



48TH ANNUAL GENERAL MEETING

“Prudent Focus
on Economic
Growth”

Pre-
registration
Required by
June 19, 2024



2024

Virtual Meeting- Via Zoom
6:00 PM, June 21, 2024

Mission Statement

“To empower and uplift our members by providing trusted financial services, personalized solutions, and care for our communities. We are committed to promoting financial well-being by fostering financial inclusion, driving growth, and enhancing the communities we serve.”

Vision Statement

“To be #1 in financial services, providing comprehensive and innovative financial solutions ensuring an exceptional customer experience.”

Motto

"Empowering Dreams, Building Futures, Together"

Strategic Principles

Our strategic position is grounded in three core principles that drive our efforts: cooperation, inclusivity, and community. These values shape the way we operate, fostering voluntary and open membership, democratic decision-making, member empowerment, and collaboration with other cooperatives. Additionally, we prioritize diversity, equity, and inclusion, recognizing the importance of representing and serving all individuals. And, above all, we maintain a deep commitment to our community, actively seeking ways to contribute and make a positive impact.

Core Values



Integrity: At the core of everything we do, integrity is the guiding principle that drives our decisions and actions

Commitment: We are fully committed to delivering excellence in everything we undertake. We honor our commitments to those we serve.

Accountability: Taking ownership and being accountable for our actions and decisions are fundamental values that we uphold.

Compassion: We believe in approaching our work and interactions with compassion and empathy. We honor the dignity of everyone we serve.

Teamwork: Collaboration and teamwork lie at the heart of our success. Together we achieve more

Transparency: We operate in a spirit of fairness and openness.

Transparency: Transparency is the cornerstone of our communication and decision-making processes.

Innovation: We believe in fostering a culture of innovation and growth across all levels of our organization. Every employee has the potential to shape our collective success.

Table of Contents

Mission Statement	1
Table of Contents	2
Standing Orders	3
Report from the Board of Directors	4
Board of Directors	6
Supervisory, Credit & Nomination Committee	6
Agenda	7
47th Annual General Meeting Minutes	8
47th AGM Participants	35
Treasurer's Report	96
PEARLS Ratio Analysis 2024 Budget	100
Supervisory Committee Report	103
Credit Committee Report	105
Terms of Office for Board of Directors	108
Terms of Office for Supervisory Committee	108
Terms of Office for Credit Committee	108
Criteria for Election to the Board of Directors	109
Resolutions	111
Setting of Maximum Liability	111
Budget Ratification	111
Seven Cooperative Principles	112
Prayer of St. Francis of Assisi	113

Standing Orders

- **Member must raise hand (electronically) to address the Chair.**
- **Members' contribution must be relevant to the issue on the floor.**
- **No member should address the meeting except through the Chairman.**
- **A member may not speak twice on the same subject except when the mover of a motion– who has the right of reply, rises to object, or explain (with the permission of the Chair).**
- **The mover of a procedural motion must state his or her name clearly and must not make a statement or speech on the motion once it has been put to vote and/or carried/falloff.**
- **A member rising on a point of order must state the point of order clearly and concisely and the point of order must be relevant to the matter on the floor at the time.**
- **A member should not call another member to order but may draw the attention of the Chair to a breach of Order.**
- **A question should not be put to vote if a member desires to speak on it or move an amendment to it, except that a procedural motion, the previous question, proceed to the next business, or closure of the meeting is already on the floor.**
- **Only one amendment should be before the meeting at one time.**
- **When a motion is withdrawn any amendment to that motion fails.**
- **The Chairman must have a casting vote.**
- **If there is equality of voting on an amendment and the Chairman does not exercise his casting vote, then the amendment is lost.**
- **Provision to be made for protection by the Chairman from personal attacks against members present (himself included).**
- **Delinquent and non-members are not allowed to make, move or second motions nor participate in the voting process.**

Board of Directors Report for the year ended December 31, 2023

Prudent Focus on Economic Growth, our theme for this 48th Annual General Meeting of National Workers Cooperative Credit Union, is the drive behind this current Board of Directors.

