esteemed members, to acquaint yourselves with loan requirements.

In addition to attending weekly meetings for processing loan applications, the Credit Committee participated in Joint Committee meetings and other activities organized by the Laborie Cooperative Credit Union (LCCU).

In conclusion, the Credit Committee would like to thank the Board of Directors, Manager, Supervisory Committee and Staff for their patience, cooperation and understanding during the past year. Special thanks to Mrs. Julitta Chicot for her prompt response when called for clarification about a member's loan application.

The processing of loan applications is a meticulous and time-consuming task. The greatest degree of gratitude is reserved for you, the esteemed members, the core of the Laborie Cooperative Credit Union (LCCU), for your patience and understanding when the credit granting process was either delayed or when the results did not meet your expectations. The Credit Committee wishes to reinforce its dual role of assisting members as well as safeguarding the long-term viability of our Credit Union.

The management of the Laborie Cooperative Credit Union (LCCU) remains committed to ensuring that the institution continues to progress and respond to members' needs. We therefore encourage you, our valued members, to maintain your commitment and confidence in LCCU as it continues to pursue innovative ways to improve your quality of life and strengthen your financial well-being.

Ashley Duncan
Chairperson

Supervisory & Compliance Committee's Report

For the year ended December 31, 2025

The Supervisory and Compliance Committee is pleased to present its report for the financial year ending December 31st, 2025. During the year, the Committee continued to embrace its responsibility of monitoring the operations of the Laborie Cooperative Credit Union, with a clear focus on safeguarding members' interests through strong oversight and accountability. Ensuring adherence to established policies and procedures, promoting the principles of good governance, and strengthening internal controls and risk management remain at central to our work.

Throughout the year, the Committee undertook activities aligned with its mandate, including targeted financial and operational reviews, compliance assessments, and risk-focused evaluations. This report summarizes the Committee's work and presents key observations, highlights areas of progress and concern, and presents recommendations intended to further enhance the Credit Union's governance framework, operational effectiveness, and overall resilience in a changing regulatory and economic environment.

The Committee convened at least once monthly to execute its responsibilities and maintain continuous oversight. We also acknowledge the support provided to the Committee in carrying out its duties, including assistance from the Credit Union's management and staff, which contributed to the effective completion of our work program for the year. The Committee wishes to acknowledge the contribution of Mr. Tedley Cotter, Compliance Officer and Ms. Virgil Verneuil, Internal Auditor, in supporting the Committee's work program.

Composition of the Committee

The Committee was comprised of the following officers:

Officer Kendell Peter – Chairperson

Officer Ivy Remy-St. Helen – Deputy Chairperson

Officer Nytia James – Secretary

Officer Dorna Edward – Assistant Secretary

Officer Cyprian Montrope – Member

The Committee conducted the following activities in 2025:

Member Outreach ("Meet the Supervisory Committee")

This exercise was undertaken to engage members directly, gather feedback on Credit Union services, and improve awareness of the Committee's role and function within the Credit Union. The outreach exercise provided valuable member insight and will support the Committee's oversight role by informing future recommendations to strengthen service delivery, governance visibility, and member engagement. The Committee noted that members generally expressed positive views of staff service and professionalism, with many rating their experience highly. This suggests that while frontline service is appreciated, operational and communication improvements are needed to strengthen the overall member experience.

Review of the Action Plan and Budget

The Supervisory and Compliance Committee reviewed the Credit Union's 2025 Action Plan and budget as part of its oversight mandate. The Committee found the Action Plan to be a well-structured and forward-looking document, with strong alignment to the Credit Union's priorities of financial growth, digital transformation, governance, and risk management. In its budget review, the Committee also noted a positive variance in many line items, reflecting prudent financial management and effective cost control in several areas. At the same time, the Committee encouraged continued attention to clear accountability, performance monitoring, and risk planning, and emphasized the importance of ensuring that underspending does not unintentionally delay or limit the implementation of approved strategic and operational initiatives.

Overall, the Committee's review supports confidence in the Credit Union's management approach while offering constructive observations to help strengthen execution and member service outcomes.

Security Audit

The Supervisory and Compliance Committee completed a security review during the year as part of its work program. The review included site visits, discussions with key personnel, and an assessment of relevant policies and controls to confirm that appropriate safeguards are in place to protect members, staff, and the Credit Union's assets. Overall, the Committee observed that foundational security measures are established across the organization and that management and staff demonstrate a clear commitment to maintaining a safe operating environment. The review also identified opportunities to further strengthen consistency and documentation across locations, enhance staff awareness, and continue improving controls in line with evolving risks and operational needs. The Committee has shared its recommendations with Management for consideration and remains available to support follow-up as required.

Teller Transaction Review

As part of its review of internal controls and operation compliance, the Supervisory and Compliance Committee conducted a review of teller operations across all branches. The Committee applied a structured sampling approach, reviewing selected transaction documentation and comparing it with system-generated reports to confirm that required approvals, recordkeeping standards, and established procedures were being consistently followed. Overall, the review indicated a high level of compliance and accuracy, with teller operations demonstrating strong adherence to the Credit Union's policies and effective supervisory oversight. Only minor discrepancies were observed, none of which affected the integrity of transactions. Based on these results, the Committee recommended maintaining the current training and supervision practices, continuing to reinforce procedures for special transaction types, and exploring appropriate ways to recognize staff who consistently demonstrate strong performance. This review provides further assurance to members that teller operations are supported by sound controls and are functioning effectively.

Health and Safety Audit

The Supervisory and Compliance Committee undertook a follow-up review of recommendations arising from the 2024 Occupational Safety and Health (OSH) Audit. Management at all branches had previously reviewed the audit and developed action plans in response, and the Committee noted that a number of the recommended improvements have been implemented, with others advanced or incorporated into ongoing maintenance and workplace enhancement activities. Where a small number of items require further attention, such as those dependent on space constraints, building configuration, or third-party support, the Committee has encouraged continued follow-up to ensure timely closure in line with the Credit Union's commitment to a safe and healthy work environment. Overall, the review provides reassurance that OSH matters are being actively managed and that the Credit Union continues to prioritize staff wellbeing and workplace safety.

Cash Audit

The Committee conducted cash audits at all three branches through on-site visits near the end of the business day, observing cash-handling practices and verifying cash held by tellers and in the vault. Overall, the Committee found that standard procedures were consistently followed, cash was well managed and properly safeguarded, and custody controls were maintained throughout. The Committee expressed satisfaction with staff conduct and observed continued improvements in internal controls relating to cash management.

Declaration of Source of Funds Review

The Committee also reviewed compliance with documentation requirements for Declarations of Source of Funds by examining a random sample of declarations from those submitted during the review period. The review found that the samples met the required standards, with the accompanying supporting documentation. The Committee was encouraged by the overall results and recommended continued staff reminders and reinforcement of documentation practices to support ongoing compliance with applicable AML requirements. Overall, these activities provide reassurance that key controls are functioning effectively and that the Credit Union remains committed to strong governance and regulatory compliance.

Observation of the Education Committee

The Supervisory and Compliance Committee observed the Education Committee's scholarship deliberations during the year as part of its oversight responsibilities. The Committee noted that the scholarship programme is being managed in a fair and structured manner, with decisions informed by established criteria and ongoing monitoring of recipient performance. A number of practical improvements were also identified to further strengthen transparency and consistency, including clearer documentation of key requirements, stronger emphasis on accountability for academic reporting, and enhanced support and recognition for scholarship recipients. Overall, the observation provided reassurance that the programme is being administered responsibly and in keeping with the Credit Union's commitment to supporting education.

Suggestion Box Review

During the year, the Supervisory and Compliance Committee reviewed feedback submitted through the Credit Union's suggestion boxes at all three branches as part of its commitment to listening to members and supporting continuous improvement. The Committee examined and categorized submissions to identify common themes and areas where member experience could be strengthened. Overall, the feedback highlighted opportunities to enhance service efficiency, member comfort, and branch amenities, while also reflecting strong appreciation for staff professionalism and customer service. The Committee noted that management had already acted on several matters raised, and it encouraged continued responsiveness to member feedback, within practical operational and facility constraints, to further strengthen member satisfaction and service delivery across the Credit Union.

Review of Delinquent Loans

The Supervisory and Compliance Committee conducted a review of loans delinquent for one year and over as part of its oversight of credit risk management and compliance with established procedures. The Committee examined a sample of delinquent loan files across the branches to confirm that appropriate collection and escalation actions were being applied and properly supported by documentation. Overall, the review provided assurance that delinquent accounts are being actively managed in line with policy, with evidence of ongoing member contact, recovery efforts, and escalation where necessary. The Committee also identified an opportunity to strengthen recordkeeping practices, particularly to ensure better alignment between physical files and electronic records, so that documentation remains consistently complete and up to date. The Committee's recommendations were shared with management to support continued improvement and strong credit risk governance.

ATM Cash Audit

The Supervisory and Compliance Committee conducted an ATM cash audit as part of its ongoing oversight of internal controls. The audit involved verifying the ATM cash balance against system reports and observing custody procedures to confirm compliance with established cash-handling requirements. The Committee found that procedures were properly followed, custody controls were maintained, and the physical cash count fully reconciled with the system records with no discrepancies noted. No corrective actions were required, and the Committee encouraged continued periodic audits and ongoing adherence to these sound practices, commending staff for the strong level of accountability demonstrated.

