

Treasurer's Report

Treasurer's Report for the Year Ended December 2025

The Credit Union continues to perform exceptionally well, having achieved milestones in both the assets and revenue. We anticipate greater member participation due to recruits from three organizations in our bond having the ability to join the Credit Union while in training. Restoring the privilege for recruits to join the Credit Union during their training will position them to have better control over their finances while contributing to the Credit Union's growth. As it relates to the Credit Union's stability, we continue to build on our capital and reserves, both key areas that the regulators observe. The management of delinquency is a priority, and we continue to take every precaution to reduce the possibility of loans becoming delinquent.

Our audited financial statements for the year ending December 31, 2025, indicated that the Credit Union's assets grew by \$7.3 million. The growth in assets is represented by \$4.6 million in Loans and by \$2.7 million in Financial Investments. Also noteworthy is that the Credit Union's assets grew by \$15 million between the years 2023 and 2025.

Total Liabilities grew by \$7 million or 9% over 2024-year end, with Members' Deposits being the main contributor to this growth. Member shares savings increased by \$7.1 million representing a 10% growth in total member savings. All other components of the liability section of the Balance Sheet had minimal growth or declined.

Members' Equity or Capital improved by 2% over last year. Capital growth is still a priority and this year a resolution is being brought forward to increase the Qualifying Shares from \$150.00 to \$300.00. This resolution will not affect the majority of the members because they have the required amount in their share savings at this time. It is important to note that when members close their account the Qualifying Shares are purchased by the Credit Union, so the members are not at a loss. This exercise will increase total equity, thus improving the capital of the Credit Union.

The growth that the Credit Union experienced is evident in the revenue earned during the year. We exceeded \$5 million in gross revenue for the first time in the history of the Credit Union. Operating expenses increased relative to the growth in revenue, which represents the prudence that the Board exercised in its oversight of the Credit Union. Areas of notable increases in revenue were interest on loans, that improved by \$240K over last year, and income from investment also improved by \$65K for the same period. Operating expenses increased moderately during the year 2025. The Board will seek to steer the Credit Union along the same path in the coming year making an effort to improve on members' returns paid on their share savings while strengthening the capital of the Credit Union.

The delinquency rate has been kept in compliance with the standard required by the Central Bank of the Bahamas. The acceptable standard is 5% or less and the Credit Union has maintained a delinquency rate of less than 2.5%. We continue to use collections agencies and lawyers to follow up on accounts that exceed 90 days and the staff are working with those accounts less than 90 days. Further to this the Board revised and amended lending policies while management scrutinized lending practices to minimize the chances of loans becoming delinquent.

BUDGET

The budget for 2027 is based on directing our focus on working diligently to increase revenue through a stronger marketing effort of the products and services we offer. This will be made possible through offering our services to recruits who can now join the Credit Union while in training, after almost 10 years of being prohibited. Additionally, we are looking forward to the technological changes that are on the horizon and the opportunities that they will bring to aid in the expansion of the services we offer. The operating costs in the initial stages will increase as we ramp up marketing, education and training for both staff and the membership. All other expenses we anticipate will increase relative to the growth that we will experience.

CONCLUSION

The growth that we have experienced over the last two years is an indication of the training and strategy that have been our focus. Based on the achievements that we have made, returns paid to members are improving. The balance sheet represents our stability and the assets that we have invested in have enhanced our revenue. Prudent management of expenses has kept the cost of operation relatively low without hindering progress. As a result, we have confidence that the future will be brighter for the Credit Union and equally promising for you, the members.

Trumaine Taylor
Treasurer