We have been committed to ensuring the implementation of policies and procedures and taking corrective measures that would aid in continuous positive growth and development of our financial institution. Over the past year we have seen some significant changes in our operations. The main cause of our catastrophic loss in 2022 was delinquency and loan provisions due primarily from the fall out of members not working due to Covid -19. The provisions in 2022 of Two Million Three Hundred Nine Thousand and three Hundred and Forty Dollars (\$2,309,340.00) was reduced to Seventy-Six Thousand Six Hundred and Thirty-Seven Dollars (\$76,637.00). Our loss of 2022 was Two Million Three Hundred Fifty-Six Thousand Nine Hundred and Five Dollars (\$2,356,905.00) which has been significantly reduced to Fifty-Three Thousand Nine Hundred and Ninety-One Dollars (\$53,991.00) for 2023.

In November, the board decided to award a payment of three weeks salary to all staff as there has not been a cost-of-living increase or across the board increase since February 2018, so in the interest of improving staff morale the board authorized the payment. Most employees worked aggressively and diligently to aid in taking needed corrective steps mandated by the Regulator and

satisfying the needs of our membership, often times without reward. There was a conscious decision to limit overtime since 2018 and as such our overtime expense has not exceeded Four Thousand Dollars (\$4,000.00) per annum since that time.

While that payment amount made a difference in us ending the year in the black financially, it encouraged our employees to press forward with our changes for improved efficiency and profitability which translates into Economic Growth for National Workers and also provides the platform for Economic Growth for you, our members over time.

During the first quarter of 2023 we received a report of the inspection performed by our Regulator, The Central Bank of The Bahamas in late 2022. That report outlined concerns that they would have had with National Workers Cooperative Credit Union from several areas as outlined in their Corporate Governance Guidelines. These areas included:

- credit risk
- liquidity risk
- market risk
- interest-rate risk
- fiduciary risk
- reputational risk
- operational risk
- technology risk
- compliance risk

Your Board has been working with your management team to ensure that these matters are addressed. It is important to note that these issues are all based on ensuring continued stability in the domestic financial environment and the number one duty of all financial cooperatives and other financial institutions which is the protection of the funds of the members' and customers.

National Workers Cooperative Credit Union was challenged during the Covid-19 Pandemic with loan book growth as the board made a conscious decision to improve the quality of the application being approved. We moved strategically to avoid high risks loans on our books to reduce the level of default. This process has aided in reduced provisions for us but has also hindered loan growth. As a solution to reversing this trend we have looked to mitigate lending risk by seeking more backing such as guarantees and collateral based loans for the future (government guaranteed loans and property secured loans).

The Board must state for the record that the investment in the property purchase In Freeport, Grand Bahama is bearing fruit as we have full rental occupancy with one of our tenants being the Bahamas Government (Social Services). The rental hall is up and running and we are in the process of marketing it for greater use.


The ultimate economic growth for National Workers is to develop the niche of empowering our membership through asset acquisition and business development. The high-risk, highly competitive unsecured

consumer loan products provide a major challenge for us. While we are considering ways to attract new members in this area, we are mindful that we are disadvantaged by legislation in terms of maximum loan term in comparison to other financial institutions. This means they can stretch their loans longer and offer a much lower repayment amount than we can, which makes us less attractive for those loan types. Primarily persons who were denied by those institutions are inclined to seek those loan types from us.

It is important to spell this out because loan business is our primary business and therefore, we must increase our loan books in a way that the possibility of delinquency or losses from loans is minimal. Your board has been diligent in crafting policies and procedures along with management to ensure that we are able to conduct this based on sound lending principles and applied risk analysis.

This past year has been about diligence, ensuring that we are prepared for the highly competitiveness of the Bahamian Financial Services Industry and carving out our niche to become the properly equipped engine to provide economic growth for our membership and our community.

We, the current board of directors thank you for the opportunity to serve you in 2023 and look forward to your continued support.

Sincerely

Leo A. Douglas
Board Chairman

Our Board of Directors



Left to Right – Chairman Leo A. Douglas, Treasurer Anna Colebrooke, Vice Chairman Kevin Hanna, Secretary Darrin Woods, Member Bronson Sands, Member Welbourne Cunningham Jr. and Member Lovy Jean.