Review of Expenses

The Supervisory and Compliance Committee completed a review of selected expenses to assess compliance with the Credit Union's financial controls and authorization procedures. Using a random sampling approach, the Committee examined payments processed in the Emortelle system and verified that each payment was supported by appropriate documentation. Overall, the review provided assurance that expenses were properly authorized, supported by invoices, and maintained within a well-organized electronic filing system that supports transparency and audit readiness. The Committee was satisfied that expense processing controls are functioning effectively and encouraged continued adherence to these sound practices.

Conclusion

The Supervisory and Compliance Committee is satisfied that the Credit Union continues to operate with a strong focus on good governance, compliance, and effective internal controls. The Committee's reviews and observations during 2025 provided reassurance that key processes are functioning as intended and that management and staff remain committed to serving members with professionalism and integrity. Where opportunities for further strengthening were identified, the Committee issued practical recommendations aimed at enhancing consistency, documentation, and ongoing performance monitoring. The Committee remains committed to supporting continuous improvement and thanks the members for their confidence, as well as management and staff for their cooperation throughout the year.

Officers Cyprian Montrope, Dorna Edward and Ivy Remy-St. Helen have completed one term on the Committee and are available for re-election. They would like to thank the membership for the opportunity to serve and indicate their willingness to continue to in carrying out the Committee's mandate.

Kendell Peter
Chairperson

Nytia James
Secretary

Laborie Co-operative Credit Union Ltd.

Independent Auditor's Report

LABORIE CO-OPERATIVE CREDIT UNION LIMITED

Financial Statements
For the Year Ended December 31, 2025
(Expressed in Eastern Caribbean Dollars)

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INDEPENDENT AUDITOR'S REPORT

To The Members of the Laborie Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Laborie Co-operative Credit Union Limited** (the "Credit Union"), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the provisions of the Co-operative Societies Act (the "Act").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's 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 St. Lucia 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.

Other Matters

The financial statements of the Credit Union for the year ended December 31, 2024 were audited by another auditor who expressed an unqualified opinion on those statements June 14, 2025.

Other Information

Other information comprises the information included in the annual report but does not include the financial statements and auditor's report thereon. The Annual Report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

PKF Professional Services Inc., P.O. Choc 8245, Meridian Place, Choc Estate, Castries, LC02 801, St. Lucia
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INDEPENDENT AUDITOR'S REPORT (CONT'D)

To The Members of the Laborie Co-operative Credit Union Limited

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the Act, 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.

Auditor's 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 auditor's 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Credit Union's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Credit Union to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To The Members of the Laborie Co-operative Credit Union Limited.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Chartered Accountant
Castries, Saint Lucia
May 23, 2026

LABORIE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	Restated 2024 $
Assets			
Cash and cash equivalents	6	**50,229,318**	46,575,148
Financial investments:			
- Amortized cost	7	**57,802,041**	44,786,261
- Fair value through other comprehensive income ("FVTOCI")	7	**1,939,318**	1,459,656
- Fair value through profit or loss ("FVTPL")	7	**2,018,197**	-
Other receivables and assets	8	**1,633,714**	1,698,110
Loans and advances to members	9	**411,854,332**	361,678,944
Deferred equipment costs		**217,279**	9,467
Property and equipment	10	**4,859,248**	5,190,442
Right-of-use assets	11	**1,391,876**	1,656,996
Total assets		**531,945,323**	463,055,024
Liabilities and Members' equity			
Liabilities			
Other payable and accruals	12	**652,525**	483,466
Deposits from members	13	**439,615,897**	392,802,471
Lease liabilities	14	**1,503,681**	1,731,245
Total liabilities		**441,772,103**	395,017,182
Members' equity			
Share capital	16	**40,774,429**	26,293,931
Statutory reserves	17	**18,017,292**	15,590,757
Fair value reserves	21	**797,436**	317,774
Employment benefit fund	18	**1,963,443**	1,603,801
Disaster relief fund	19	**50,000**	50,000
Loan protection fund	20	**1,789,164**	1,294,197
Revaluation reserves	22	**1,668,477**	1,668,477
Retained earnings		**25,112,979**	21,218,905
Total members' equity		**90,173,220**	68,037,842
Total liabilities and members' equity		**531,945,323**	463,055,024

The accompanying notes form an integral part of these financial statements.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Director

Director

LABORIE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Comprehensive Income
For the Year Ended December 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	Restated 2024 $
Income			
Interest income on members' loans		**27,551,202**	24,427,193
Interest expense		**(12,646,510)**	(11,744,019)
Net interest income		**14,904,692**	12,683,174
Other income			
Investment income	23	**1,619,425**	1,548,990
Fair value decrease in investments at FVTPL		**(1,803)**	-
Other operating income	24	**1,488,274**	1,296,914
		3,105,896	2,845,904
Operating income		**18,010,588**	15,529,078
General and administrative expenses			
Operating and administrative expenses	25	**7,408,130**	6,392,654
Loan protection fund		**691,410**	605,588
Impairment losses on loans and advance to members	9	**423,794**	1,048,203
Refund on loans written-off		**(449,852)**	(118,685)
Impairment (recoveries)/losses on other receivables		**(2,604)**	48
Direct write-offs		**1,747**	20,978
Impairment losses on financial investments		**348,501**	1,061,701
		8,421,126	9,010,487
Net income for the year		**9,589,462**	6,518,591
Other comprehensive income			
To be reclassified to profit or loss on subsequent periods			
Fair value increase in investments at FVTOCI	21	**479,662**	307,527
Total comprehensive income for the year		**10,069,124**	6,826,118

The accompanying notes form an integral part of these financial statements.

LABORIE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Members Equity
For the Year Ended December 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Share Capital $	Statutory Reserves $	Fair Value Reserves $	Employment Benefit Fund $	Disaster Relief Fund $	Loan Protection Fund $	Revaluation Reserves $	Retained Earnings $	Total $
Balance as at January 1, 2024	23,754,304	13,930,779	10,247	1,359,354	50,000	823,479	1,668,477	19,137,468	60,734,108
Net shares purchased	2,539,627	-	-	-	-	-	-	-	2,539,627
Total comprehensive income for the year	-	-	-	-	-	-	-	6,826,118	6,826,118
Alocations for:									
- Statutory reserves	-	1,629,648	-	-	-	-	-	(1,629,648)	-
- Employment fund	-	-	-	244,447	-	-	-	(244,447)	-
Fair value gain		-	307,527	-	-	-	-	(307,527)	-
Entrance fees	-	30,330	-	-	-	-	-	-	30,330
Net contribution to fund	-	-	-	-		470,718	-	-	470,718
Dividend and patronage refunds	-	-	-	-	-	-	-	(2,563,059)	(2,563,059)
Balance as at December 31, 2024	26,293,931	15,590,757	317,774	1,603,801	50,000	1,294,197	1,668,477	21,218,905	68,037,842
Balance as at January 1, 2025	**26,293,931**	**15,590,757**	**317,774**	**1,603,801**	**50,000**	**1,294,197**	**1,668,477**	**21,218,905**	**68,037,842**
Net shares purchased	**14,480,498**	**-**	**-**	**-**	**-**	**-**		**-**	**14,480,498**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**10,069,124**	**10,069,124**
Alocations for:									
- Statutory reserves	**-**	**2,397,365**	**-**	**-**	**-**	**-**	**-**	**(2,397,365)**	**-**
- Employment fund	**-**	**-**	**-**	**359,642**	**-**	**-**	**-**	**(359,642)**	**-**
Fair value gains	**-**	**-**	**479,662**	**-**	**-**	**-**	**-**	**(479,662)**	**-**
Entrance fees	**-**	**29,170**	**-**	**-**	**-**	**-**	**-**	**-**	**29,170**
Net contribution to fund	**-**	**-**	**-**	**-**	**-**	**494,967**	**-**	**-**	**494,967**
Dividend and patronage refunds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,938,381)**	**(2,938,381)**
Balance as at December 31, 2025	**40,774,429**	**18,017,292**	**797,436**	**1,963,443**	**50,000**	**1,789,164**	**1,668,477**	**25,112,979**	**90,173,220**

The accompanying notes form an integral part of these financial statements.

LABORIE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the Year Ended December 31, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025 $	Restated 2024 $
Cash flows from operating activities			
Net income for the year		**9,589,462**	6,518,591
Adjustments for:			
Depreciation	10	**438,892**	436,527
Amortization	11	**265,119**	265,119
Impairment losses for loans and advances to members	9	**423,794**	1,049,005
Impairment losses for financial investments	7	**348,501**	1,061,701
Impairment losses for other receivables and assets	8	**(1,910)**	(754)
Loss on disposal of assets	10	**8,243**	2,429
Interest income on loans and advances to members		**(27,551,202)**	(24,427,193)
Investment income	23	**(1,619,425)**	(1,548,990)
Interest expenses on lease liabilities	25	**72,436**	82,323
Interest expenses		**12,646,510**	11,744,019
Operating loss before working capital changes		**(5,379,580)**	(4,817,223)
Decrease in other receivables and assets		**66,306**	1,821,795
Increase in loans and advances to members		**(50,599,182)**	(35,913,552)
Increase/(decrease) in other payables and accruals		**169,059**	(237,330)
Increase in deposits and shares from members		**46,813,426**	42,173,583
Entrance fees		**29,170**	30,330
Cash (used in)/generated from operations		**(8,900,801)**	3,057,603
Interest income received from loans and advances to members		**27,551,202**	24,427,193
Interest expenses paid		**(12,646,510)**	(11,744,019)
Net cash generated from operating activities		**6,003,891**	15,740,777
Cash flows from investing activities			
Investment income received		**1,619,425**	1,548,990
Purchase of financial investments		**(15,382,479)**	(2,567,459)
Deferred equipment costs		**(207,813)**	(318)
Purchase of property and equipment	10	**(115,941)**	(47,996)
Net cash used in investing activities		**(14,086,808)**	(1,066,783)
Cash flows from financing activities			
Principal repayment on lease liabilities		**(300,000)**	(300,000)
Proceeds from the issuance of shares		**14,480,501**	2,539,627
Loan Protection Fund	20	**494,967**	470,718
Payment of dividends and patronage refunds		**(2,938,381)**	(2,563,059)
Net cash generated from financing activities		**11,737,087**	147,286
Net increase in cash and cash equivalents		**3,654,170**	14,821,280
Cash and cash equivalents - beginning of the year	6	**46,575,148**	31,753,868
Cash and cash equivalents - end of the year	6	**50,229,318**	46,575,148

The accompanying notes form an integral part of these financial statements.

1. Corporate Information

The Laborie Co-operative Credit Union Limited (the "Credit Union") was duly registered on May 27, 1981 pursuant to the Co-operative Credit Union Act, Chapter 82 of the Laws of Saint Lucia (1957) Revision, and was continued under Section 241 of the Co-operative Societies Act, No. 28 of 1999. The Credit Union is not subject to income tax in accordance with Subsection 25(1)(p) of the Income Tax Act No. 1 of 1989.

The principal activities of the Credit Union is the provision of financial services to its members on reasonable terms and conditions for provident and productive purposes.

The Credit Union's registered office and principal place of business is located at Allan Louisy Street, Laborie, Saint Lucia.

The financial statements were approved by the Board of Directors and authorized for issue on May 23, 2026.

2. Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Statement of compliance

The financial statements comprise the statements of financial position, statement of changes in members' equity, statement of comprehensive income, statement of cash flows and the accompanying notes.

These financial statements have been drawn up in accordance with International Financial Reporting Standards ("IFRS'") as issued by the International Accounting Standards Board ("IASB") and the provision of the Act as of December 31, 2025 (the reporting date).

(b) Basis of preparation

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Critical accounting estimates may be made in determining impairment of financial assets as set out in Note 3.

The cash flows from operating activities are determined by using the indirect method. The net surplus is therefore adjusted by non-cash items, and all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Interest received on investments is classified as investing activities and bank charges are classified as operating activities. The cash flows from investing and financing activities are determined by using the direct method. Management determines the classification of the cash flows into operating, investing and financing activities.

The Credit Union classifies its expenses by the nature of expense method.

2. Material accounting policy information (cont'd)

(b) Basis of preparation (cont'd)

Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments (equity instruments classified as FVOCI and mutual fund units classified as FVTPL), which are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in Eastern Caribbean dollars which is the currency of the primary economic environment in which the Credit Union operates (its functional currency). All values are rounded off to the nearest dollar, unless otherwise indicated.

Assets and liabilities expressed in foreign currencies are translated into the functional currency at the rates of exchange ruling at the date of the financial statements. Transactions arising during the year involving foreign currencies are translated into the functional currency and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates as well as including differences between buying and selling rates, are included in the Statement of Comprehensive Income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as FVOCI are included in the revaluation reserve in equity.

2. Material accounting policy information (cont'd)

(d) New standards, amendments to standards and interpretations

(i) Amendments to standards effective in the 2025 financial year are as follows:

The amendments in IAS 21, Lack of Enchange ability are to:

- **Specify when a currency is exchangeable into another currency and when it is not** - a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- **Specify how an entity determines the exchange rate to apply when a currency is not exchangeable** - when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.

- **Require the disclosure of additional information when a currency is not exchangeable** - when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.
- The amendment did not have a material impact on the Credit Union's financial statements.

(ii) Amendments to standards that are issued but not effective and have not been early adopted are as follows:

Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The amendments are as follows:

- The IASB reduced the disclosure requirements by excluding disclosure objectives relating to supplier finance arrangements, lack of exchangeability, Pillar Two model rules, classification and measurement of financial instruments, and non-current liabilities with covenants.

- It reduced disclosure requirements relating to supplier finance arrangements.

- It excluded disclosure requirements that are in fact guidance, not requirements.

- It replaced disclosure requirements relating to management-defined performance measures by a cross-reference to IFRS 18.

2. Summary of material accounting policies (cont'd)

(c) New standards, amendments to standards and interpretations (cont'd)

(ii) Amendments to standards that are issued but not effective and have not been early adopted are as follows: (cont'd)

Effective for annual periods beginning January 1, 2027

Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates

The amendments pertain to Translation to a Hyperinflationary Presentation Currency and are as follows:

- When an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative amounts, using the closing rate at the date of the most recent statement of financial position;

- When the entity's presentation currency ceases to be the currency of a hyperinflationary economy and its functional currency continues to be the currency of a non-hyperinflationary economy, the entity applies prospectively (without restatement of the comparative amounts) the method currently applicable in IAS 21 to such situations; and

- IAS 21, *'The Effects of Changes in Foreign Exchange Rates*' was amended to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The Credit Union assessed this amendment and concluded that it did not have a material impact, as the Credit Union does not operate in jurisdictions where exchangeability of foreign currencies is restricted.

- the entity would have to disclose that it has applied the method, including summarised financial information about its foreign operations translated applying the proposed translation method; it would also have to disclose if the economy concerned ceased to be hyperinflationary.

  Effective for annual periods beginning January 1, 2027.

2. Material accounting policies information (cont'd)

(c) New standards, amendments to standards and interpretations (cont'd)

(ii) Amendments to standards that are issued but not effective and have not been early adopted are as follows: (cont'd)

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model for financial assets. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. These new requirements are forward-looking and eliminate the threshold that was in IAS 39 for the recognition of credit losses. Under the new approach it is no longer necessary for a credit event to have occurred before credit losses are recognized and therefore under IFRS 9, credit losses are recognized earlier than under IAS 39. The impairment allowance is based on a three-stage model that determines the expected credit loss based on the probability of default, the exposure at default and the loss given default for loans and loan commitments, debt securities not held for trading and financial guarantee contracts.

(e) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

(f) Cash

Cash comprise balances with less than three months' maturity from the date of acquisition and includes cash on hand and cash at bank. Cash is measured at amortized cost.

(g) Financial assets

The Credit Union classifies financial assets to the following IFRS 9 measurement categories:

- Debt instruments at amortized cost
- Equity instruments designated as measured at FVOCI

IFRS 9 classification is based on the business model in which a financial asset is managed and its contractual cash flows. As at reporting date, no debt instruments were measured at FVOCI.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

On initial recognition, financial assets are classified by the Credit Union as follows:

Debt Instruments

Debt instruments, including loans and debt securities, are classified and measured at amortized cost. Investments in debt instruments are measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL.

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal balance.

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flow. The Credit Union's business model assessment is based on the following categories:

- *Hold to Collect* – The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- *Hold to collect and sell* – both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- *Other Business model* – this business model is neither hold-to-collect nor hold-to-collect and sell. The Credit Union determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The model is not assessed on an instrument-by instrument-basis, but rather at a portfolio level and based on factors such as:
  - How the performance of the financial assets held within that business model are evaluated and reported to the Credit Union's management personnel.
  - The risks that affect the performance of the assets held within a business model (and in particular, the way those risks are managed).
  - The expected frequency, value and timing of sales activity.
  - The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the financial liabilities that are funding those assets or realizing cash flows through the sale of the asset.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

Debt instruments measured at amortized cost

Debt instruments are measure at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these investments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the Allowance for Credit Loss ("ACL") in the statement of financial position.

Equity instruments

All equity securities are measured at fair value. On initial recognition the Credit Union may make an irrevocable decision to present in OCI gains and losses from changes in fair value of certain equity instruments. When insufficient information is available to measure fair value, then the instrument is measured at cost when it represents the best estimate of fair value. When an equity instrument classified at FVOCI is sold the cumulative or loss recorded in OCI is not recycled to profit or loss. Dividends recorded from securities measured at FVOCI are recognized in profit or loss.

A financial instrument with a reliably measurable fair value can be designated at FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the selling or repurchasing. The Credit Union has not designated any financial instruments as FVTPL on initial recognition.

Impairment of financial assets

Scope

The adoption of IFRS 9 has fundamentally changed the Credit Union's impairment model by replacing IAS 39's incurred loss approach with a forward looking three-stage Expected Credit Loss ("ECL") approach. As of January 1, 2021, the Credit Union has recorded the allowance for Expected Credit Losses for the following categories of financial assets:

- Debt instruments measured at amortized cost; and
- Off-balance sheet loan commitments.

No impairment loss is recognized on equity instruments.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

Impairment of financial assets (cont'd)

Expected credit loss impairment model

The three stage ECL allowance model is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL), unless there has been no significant increase or deterioration in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss (12m ECL). The 12m ECL is the portion of the LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetimes expected credit losses and 12 month expected credit losses are calculated on an individual basis but for purposes of determining the probability of default and loss given default financial assets are grouped according to common characteristics.