Our Credit & Supervisory Committees



Left To Right – Credit Committee Chair Kenneth Knowles, Credit Committee Secretary Sonia Williams, Credit Committee Member Richard Johnson, Supervisory Committee Secretary Elyane Farquarson, Supervisory Committee Chair Tyrone Perpall and Supervisory Committee Member Misty Adderley (Photo Not Available)

48th Annual General Meeting Agenda

1.	Registration	
2.	Call to Order Chairman	Chairman Leo A. Douglas
3.	Ascertainment of a Quorum	Vice Chairman Kevin A. Hanna
4.	Prayer of St Francis	Secretary Darrin Woods
5.	Moment of silence for our dearly departed	Chairman Leo A. Douglas
6.	Apologies	Chairman Leo A. Douglas
7.	Welcome Remarks	Chairman Leo A. Douglas
8.	Remarks from the Bahamas Cooperative League	Mrs. Kaylesa Simmons
9.	AGM Minutes July 21, 2023, Reading, Adoption, Matters Arising	Secretary Darrin Woods
10	Board of Directors Report.	Chairman Leo A. Douglas
11	2023 Financial Auditor Report	Ecovis
12	2023 Treasurer's Report	Treasurer Anna Colebrooke
13	Credit Committee Report	Mr. Kenneth Knowles
14	Supervisory Committee Report	Mr. Tyrone Perpall
15	Elections: 1. Board of Directors 2. Credit Committee 3. Supervisory Committee	
16	Appointment of Auditors	
17	Appointment of Nomination Committee	
18	Resolutions	
19	Maximum Liability	
20	Any Other Business	
21	Adjournment	



**47TH ANNUAL GENERAL MEETING OF
NATIONAL WORKERS CO-OPERATIVE
CREDIT UNION LIMITED
FRIDAY, JULY 21, 2023
HELD VIA ZOOM MEETING
NASSAU, BAHAMAS**

CALL TO ORDER

- 1.1 The 47th Annual General Meeting (AGM) of National Workers Co-operative Credit Union Limited (NWCCUL) convened at 6:46 p.m. by Chairman Leo Douglas. Director Welbourne Cunningham recited the prayer of St. Francis of Assisi.
- 1.2 Vice Chairman Kevin Hanna confirmed the ascertainment of a quorum.

MOMENT OF SILENCE

- 1.3 Chairman Douglas asked for a moment of silence for our dearly departed brothers and sisters who are members of NWCCUL particularly our past Chairman, Henry Davis. May their soul rest in peace.

APOLOGIES

- 1.4 Chairman Douglas gave apologies on behalf of Secretary Darrin Woods who has a previous engagement and will not be able to attend the AGM. Vice Chairman Hanna will perform the Secretary duties in the meeting.

WELCOME REMARKS

- 1.5 Chairman Douglas welcomed everyone to the 47th AGM. He told everyone that they are shareholders and he encouraged them to express

themselves, be involved, and ask questions in all that is done in the meeting whether it is their first time or otherwise.

STANDING ORDERS

- 1.6 Chairman Douglas asked Vice Chairman Hanna to read the Standing Orders (page 3 of AGM booklet) of the meeting to the membership to give clarity on what the rules are when addressing the chair etc.
- 1.7 Vice Chairman Hanna read the Standing Orders of the meeting.

GREETINGS FROM THE BAHAMAS CO-OPERATIVE LEAGUE LIMITED

- 1.8 Chairman Douglas welcomed Ms. Indirah Adderley from the Bahamas Co-operative League Limited (BCLL) and invited her to bring remarks on behalf of the League.
- 2.1 Ms. Adderley thanked Chairman Douglas for inviting the BCLL to bring remarks and she greeted everyone on behalf of the League. She congratulated NWCUL for having their AGM this year and she encouraged the Board and Committee members to adhere to their fiduciary responsibility and duties because success in every instance is the sum of every small effort that you repeat repeatedly.
- 2.2 Generally, the movement itself is being challenged whether it be by a more stringent regulation by the regulator (the Central Bank) or simply competition within the

market. Tonight, NWCCUL Board and Committee members will make decisions and will ensure that those decisions are what they along with the members and future members will be proud of.