The three-stage approach applied by the Credit Union is as follows:

Stage 1: 12-months ECL

The Credit Union assesses ECLs on exposures where there has not been significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Credit Union recognises a provision on the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. Stage 1 loans include those instruments that are in arrears for 30 days or less and those facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: Lifetime ECL-not credit impaired

The Credit Union assesses ECLs on exposures where there has been significant increase in credit risk since initial recognition but are not credit impaired. This category includes loans which are over 30 days but less than 90 days in arrears. For these exposures, the Credit Union recognises as a provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: Lifetime ECL- credit impaired

The Credit Union identifies, individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental effect on the estimated future cash flows of that asset have occurred. Loans that are overdue for 90 days or more are considered credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather that the gross carrying amount. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

Impairment of financial assets (cont'd)

Measurement of ECL

ECL are a probability weighted estimate of credit losses. They are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date*; as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Credit Union expects to receive);
- *Financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn loan commitment*: the present value of the difference between contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.

The inputs used to estimate the expected credit losses are as follows:

- *Probability of Default (PD)* – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.

- *Exposure at default (EAD)* – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- *Loss Given Default (LGD)* – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of EAD.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

Impairment of financial assets (cont'd)

Forward looking information

The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk. It considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

The standard also requires incorporation of macroeconomic factors in models for ECLs. In its models, the Credit Union conducted an assessment of a range of forward-looking economic information as possible inputs, such as GDP growth, unemployment rates and inflation. The Credit Union has incorporated GDP and unemployment rates for Saint Lucia in developing its forward- looking information.

The standard recognises that the inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be used as temporary adjustments using expert credit judgement.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers both quantitative and qualitative information and analysis based on the Credit Union's historical experience and credit risk assessment. The Credit Union considers as a backstop that significant increase in credit risk occurs when as asset is more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECLs to 12-months.

Expected Life

For instruments in Stage 2 or 3, loss allowances reflect expected credit losses over the expected remaining life of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Presentation of allowance for ECL

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

- Undrawn loan commitments and financial guarantees generally as a provision in other liabilities.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

Impairment of financial assets (cont'd)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the assessment is made of whether the financial asset should be derecognized in ECL and measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discontinued from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit impaired financial assets

At each reporting date the Credit Union assesses whether financial assets carried at amortized cost are credit impaired (referred to as Stage 3 financial assets"). 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.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower;

- A breach of contract such as default or past due events;

- The restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise;

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

- The disappearance of an active market for a security because of financial difficulties.

2. Material accounting policy information (cont'd)

(g) Financial assets (cont'd)

Impairment of financial assets (cont'd)

Credit Impaired Financial Assets (cont'd)

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - Adverse changes in the payment status of borrowers in the group; or
  - National or economic conditions that correlate with defaults on the assets in the group.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more are considered credit impaired.

Definition of default

The Credit Union considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- Significant financial difficulty of the borrower;
- Default or delinquency of principal and interest by a borrower;
- Restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not normally consider;
- Measurable decrease in the estimated cash flows from the loan or the underlying assets that secure the loan; or
- The disappearance of an active market for a security because of financial difficulties.

The Credit Union considers that default has occurred and classifies the financial asset as credit impaired when it is more than 90 days past due.

Write-offs

The write-off of a financial asset is a derecognition event. Loans and related impairment losses are either written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the new realizable value on any collateral has been determined and there is no reasonable expectation of recovery, write-off may be earlier.

2. Material accounting policy information (cont'd)

(h) Property and equipment

Items of property and equipment except for land are recorded initially at cost and subsequently measured at cost less accumulated depreciation and impairment losses, if any. Land is measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the assets. Purchased software that is integral to the functionality of related equipment is capitalised as cost of that equipment.

Subsequent expenditure is capitalised when it will result in future economic benefits to the Credit Union.

Depreciation is calculated on the straight-line basis, so as to write down the cost of property, plant and equipment to their residual values, over their estimated useful lives. The estimated useful lives of property, plant and equipment are as follows: -

Assets estimated useful lives

Freehold buildings	50 years
Leasehold improvements	5 years
Furniture and equipment	5 - 10 years
Computer hardware and software	3 – 7 years

Gains or losses arising on the disposal or retirement of an item of property and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognized in the Statement of Comprehensive Income.

(i) Financial liabilities

The Credit Union classifies its financial liabilities as Other Financial Liabilities. This classification pertains to financial liabilities that are not held for trading or not designated as at fair value through profit or loss upon the inception of the liability. Included in this category are liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced, or formally agreed with the supplier, including amounts due to employees.

2. Material accounting policy information (cont'd)

(i) Financial liabilities (cont'd)

The Credit Union recognizes a provision if a present obligation has arisen as a result of a past event, payment is probable, and the amount can be reliably measured. The amount recognized is the best estimate of the expenditure required to settle the present obligation at financial reporting date, that is, the amount the Credit Union would rationally pay to settle the obligation to a third party.

The Credit Union's other payables and accruals, deposit from members and withdrawable shares are classified as other financial liabilities.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Pursuant to Section 109 of the 2001 Act the Credit Union has a legally enforceable right to offset members' deposits against any related loan balances that are over 90 days overdue.

(k) Members' equity

Share Capital is determined using the nominal value of shares that have been issued.

Reserves are set aside by the Credit Union whereby allocations are transferred from Retained Earnings as necessary.

Retained earnings include all current and prior period results of operations as disclosed in the Statement of Comprehensive Income.

(l) Interest income and expenses

Interest income and expenses are recognized in the Statement of Comprehensive Income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

(m) Fees and other revenue

Fees and other revenue are recognized on an accrual basis when the related service has been provided, except for interest on funds placed with the central financing facility of the St. Lucia Co-operative League that is recognized on a cash basis.

Income from operating leases is recognized on the straight-line basis over the term of the lease.

2. Material accounting policy information (cont'd)

(n) Expenses

Expenses are recognized in the Statement of Comprehensive Income when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. Expenses are recognized: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the Statement of Financial Position as an asset.

Expenses in the Statement of Comprehensive Income are presented using the nature of expense method. These are costs incurred that are associated with the premium revenue and costs attributable to administrative and other business activities of the Credit Union.

(o) Leases

The Credit Union as a lessee

The Credit Union considers whether a contract is, or contains, a lease, at inception of the contract. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

At the lease commencement date, the Credit Union recognises a right-of-use asset and a lease liability on the separate statement of financial position.

Right-of-use assets

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Credit Union, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Credit Union depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At the commencement date, the Credit Union measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Company's incremental borrowing rate.

Subsequent to initial measurement, the carrying amount of the lease liability is increased to reflect the interest on the lease (calculated using the effective interest method) and is reduced to reflect the lease payments made.

2. Material accounting policy information (cont'd)

(o) Leases (cont'd)

The Credit Union re-measures the lease liability to reflect any modification or reassessment of the lease contract, such as a change in the lease term or change in the assessment of whether a renewal option will be exercised, in which case the lease liability is re-measured by discounting the revised lease payments by a revised discount rate. When the lease liability is re-measured, the corresponding adjustment is reflected in the related right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

(p) Income tax

The Credit Union is exempt from income tax under Section 25(1)(q) of the Income Tax Act, Cap. 15.02 of the revised laws of St. Lucia.

(q) Dividend distributions

Dividend distributions to the Credit Union's members are recognized as a liability in the financial statements in the period in which the dividends are approved by the members.

(r) Related parties

Parties are considered related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or under common control are considered related parties. The key management personnel of the Credit Union are also considered to be related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely legal form. Transactions between related parties are accounted for at arm's-length prices or terms similar to those offered to non-related entities in an economically comparable market.

(s) Provisions

Provisions are recognized when the Credit Union has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(t) Contingencies

Contingent liabilities represent possible obligations and are disclosed in the financial statements unless the possibility of the outflow of resources embodying the economic benefit is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

(u) Subsequent events

Post year-end events that provide additional information about the Credit Union's position at the reporting date (adjusting events) are reflected in the Credit Union's financial statements. Material post year-end events which are not adjusting events are disclosed.

2. Material accounting policy information (cont'd)

(v) Comparatives

Where necessary, comparatives have been adjusted to conform with changes in the presentation in the current year.

3. Critical Accounting Judgments, Estimates and Assumptions

The Credit Union makes certain judgments, estimates and assumptions regarding the future. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 described below.

Judgments

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Classification of financial instruments

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

The key assumptions concerning the future and other key sources of estimation at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial instruments

The Credit Union carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Credit Union utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would affect profit or loss and equity.

Estimates and assumptions

The fair values of financial assets and liabilities as at December 31, 2025 and 2024 are disclosed in Note 4(d).

Allowance for impairment on loans Expected Credit losses ("ECL")

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward- looking information into measurement of ECL and selection and approval of the method used to measure ECL.

3 Critical Accounting Judgments, Estimates and Assumptions (cont'd)

Useful lives of property and equipment

The Credit Union estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of each asset are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of the assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded cost of sales and operating expenses and decrease non- current assets.

There were no changes in the estimated useful lives of property and equipment in 2025 and 2024.

4. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Credit Union's risk management framework. The Credit Union's risk management policies are established 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 and controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Credit Union's activities. The Credit Union, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Supervisory Committee and to the Board of Directors.

The Credit Union's activity of accepting funds from members and of investing deposit receipts in loans and other investments exposes the Credit Union to various financial risks. Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

4. Financial risk management (cont'd)

(a) Credit risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Credit Union.

Credit risk from financial assets is minimized through advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans, and placing deposits with financial institutions with a strong capital base. The risk accepted in relation to one borrower is restricted to 10% of the shareholder's equity. Exposure to credit risk is also managed in part by obtaining collateral and guarantees for loans receivable. The collateral may consist of real estate, member deposits and shares, equipment, or vehicles.

The maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	2025	2024
	$	$
Credit exposure relating to on-statement of financial position items:		
Cash at bank	**46,666,357**	44,031,962
Financial investments	**61,759,556**	46,245,917
Other receivables and assets	**1,633,714**	1,698,110
Loans and advances to members	**411,854,332**	361,678,944
	521,913,959	453,654,933
Credit exposure relating to off-statement of financial position items:		
Loans commitments	**26,305,001**	23,071,830
	548,218,960	476,726,763

4. Financial Risk Management (cont'd)

(a) Credit risk (cont'd)

Credit risk in respect of loans and advances is limited as this balance is shown net of impairment losses on loans and advances to members. The maximum exposure to credit risk for loans and advances to members at the reporting date by category are:-

	2025	2024
	$	$
Mortgage	**12,579,694**	8,049,501
Land	**2,846,514**	3,457,937
Mix and match	**2,705,862**	2,897,075
Personal	**1,494,854**	954,289
Vehicles	**1,365,322**	1,279,847
Dream maker	**1,220,773**	2,029,169
Business	**1,169,767**	936,750
Education	**1,013,350**	588,404
Housing	**903,918**	2,160,615
Comfort for life	**694,768**	395,680
Lines of Credit	**310,178**	322,564
	26,305,000	23,071,831

4. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Loans and advances to members

Loans and advances to members are summarized as follows:

	2025	2024
	$	$
Neither past due nor impaired	**397,596,315**	356,465,915
Past due but not impaired	**-**	186,695
Impaired but not deemed total loss	**8,965,000**	1,326,217
Impaired	**10,821,136**	9,461,652
Gross	**417,382,451**	367,440,479
Less: Allowance for impairment losses	**(5,668,833)**	(5,924,803)
Net	**411,713,618**	361,515,676

4. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Loans and advances to members (cont'd)

Loans and advances for which the loss allowance is measured at:

	Stage 1 2025 $	**Stage 2 2025 $**	**Stage 3 2025 $**	**Total 2025 $**	Stage 1 2024 $	Stage 2 2024 $	Stage 3 2024 $	Total 2024 $
Gross	**397,596,316**	**8,965,000**	**10,821,136**	**417,382,452**	356,652,610	1,326,217	9,461,652	367,440,479
Less: Allowance for impairment losses on loans and advances	**(949,998)**	**(39,013)**	**(4,679,822)**	**-** **(5,668,833)**	(745,124)	(3,662)	(5,176,017)	(5,924,803)
	396,646,318	**8,925,987**	**6,141,314**	**411,713,619**	355,907,486	1,322,555	4,285,635	361,515,676

Further information on the allowance for impairment losses on loans and advances to members is provided in Note 9.

4. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Loans and advances to members past due but not impaired

Loans up to 90 days past due are not considered impaired unless information is available to indicate otherwise. Therefore, the gross amount of loans and advances to members that were past due but not impaired were as follows:

	2025	2024
	$	$
Past due up to 30 days	**-**	186,695
Past due 31 - 60 days	**5,121,191**	1,153,356
Past due 61-89 days	**3,843,809**	172,861
	8,965,000	1,512,912

Loans and advances to members individually impaired.

The table below shows gross amount of individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

	2025	2024
	$	$
Individually impaired		
Stage 3	**10,821,136**	9,461,652

The table below shows the individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

4. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Loans and advances to members past due but not impaired (cont'd)

The breakdown of the gross amount of individually impaired loans and advances by class are as follows:

	Individually Impaired Loans 2025 $	Individually Impaired Loans 2024 $
Mortgage	**2,845,227**	728,139
Land	**2,610,248**	2,818,969
Mix and Match	**2,223,103**	2,141,460
Personal	**1,776,773**	2,039,647
Education	**365,395**	599,229
Vehicle	**352,066**	406,298
Business	**317,533**	384,017
Housing	**306,944**	320,043
Agriculture	**23,847**	23,850
	10,821,136	9,461,652

Interest is not accrued on impaired financial assets.

Total fair value of collaterals pledged for the above individually impaired loans and advances to members amounted to $6,918,555 (2024 - $4,407,734).

Repossessed assets

The Credit Union may foreclose on overdue loans by repossessing the pledged asset. The pledged asset may consist of real estate, equipment or vehicles which the Credit Union will seek to dispose of by sale. In some instances, the Credit Union may provide re-financing. There are no repossessed assets held by the Credit Union as at December 31, 2025.

4. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Credit quality per class of financial investments

The table below presents an analysis of debts securities such as bonds, deposits, treasury bills and other eligible bills by rating agency designation at December 31, 2025 and 2024:

	Bond	Deposits	Treasury Bills	Total
	$	$	$	$
As at December 31, 2025				
CariA	**-**	**5,000,000**	**-**	**5,000,000**
CariBBB to CariBBB+	**2,002,000**	**-**	**32,111,517**	**34,113,517**
Unrated	**-**	**19,451,991**	**-**	**19,451,991**
	2,002,000	**24,451,991**	**32,111,517**	**58,565,508**
As at December 31, 2024				
CariBBB to CariBBB+	2,002,000	-	22,106,577	24,108,577
Unrated	-	21,173,694	-	21,173,694
	2,002,000	21,173,694	22,106,577	45,282,271

(b) Liquidity risk

Liquidity risk is the exposure that the Credit Union may encounter difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns.

The contractual maturities of assets and liabilities, and the ability of the Credit Union to meet payment obligations associated with financial liabilities when they fall due and to replace funds when they are withdrawn, are important factors in assessing the liquidity of the Credit Union.

Projections and examination of the Credit Union's asset and liability maturity structure to facilitate the matching of assets and liabilities maturity dates as far as possible and providing for any shortfall or excess cash situations is a fundamental part of the Credit Union's liquidity risk management policy.

Management undertakes continuous review of cash inflows and outflows and seeks to maintain a loans-to-savings ratio not exceeding 80%. For the purpose of this ratio savings include deposits from members and shareholder balances.

The table below presents the cash flows payable by the Credit Union for financial liabilities by remaining contractual maturity dates at the date of the financial statements. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Credit Union manages the inherent liquidity risk based on expected undiscounted cashflows.

4. Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

	Contractual Cash Flows $	6 month or less $	6 - 12 Months $	1 -2 Years $	2 - 5 Years $	More than 5 years $
As t December 31, 2025						
Lease liabilities	**1,503,681**	**125,171**	**131,795**	**272,535**	**894,150**	**80,030**
Othe payables and accruals	**652,525**	**652,525**	**-**	**-**	**-**	**-**
Deposit from members	**310,033,515**	**233,431,857**	**79,601,658**	**-**	**-**	**-**
Withdrawable shares	**133,921,959**	**133,921,959**	**-**	**-**	**-**	**-**
	446,111,680	**368,131,512**	**79,733,453**	**272,535**	**894,150**	**80,030**
As t December 31, 2024						
Lease liabilities	1,731,245	112,518	115,045	256,965	855,302	391,415
Othe payables and accruals	483,466	483,466	-	-	-	
Deposit from members	281,907,372	206,993,023	77,914,349	-	-	-
Withdrawable shares	115,178,636	115,178,636	-	-	-	-
	399,300,719	322,767,643	78,029,394	256,965	855,302	391,415

4. Financial risk management (cont'd)

(c) Interest rate risk

The Credit Union is exposed to interest rate risk, which arises when a change in market interest rate affects the current or future yields of financial assets and financial liabilities. The occurrence of an increase in interest rates on financial liabilities may result in financial loss to the Credit Union.

Interest on loans and advances to members and deposits from members is fixed to maturity.