- 2.3 Ms. Adderley encouraged Board and Committee members to not be afraid to shift the business plan to grow the business. The theme “New Focus, New Strategy” is an indication that the mindset is it is time to make a shift. The best preparation for tomorrow is doing your best today. As NWCCUL deliberates today, be mindful that the decisions made as an individual Credit Union impact the movement.
- 2.4 However, Ms. Adderley encouraged the members present to take true ownership of their Credit Union, speak to issues and advise the Board and Committees of where they want to see the new focus being placed and the new strategies they want from them. She wished NWCCUL a very successful and productive AGM.
- 2.5 Chairman Douglas thanked Ms. Adderley for her remarks that was straight to the point.

MINUTES OF THE 46TH ANNUAL GENERAL MEETING

- 2.6 At this time, Chairman Douglas called on Vice Chairman Hanna for the reading the minutes of the 46th AGM.
- 2.7 On motion by Mr. Alfred Poitier and seconded by Anthony Robert

Farquharson, it was unanimously agreed to forego with the reading of the minutes of the 46th AGM.

CORRECTIONS/ DELETIONS/ INSERTIONS/ AMENDMENTS

- 2.8 Vice Chairman Hanna asked if there were any corrections, deletions, insertions and amendments to the minutes of the 46th AGM. He asked the membership to raise their hand and identify themselves and say if they have any corrections/insertions.
- 2.9 On page 11, paragraph 1.5, line 4, insert the words “from the” before the word “auditorium.”
- 2.10 On page 14, paragraph 4.8, line 2, delete the word “nodes” and insert the word “inroads” before the words “were in.”
- 2.11 On page 16, paragraph 6.7, line 3, correct the word “market” to read “marketed” before the words “successfully with.”
- 3.1 Chairman Douglas asked for a motion to accept the minutes as amended.
- 3.2 On motion by Mr. Alfred Poitier and seconded by Mr. Bronson Sands, the minutes of the 46th Annual General Meeting was unanimously accepted as amended.

**MATTERS ARISING OUT OF THE MINUTES
OF THE 46TH ANNUAL GENERAL MEETING**

- 3.3 Mr. Bronson Sands referenced paragraph 11.1 in the Treasurers Report on page 20 of the AGM booklet and asked for an update on the ATMs.
- 3.4 Vice Chairman Hanna responded that we are almost ready to have the ATMs connected live, but we are at the testing phase via transactions. As soon as our partner arranges for the Euro Net support, we will be able to do the live testing of currency to have the ATM in Freeport up and running, which is expected in short order. Thereafter it will only be a matter of cloning what was done to the ATM in Freeport to have the Andros and Berry Islands branch machines up and running.
- 3.5 Chairman Douglas thanked Vice Chairman Hanna for presenting the minutes of the 46th AGM to the members.

REPORT OF THE BOARD OF DIRECTORS

- 3.6 Chairman Douglas asked for a motion to forego the reading of the Board of Directors Report for the year ended December 31, 2022, listed on pages 4, 5 & 6 of the AGM booklet and entertain questions on same from the members.
- 3.7 On motion by Mr. Anthony Robert Farquharson and seconded by Ms. Shantel Saunders, it was unanimously agreed to forego the

reading of the Board of Directors Report for the year ended December 31, 2022.

- 3.8 As there were no matters arising out of the Board of Directors Report for the year ended December 31, 2022, the report was tabled as presented. Chairman Douglas thanked the members for allowing them to serve.

**EXTERNAL AUDITORS REPORT BY ECOVIS
BAHAMAS CHARTERED ACCOUNTANTS**

- 3.9 Chairman Douglas welcomed Ms. Noreen Campbell of ECOVIS Bahamas Chartered Accountants and invited her to give their report of financial statement as at December 31, 2022, to the members of NWCCUL.
- 3.10 Ms. Noreen Campbell greeted everyone and thanked the Board of Directors for giving ECOVIS Bahamas the opportunity to serve the Credit Union. She advised the membership that the audited financial statements are on pages 51 to 102 of the AGM booklet. Ms. Campbell then presented a summary of the financial statements.