The table below summarises the exposures to interest rate risks of the Credit Union's financial assets and financial liabilities. Amounts are stated at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Immediately Rate Sensitive $	1 - 3 Months $	3 -12 Months $	Greater than 12 months $	Non-rate Sensitive $	Total $
As at December 31, 2025						
Financial assets						
Cash at bank	46,666,357	-	-	-	-	46,666,357
Financial investments	-	10,620,059	34,932,450	15,031,197	2,586,052	63,169,758
Other receivables and assets	-	-	-	-	1,633,714	1,633,714
Loans and advances to members	-	2,285,469	3,553,960	411,543,023	140,714	417,523,166
	46,666,357	12,905,528	38,486,410	426,574,220	4,360,480	528,992,995
Financial liabilities						
Other payables and accruals	-	-	-	-	(652,525)	(652,525)
Deposits from members	(305,693,938)	-	-	-	-	(305,693,938)
Withdrawable shares	(133,921,959)	-	-	-	-	(133,921,959)
	(439,615,897)	-	-	-	(652,525)	(440,268,422)
	(392,949,540)	12,905,528	38,486,410	426,574,220	3,707,955	88,724,573

4. Financial risk management (cont'd)

(c) Interest rate risk (cont'd)

	Immediately Rate Sensitive $	1 - 3 Months $	3 -12 Months $	Greater than 12 months $	Non-rate Sensitive $	Total $
As at December 31, 2024						
Financial assets						
Cash at bank	44,031,962	-	-	-	-	44,031,962
Financial investments	-	3,606,973	39,673,297	2,002,000	2,025,347	47,307,617
Other receivables and assets	-	-	-	-	1,698,110	1,698,110
Loans and advances to members	-	3,012,062	1,769,845	362,658,571	163,268	367,603,746
	44,031,962	6,619,035	41,443,142	364,660,571	3,886,725	460,641,435
Financial liabilities						
Other payables and accruals	-	-	-	-	(483,466)	(483,466)
Deposits from members	(277,623,834)	-	-	-	-	(277,623,834)
Withdrawable shares	(115,178,636)	-	-	-	-	(115,178,636)
	(392,802,470)	-	-	-	(483,466)	(393,285,936)
	(348,770,508)	6,619,035	41,443,142	364,660,571	3,403,259	67,355,499

4. Financial risk management (cont'd)

(c) Interest rate risk (cont'd)

At the reporting date, the carrying values of the Credit Union's interest-bearing, fixed-rate financial instruments were: -

	Notes	2025 $	2024 $
Financial assets			
Financial investments	**7**	**59,212,243**	45,847,962
Loans and advances to members	**9**	**417,382,451**	367,440,479
		476,594,694	413,288,441
Financial liabilities			
Deposits from members	**13**	**305,693,938**	277,623,834
Withdrawable shares	**13**	**133,921,959**	115,178,637
		439,615,897	392,802,471

The table below summarizes the interest rates on financial assets and liabilities held at the reporting date.

	2025 %	2024 %
Financial assets		
Financial investments	**1.25 - 7.25**	1.25 - 6.75
Loans and advances to members	**3.0 - 18.00**	3.0 - 18.00
Financial liabilities		
Deposits from members	**2.50**	2.50
Withdrawable shares	**2.50**	2.50

4. Financial risk management (cont'd)

(c) Interest rate risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the interest rate, with all other variables held constant, of the Credit Union's profit and net assets.

	Change in interest rate	Effect on profit before tax	Effect on net assets
2025			
Cash at bank	**±0.50%-**	**233,332**	**233,332**
Investment securities	**±0.50%-**	**308,798**	**308,798**
Loans and advances to members	**±0.50%-**	**2,059,272**	**2,059,272**
Members deposits	**±0.50%-**	**1,528,470**	**1,528,470**
2024			
Cash at bank	±0.50%-	220,160	220,160
Investment securities	±0.50%-	236,538	236,538
Loans and advances to members	±0.50%-	1,808,395	1,808,395
Members deposits	±0.50%-	1,388,119	1,388,119

(d) Fair value hierarchy

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable willing parties who are under no compulsion to act and is best evidenced by a quoted market value if one exists. The following methods and assumptions were used to estimate the fair value of financial instruments.

The fair values of cash resources, accounts receivable and accounts payable, members' deposits, and other short-term instruments are assumed to approximate their carrying amounts due to their short-term nature. The fair value of off statement of financial position commitments are also assumed to approximate the fair value due to their short-term nature.

Investment securities

Assets classified as available for sale are at fair value based on market prices or broker price quotations. For unlisted securities, fair value is estimated on their cost as the amounts are immaterial. For investment securities classified as loans and receivables fair value is estimated using discounted cash flows.

Loans and Advances to Members

Loans and advances are net of their provision for impairment. The estimated fair values of loans and advances represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

4. Financial risk management (cont'd)

(d) Fair value hierarchy (cont'd)

Fair Values of Financial Assets and liabilities

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

	Level 1 $	Level 2 $	Level 3 $	Total $
As at December 31, 2025				
Financial assets measured at fair value				
Securities available-for-sale - Listed	**-**	**1,307,413**	**-**	**1,307,413**
Securities available-for-sale - Unlisted	**-**	**-**	**2,650,102**	**2,650,102**
	-	**1,307,413**	**2,650,102**	**3,957,515**
Financials assets for which fair value are disclosed				
Financial investments	**-**	**-**	**58,736,893**	**58,736,893**
Loans and advances to members	**-**	**-**	**405,316,290**	**405,316,290**
	-	**-**	**464,053,183**	**464,053,183**
As at December 31, 2024				
Financial assets measured at fair value				
Securities available-for-sale - Listed	-	827,751	-	827,751
Securities available-for-sale - Unlisted	-	-	631,905	631,905
	-	827,751	631,905	1,459,656
Financials assets for which fair value are disclosed				
Financial investments	-	-	42,105,547	42,105,547
Loans and advances to members	-	-	355,245,900	355,245,900
	-	-	397,351,447	397,351,447

4. Financial risk management (cont'd)

(d) Fair value hierarchy (cont'd)

The fair value of financial instruments with quoted prices in an active market are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3.

The table below summarizes the carrying amounts and fair values of those financial assets not presented on the Credit Union's statement of financial position at their fair value.

	Carrying amount		Fair value	
	2025	2024	**2025**	2024
	$	$	**$**	$
Investment securities				
Financial investments	**61,759,555**	46,245,917	**58,736,893**	42,105,547
Financial assets				
Loans and advances to members	**411,854,332**	316,678,944	**405,316,290**	355,245,900

The carrying amounts of all financial liabilities are assumed to approximate their fair values.

There were no transfers between levels in the fair value hierarchy during the year.

5. Capital risk management

The Credit Union's objectives when managing capital are:-

- To comply with the statutory capital requirements of the Co-operative Societies Act of St. Lucia.
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for members and benefits for other stakeholders; and
- To maintain a strong capital base to maintain members, creditors, and other parties' confidence and to sustain future development of the Credit Union.

The Board of Directors monitors the return on capital, which is defined as surplus for the year divided by total shares, as well as the level of dividends to members.

Section 119 (3) of the Co-operative Societies Act Cap 12.06 requires the Credit Union to maintain statutory and other reserves at not less than 10% of its liabilities. As at the year end, that figure was:

	2025	2024
	$	$
Minimum capital requirement	**44,177,211**	39,501,719

Capital adequacy is monitored quarterly using the PEARLS ratios prescribed by the World Council of Credit Unions for determining capital adequacy and which has been adopted by the Financial Services Regulatory Authority (FSRA). PEARLS require that each Credit Union maintain minimum of 10% total assets as its capital base. As at year end, that figure was:

	2025	2024
	$	$
Minimum capital requirement	**53,194,533**	46,305,503

The Credit Union was in compliance for both these requirements. The regulatory capital is divided into two levels: -

- Institutional Capital: Share Capital, Statutory Reserves, Retained Earnings.
- Transitionary Capital: Education Fund, Development Fund, Disaster Fund, Funeral and Burial Benefits Scheme and Fair Value Reserve.

5. Capital risk management (cont'd)

	2025	2024
	$	$
Institutional capital		
Share capital	**40,774,429**	26,293,931
Retained earnings	**25,112,979**	21,218,905
Statutory reserve	**18,017,292**	15,590,757
Total institutional capital	**83,904,700**	63,103,593
Transitionary capital		
Employment benefit fund	**1,963,443**	1,603,801
Loan protection fund	**1,789,164**	1,294,197
Revaluation reserve	**1,668,477**	1,668,477
Fair value reserve	**797,436**	317,774
Disaster relief fund	**50,000**	50,000
Total transitionary fund	**6,268,520**	4,934,249
Total regulatory capital	**90,173,220**	68,037,842

The risk-weighted assets are measured by an estimation of market, credit, interest, and other risk associated with each asset and with due consideration to the collateral proffered. In addition, management, and Board of Directors monitor movements in asset levels on a monthly basis.

6. Cash and cash equivalents

	2025	2024
	$	$
Cash on hand	**3,562,961**	2,543,186
Cash at bank	**46,666,357**	44,031,962
	50,229,318	46,575,148

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes fixed deposits which are held to meet the liquidity requirements under Section 119 (3) of the Co-operative Societies Act Cap. 12.06 of the Revised Laws of St. Lucia.