AUDIT OPINION

- 4.1 Ms. Campbell reported that ECOVIS issued an unmodified opinion and has audited the financial statement of NWCCUL which comprise of the statement of financial position as at December 31, 2022, 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 a summary of significant accounting policies.

- 4.2 In ECOVIS opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs). The opinion is an unmodified/unqualified opinion.

BASIS FOR OPINION

- 4.3 ECOVIS Bahamas conducted their audit in accordance with International Standards on Auditing (ISAs). Their responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of their report.

OTHER INFORMATION

- 4.4 The report further shows ECOVIS responsibility for the information presented in the AGM booklet as well as management and the Board of Directors responsibility for the financial statements and thereafter the auditor's responsibility for the audit of the financial statement.
- 4.5 Ms. Campbell gave an analysis of the statement and said for ease of reference, the statement of financial

position or the balance sheet that is on page 54 of the AGM booklet which shows the assets owned, the liabilities owed and the resulting worth of the Credit Union or the members equity.

STATEMENT OF FINANCIAL POSITION

- 4.6 **Total Assets** increased by \$306,000.00 or 0.5% for the year. Contributing factors are Cash and Cash equivalents which is normally cash on hand and cash at bank and fixed deposits with an original maturity of 90 days and less increased by \$1.25 million or 28% from normal operation. A total amount of \$1,050,000.00 was put on an interest-bearing account.
- 4.7 **Deposits and Short-term investments** increased by \$10,801.00 which is interest earned. Other Assets, which comprise of investment interest receivables, increased by \$170,000.00. Items of bank reconciliations not reconciled, rent receivable from Freeport from shortages and ATM expense purchase had an increase of \$346,000.00.
- 5.1 **Deposits with the League** increased by \$206,000.00 which is interest earned from the League and no deposits were placed during the year by the Credit Union. **Financial Investments** increased by \$546,000.00. The Credit Union purchased \$500,000.00 worth of government bonds (BGRS) and \$28,000.00 worth of shares in the Colina Money Market and the

increase in the fair value of the trade in asset investment.

- 5.2 **Loans Receivables** had a net decrease of \$2.266 million. Loans issued were \$5.985 million, repayment and transfers were \$6.1 million and provision for bad loans greatly increased by \$2.4 million during the year. **Investment Property** decreased by \$36,000.00 which is the depreciation which is normally wear and tear. **Fixed Assets/Property & Equipment** increased by a net amount of \$249,000.00 which is major repairs done to Poinciana building and Freeport.
- 5.3 **Total Liabilities** increased by \$2.553 million or 4%. **Other liabilities** increased by \$126,000.00, which is staff back pay, cheques returned that are in for collection and an increase in payables which is **Members Salary deduction** received in advance. **Lease Liability** increased by \$269,000.00 which is the renewals for Berry Islands and Andros branches and the new lease for the Nassau branch upstairs. **Members and Other Deposits** had a net increase of \$2,156,000.00, which is an increase of the deposits.
- 5.4 **Members Equity** decreased by \$2.246 million. **Qualifying Shares** increased by a net amount of \$109,000.00 which is a net increase of 500 members. There was no change in the **Statutory Reserves** fund and no transfers from the retained earnings. **Fair Value Reserves** which are change in

investments that trades on BISX had an increase. There was no change in the **Evaluation Reserves** for property. **Accumulative Deficit** increased by \$2.3 million because the loss is the same. **Total Liabilities and Members Equity** increased by \$306,000.00 or 0.5% for the year.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

- 5.5 Total **Interest Income** decreased, loan interest income decreased by \$700,000.00 because a lot of the loans are delinquent, by law, after 90 days you cannot charge interest on the loan. **Investment Interest Income** increased by \$19,000.00 from \$514,000.00 in the prior year to \$534,000.00. **Interest on Deposit with the League** had a slight increase over the last year by \$2,900.00.
- 5.6 **Interest Expense** decreased by \$25,000.00. **Total Provision for Loan Impairment** is \$4.5 million. **Other Income** had a net increase of \$16,000.00 which is rental income inclusive of a new agreement with Freeport Social Services. Net Interest on **Other Income** decreased by \$1.8 million.
- 5.7 **Operating Expenses** had an increase of \$275,000.00 or 9%. Salaries went up by \$157,000.00 which is due to increment and back pay owed to the staff from prior years. **Personnel Expenses** increased by \$189,000.00 or 12%. **Occupancy** had a slight increase of \$39,000.00 which is an increase in security and

electricity. **General Business** Expense had a decrease of \$19,600.00 which is a decrease in liability insurance, fees, legal fees, audit fees and stationery.