7. Financial investments

	Interest Rate %	Maturity Date	2025 $	2024 $
Fair value through Other Comprehensive Income ("FVOCI")				
Listed:				
Eastern Caribbean Financial Holding Limited				
85,393 ordinary shares at $12.50(2024 - $5.00)			**1,067,413**	597,751
St. Lucia Electricity Services Ltd				
10,000 ordinary shares at $24.00 (2024 - $23.00)			**240,000**	230,000
Unlisted:				
St. Lucia Co-operative League shares				
100,021 ordinary shares at $5.000 (2024 - $5.00)			**500,105**	500,105
Laborie Fishers & Consumers shares				
6,000 ordinary shares at $5.00 (2024 - $5.00)			**30,000**	30,000
1st National Bank St. Lucia Limited				
10,556 ordinary shares at $9.64 (2024 - $9.64)			**101,800**	101,800
Total FVOCI investments			**1,939,318**	1,459,656
Fair Value Through Profit or Loss ("FVTPL")				
Bank of Saint Lucia Global Income Fund- Series 1 matures on December 31, 2025			**2,018,197**	-
Amortized costs				
Bonds and Treasury Bills				
Government of Saint Lucia Private Bonds 10 years	7.50	2-Sep-26	**2,051,315**	2,051,315
Government of Saint Lucia Private Treasury Bill 180 days	2.96	11-Jun-26	**1,973,758**	-
Government of Saint Lucia Private Treasury Bill 91 days	2.50	11-Mar-26	**2,989,606**	-
Government of Saint Lucia Private Treasury Bills 180 days	4.00	28-Jun-26	**3,928,254**	-
Government of Saint Lucia Private Treasury Bills 180 days	2.95	13-Jan-26	**4,001,002**	-
Government of Saint Lucia Private Treasury Bills 1 year	4.00	4-Jul-26	**2,041,452**	2,041,452
Government of Saint Lucia Treasury Bills 2 years	4.50	12-Jul-27	**9,199,849**	9,199,849
Government of Saint Lucia Private Treasury Bill 2 years	2.50	1-Oct-26	**4,292,697**	-
Government of Saint Lucia Treasury Note 3 years	4.75	27-Jun-28	**4,006,082**	4,006,192
Eastern Caribbean Home Mortgage Bank Capital I year	3.00	16-Jul-26	**3,041,425**	-
Eastern Caribbean Home Mortgage Bank Capital I year	3.00	30-Dec-26	**2,000,164**	-
			39,525,604	17,298,808
Fixed deposits				
Bank of Saint Lucia Limited Term Deposit 1 year	1.25	23-Mar-26	**1,617,272**	1,597,306
Bank of Saint Lucia Limited Term Deposit 1 year	1.25	12-May-26	**1,198,755**	1,183,956
Capita Certificate of Deposit 1 year	2.75	15-Apr-26	**1,507,054**	3,448,958
First Citizens Investment Services 1 year	2.27	31-Aug-26	**10,301,685**	10,303,158
First Citizens Investment Services 1 year	3.00	5-Jan-26	**2,148,320**	2,085,417
First Citizens Investment Services 1 year	3.00	27-Apr-26	**2,054,619**	1,994,194
St Lucia Co-operative Credut Union League 1 year	2.75	31-Dec-26	**858,934**	835,945
Government of Saint Lucia Private Treasury Bills	3.92	13-Apr-25	**-**	2,039,124
Government of Saint Lucia Private Treasury Bills	2.96	28-Jun-25	**-**	5,061,097
			19,686,639	28,549,154
Total amortized costs			**59,212,243**	45,847,962
Less: Allowance for Expected Credit Losses			**(1,410,202)**	(1,061,701)
Total amortised costs, net			**57,802,041**	44,786,261
Total financial investments			**61,759,556**	46,245,917

7. Financial investments (cont'd)

	2025	2024
	$	$
Allowance for impairment losses		
Balance - beginning of the year	**1,061,701**	-
Allowance for ECL impairment	**348,501**	106,701
Balance - end of the year	**1,410,202**	106,701

8. Other receivables and assets

	2025	2024
	$	$
Due from A&C Limited (Western Union Agent)	**998,484**	923,758
Other	**637,272**	780,551
	1,635,756	1,704,309
Less: Allowance for impairment losses	**(2,042)**	(6,199)
	1,633,714	1,698,110

The movement in the allowance for impairment losses of other receivable and assets are as follows:

	2025	2024
	$	$
Allowance for impairment losses		
Balance - beginning of the year	**6,199**	11,862
Write-offs	**(2,247)**	(4,909)
Impairment losses	**(1,910)**	(754)
Balance - end of the year	**2,042**	6,199

9. Loans and advances to members

	2025	2024
	$	$
Loans	**205,590,622**	176,449,392
Mortgages	**211,791,829**	190,991,087
	417,382,451	367,440,479
Interest receivables	**140,714**	163,268
	417,523,165	367,603,747
Less: Allowance for impairment losses	**(5,668,833)**	(5,924,803)
	411,854,332	361,678,944
Allowance for impairment losses		
Balance - beginning of the year	**5,924,803**	5,464,605
Loan impairment additions	**423,794**	1,048,203
Loans written-off	**(679,764)**	(588,004)
Balance - end of the year	**5,668,833**	5,924,804

A breakdown of the staging of advances and the related ECLs for loans and advances is illustrated below:-

	Stage 1 Provision 12 month ECL performing	**Stage 2 Provision Lifetime ECL performing**	**Stage 3 Provision Lifetime ECL Credit impaired**	**Total**
	$	**$**	**$**	**$**
Expected Credit Loss Allowance as at January 1, 2024	717,711	623,014	4,123,078	5,463,803
Credit loss expense	27,413	(619,352)	1,640,944	1,049,005
Loans written-off	-	-	(588,005)	(588,005)
As at December 31, 2024	745,124	3,662	5,176,017	5,924,803
Credit loss expense	204,874	35,350	183,570	423,794
Loans written-off	-	-	(679,764)	(679,764)
Expected Credit Loss Allowance as at December 31, 2025	**949,998**	**39,012**	**4,679,823**	**5,668,833**

9. Loans and advances to members (cont'd)

Regulation 30 (1) of the Co-operatives Societies Act-Provisioning requirements is as follows:

Overdue Loans	Delinquent Loans	Collateral	Net Delinquent Loans	Percentage of Outstanding loans balances
	$	$	$	
2025				
Less than 3 months	**8,965,000**	**7,481,491**	**1,483,5099**	**-**
3 months < 6 months	**3,170,261**	**2,350,068**	**820,193**	**25**
6 months < 9 months	**1,207,056**	**751,656**	**455,400**	**50**
9 months < 1 year	**1,077,615**	**539,697**	**537,918**	**75**
1 year and over	**5,366,204**	**3,277,134**	**2,089,070**	**100**
Totals	**19,786,136**	**14,400,046**	**5,386,090**	

	2025 Provision	2024 Provision
Less than 3 months	**-**	-
3 months < 6 months	**205,048**	205,540
6 months < 9 months	**227,700**	518,208
9 months < 1 year	**403,439**	646,599
1 year and over	**2,089,070**	2,333,239
Totals	**2,925,257**	3,703,582

10. Property and equipment

	Note	Land $	Freehold Buildings $	Leasehold Improvements $	Furniture and Equipment $	Computer Hardware and Software $	Total $
As at December 31, 2023							
Cost/valuation		187,225	4,464,283	750,901	1,368,456	641,791	7,412,656
Accumulated depreciation		-	(111,549)	(342,192)	(895,335)	(482,179)	(1,831,255)
Net book value		187,225	4,352,734	408,709	473,121	159,612	5,581,401
For the year ended December 31, 2024							
Opening net book value		187,225	4,352,734	408,709	473,121	159,612	5,581,401
Additions for the year		-	-	13,256	23,126	11,614	47,996
Disposals:- cost		-	-	-	(4,946)	-	(4,946)
Disposals : accumulated depreciation		-	-	-	2,518	-	2,518
Depreciation charge for the year	23	-	(111,607)	(146,784)	(125,719)	(52,417)	(436,527)
Closing net book value		187,225	4,241,127	275,181	368,100	118,809	5,190,442
As at December 31, 2024							
Cost/valuation		187,225	4,464,283	764,157	1,386,636	653,405	7,455,706
Accumulated depreciation		-	(223,156)	(488,976)	(1,018,536)	(534,596)	(2,265,264)
Net book value		187,225	4,241,127	275,181	368,100	118,809	5,190,442
For the year ended December 31, 2025							
Opening net book value		**187,225**	**4,241,127**	**275,181**	**368,100**	**118,809**	**5,190,442**
Additions for the year		**-**	**5,992**	**-**	**35,603**	**74,346**	**115,941**
Disposals:- cost		**-**	**-**	**-**	**(27,679)**	**(35,857)**	**(63,536)**
Disposals : accumulated depreciation		**-**	**-**	**-**	**24,329**	**30,964**	**55,293**
Depreciation charge for the year	23	**-**	**(111,616)**	**(147,829)**	**(116,914)**	**(62,533)**	**(438,892)**
Closing net book value		**187,225**	**4,135,503**	**127,352**	**283,439**	**125,729**	**4,859,248**
As at December 31, 2025							
Cost/valuation		**187,225**	**4,470,275**	**764,157**	**1,394,560**	**691,894**	**7,508,111**
Accumulated depreciation		**-**	**(334,772)**	**(636,805)**	**(1,111,121)**	**(566,165)**	**(2,648,863)**
Net book value		**187,225**	**4,135,503**	**127,352**	**283,439**	**125,729**	**4,859,248**

10. Property and equipment (cont'd)

The Credit Union's property in Laborie was revalued by Mr. Richard R. Sammy a qualified Quantity Surveyor/Appraiser on December 12, 2022, which resulted in an increase in the value of the building and a revaluation surplus which is further particularized in Note 22.

	Cost	Accumulated Depreciation	Net Book Value	Proceeds	Loss on Disposal
	$	$	$	$	$
December 31, 2024					
Furniture and equipment	3,600	(1,172)	2,428	-	2,428
Computer hardware	1,346	(1,345)	1	-	1
	4,946	(2,517)	2,429	-	2,429
December 31, 2025					
Furniture and equipment	**27,679**	**(24,329)**	**3,350**	**-**	**3,350**
Computer hardware	**35,857**	**(30,964)**	**4,893**	**-**	**4,893**
	63,536	**(55,293)**	**8,243**	**-**	**8,243**

11. Right-of-use assets

Set out below, are the carrying amounts of the Credit Union's right-of-use assets and the movements during the year:

	Note	Building $
Cost		
Balance at January 1, 2024		2,165,141
Additions		-
Disposals		-
Balance at December 31, 2024		2,165,141
Balance at January 1, 2025		2,165,141
Additions		-
Disposals		-
Balance at December 31, 2025		**2,165,141**
Accumulated amortisation		
Balance at January 1, 2024		(243,026)
Amortization for the year	**25**	(265,119)
Balance at December 31, 2024		(508,145)
Balance at January 1, 2025		**(508,145)**
Amortization for the year	**25**	**(265,120)**
Balance at December 31, 2025		**(773,265)**
Carrying amounts		
December 31, 2024		1,656,996
December 31, 2025		**1,391,876**

Effective March 1, 2021, the Credit Union entered into a ten (10) year lease agreement for its Castries Branch with a security deposit of $25,000. The agreement commits the Credit Union to a monthly payment of $25,000 for the first five years and thereafter an increased payment of $ 26,875 for the subsequent five years.

11. Right-of-use assets (cont'd)

The table below describes the nature of the Credit Union's leasing activities by type of a right-of- use asset:

	Number of Lease	Remaining Years	Renewal Options
Office building - Castries	1	6	Yes

12. Other payables and accruals

	2025 $	2024 $
Accruals	**439,445**	263,533
Other payables	**213,080**	219,933
	652,525	483,466

13. Deposits from members

	2025 $	2024 $
Members fixed deposits	**178,212,139**	175,282,106
Members regular deposits	**127,481,799**	102,341,728
Member's withdrawable shares	**133,921,959**	115,178,637
	439,615,897	392,802,471

Member's fixed deposits are payable on demand and has effective interest rates ranging from 3.50% to 4.50% (2024: 3.50% - 4.50%).

14. Lease liabilities

The weighted average rate of interest applied to lease liabilities is 4.5%. Lease liabilities are secured by the related underlying asset (see Note 8). Future minimum lease payments at year end were as follows:

	2025	2024
	$	$
Betwwen 1 and 2 years	**529,500**	484,529
Between 2 and 5 years	**894,150**	1,166,685
Greater that 5 years	**80,031**	80,031
	1,503,681	1,731,245

The Credit Union's exposure to liquidity risks related to lease liabilities is disclosed in Note 4(b).

15. Other commitments

Effective January 1st, 2019, the Credit Union entered into a ten (10) year lease agreement for its Vieux Fort office accommodations. The lease agreement commits the Credit Union to a monthly payment of $20,016 commencing with January 2019, security deposit of $20,016, and last month rent of $20,016.

16. Share capital

	No. of Shares	**2025 $**	No. of Shares	2024 $
Ordinary shares				
Balance - beginning of the year	**5,258,786**	**26,293,931**	4,750,861	23,754,304
Issued during the year	**3,365,949**	**16,829,745**	904,253	4,521,263
Withdrawn during the year	**(469,849)**	**(2,349,247)**	(396,327)	(1,981,636)
Balance - end of the year	**8,154,886**	**40,774,429**	5,258,787	26,293,931

The Credit Union is authorized to issue an unlimited number of ordinary and withdrawable shares, each with a par value of $5.00.

17. Statutory reserves

	2025	2024
	$	$
Balance - beginning of the year	**15,590,757**	13,930,779
Allocation from retained earning	**2,397,365**	1,629,648
Entrance fees	**29,170**	30,330
Balance - end of the year	**18,017,292**	15,590,757

In accordance with Section 119 (2) of the Co-operative Societies Act, the Credit Union is required to set aside a statutory reserve of at least 20% of net surplus (if any) each year. The Credit Union transferred 25% (2024 - 25%) of the net surplus to the reserve. In addition, all entrance fees are recorded in the statutory reserve.

18. Employment benefit fund

In accordance with a resolution passed by the members, the Credit Union is required to set aside an employment benefit fund of 5% of its realized surplus from operations of net surplus (if any) after the statutory reserve allocation.

19. Disaster relief fund

The Co-operative Societies Act and the Credit Union's By-laws allow the Credit Union, on the recommendation of the Board of Directors, to make an annual contribution to the disaster relief fund to be used in case of a natural disaster. During the year, no contributions were made to this fund.

20. Loan protection fund

	2025	2024
	$	$
Balance - beginning of the year	**1,294,197**	823,479
Deposits	**691,410**	605,588
Payments	**(196,443)**	(134,870)
Balance - end of the year	**1,789,164**	1,294,197

21. Fair value reserves

	2025 $	2024 $
Balance - beginning of the year	**317,774**	10,247
Fair value increase in investments at FVTOCI	**479,662**	307,527
Balance - end of the year	**797,436**	317,774

22. Revaluation reserves

	2025 $	2024 $
Balance - beginning and end of the year	**1,668,477**	16,668,477

23. Investment income

	2025 $	2024 $
Interest on fixed deposits	**467,768**	485,242
Interest on government bonds and treasury bills	**1,151,657**	1,063,748
	1,619,425	1,548,990

24. Other operating income

	2025 $	2024 $
Loan fees, photocopies and service fees	**956,481**	804,558
Dividend income	**86,586**	71,038
Commissions	**343,970**	306,280
Sundry income	**101,237**	115,038
	1,488,274	1,296,914

25. Operating and administrative expenses

	Notes	2025 $	2024 $
Salaries, benefits and allowance		**3,843,445**	3,275,975
Depreciation		**438,891**	436,528
Utilities		**417,882**	420,985
Office supplies and stationery		**272,754**	216,519
Donations and scholarships		**270,576**	190,961
Repairs and maintenance		**270,250**	247,384
Amortization of right-of-use assets	**11**	**265,120**	265,119
Marketing		**240,274**	133,654
Rent		**240,192**	240,192
Security services		**225,331**	212,567
Education and training		**213,088**	132,977
Audit		**129,028**	108,078
Special events		**82,518**	60,648
Insurance		**81,650**	76,128
League dues		**75,000**	75,000
Staff and officers' appreciation		**74,728**	46,677
Interest expense on lease liabilities	**14**	**72,436**	82,323
Members relations		**53,047**	53,845
Annual general meeting		**46,331**	40,186
Honorarium		**28,500**	28,500
Board of Directors expenses		**18,437**	13,359
Legal and professional fees		**18,308**	13,469
ATM expenses		**17,610**	15,230
Loss on disposal of property and equipment		**8,243**	2,429
Property taxes		**3,477**	3,477
Other expenses		**1,014**	444
		7,408,130	6,392,654

26. Staff related expenses

	2025 $	2024 $
Senior management		
Salaries		
National Insurance contributions	**636,711**	601,204
Medical	**18,000**	18,000
Travelling	**9,867**	9,040
Uniforms	**66,300**	61,698
	38,300	32,520
	769,178	722,462
Other staff costs		
Salaries and wages	**2,618,972**	2,298,042
National Insurance Corporation	**128,041**	113,301
Travelling	**43,130**	40,035
Other allowance	**24,936**	20,401
Medical	**38,595**	37,716
Uniforms	**179,903**	6,101
Insurance - staff	**40,690**	37,917
	3,074,267	2,553,513
	3,843,445	3,275,975

The total number of staff members as at December 31, 2025 was 69 (2024 - 65).

27. Related party transactions

The Credit Union recorded balances with its directors and senior management at the date of the financial statements as follows:-

	2025 $	2024 $
Shares and deposits	**2,149,263**	1,873,550
Loans and advances	**9,114,971**	7,992,534
Renumeration for directors	**28,500**	28,500

28. Prior year restatement

In 2025, management refined its impairment assessment of financial investments to incorporate updated forward-looking information and apply a more robust methodology consistent with IFRS 9. Also, certain depreciation charges were omitted in 2024 and have now been corrected. These adjustments have been applied retrospectively. The impact on affected line items is as follows:

	Restated 2024 $	Previously Reported 2024 $
Statement of Financial Position		
Financial investments:		
- Amortized cost	44,786,261	45,847,962
Property and equipment	5,190,442	5,190,773
Retained earnings	21,218,905	21,880,844
Statutory reserves	15,590,757	15,856,265
Employment benefit fund	1,603,801	1,738,385
Statement of Comprehensive Income		
Impairment losses on financial investments	1,061,701	-
Operating and administrative expenses	6,392,654	6,392,323

29. Statutory compliance

	2025 $	2024 $
Liquid assets and marketable securities	**108,031,359**	91,361,409
Members' deposits, savings and shares	**480,390,326**	419,096,402
Liquid investments to shares and deposit ratio	**22%**	22%

Section 119 (3) (a) of the Saint Lucia Co-operatives Act states that not less than 15% of its members’ shares and deposits are kept in a liquidity reserve. The liquidity reserve which consists of liquid assets and marketable securities represented 22% (2024 – 22%) of its members’ deposits and, savings and deposits. The Credit Union was therefore in compliance with that requirement of the Act at year end.

29. Statutory compliance (cont'd)

	2025	2024
	$	$
Statutory and other reserves	**49,398,791**	41,743,911
Total liabilities	**441,772,103**	395,017,182
	491,170,894	436,761,093
Reserves to liabilities ratio	**11%**	11%

Section 119 (3) (b) of the Saint Lucia Co-operative Societies Act states that its statutory and other reserves are, at no stage, less than 10% of its total liabilities. Statutory and other reserves of the Credit Union represented 11% (2024 – 11%) of its total liabilities. The Credit Union was therefore in compliance with the requirement of the Act at year-end.

Notes

Laborie Co-operative Credit Union Ltd.

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