6.1 **Organizational Costs** had a slight increase of \$8,000.00 or 10% which is an increase in Board meetings and expenses after COVID-19. **Members Security** increased by \$46,000.00 which is an increase in the Loan Protection/Life Savings (LP/LS) insurance. **Computer Expense** increased by \$18,000.00 which is **computer maintenance** and **stationery**. **Marketing Costs** went up by \$25,000.00 which is mostly advertising. **Total Operating Expense** is \$2,075,900 which resulted in a **Loss** for the year of \$2.372 million for 2022 which is an increase in loss of \$2,075,000.00 for the year.

6.2 Chairman Leo Douglas opened the floor to questions from the members to Ms. Noreen Campbell.

6.3 Mr. Godfrey Russell asked how much the monthly rent increase for upstairs at the Main branch was.

6.4 Chairman Douglas explained that throughout the years, NWCCUL was not paying any rent to use the space upstairs but now the landlord asked that we start paying rent in the amount of \$6,000.00 a month as of November 2022.

6.5 Ms. Campbell further explained that the rental amount is very low but because of the **IFRS** you have to

carry an asset and a resulting liability in your books for the lease. For example, if the lease is for 5 years, you calculate the present value of it and bring it on as an asset which is amortized over the 5 years and then bring on the liability which is why the liability is high.

6.6 Vice Chairman Kevin Hanna reminded the members that if they have any questions, they can ask it directly.

6.7 Mr. Robert Cox said he is very concerned about the financials particularly another \$2.3 million in losses against \$95,000.00 in recovery which means either the lending decisions are poor, or the collections activity or department is inept. This is almost the third or fourth year in a row that he has asked about the collection activities and how we are recovering on some of the losses, and he has yet to get a satisfactory response. Now we are here again with a larger loss of \$2.3 million. He noted in the Credit Committee report advances of \$12 million but the loan balance decreased, and he does not know how it can be explained.

6.8 Mr. Alfred Poitier said the figures in the Credit Committee report reflect the growth which included any rerun (new loans and refinanced loans) as well as a separation of the new funds. The auditor report (ECOVIS) also shows the actual new funds.

- 6.9 Mr. Godfrey Russell thanked Ms. Campbell for the explanation regarding the increase in lease for the upstairs area at the Main branch. He then asked if there were any new methods being used for marketing to boost our membership and sales as he noticed a large increase over 2021 in the marketing cost.
- 7.1 Mrs. Gardiner explained that we had a symposium in Grand Bahama for the Credit Union partnership with Small Business Development Centre (SBDC) which featured speakers from different sectors which account for most of the increase in the marketing cost. It was hoped that the symposium would generate new business loans.
- 7.2 Mr. Alfred Poitier added that the symposium was geared towards introducing NWCCUL to SBDC and working through the process to become a lender to get their loan guaranties to reduce risk so the Credit Union can lend for small business loans. The Credit Union were successful and SBDC has added NWCCUL to their list of lenders and we are in the process of booking loans. We have reviewed and vetted 15 applicants and about 8 of them met the criteria of the Board approved policy associated with SBDC for lending with a total sum of just under \$1 million. While we have not booked any loans, we are anticipating within another 2 months to make a final approval of the applicants.
- 7.3 Mr. Godfrey Russell further asked, in addition to the guaranty, what kind of equity are the applicants being asked to add into the loan.
- 7.4 Mr. Poitier said SBDC is guaranteeing up to 75% of the loan and most of the applicants are for startup capital and equipment and the Credit Union are doing chattel mortgages in the event it is individuals or partnerships and if it is a company, we are doing debentures. For the applications that we have reviewed thus far, the equity position inclusive of the guaranty is usually around 130% to 140%.
- 7.5 Mrs. Joy McKinney asked, with the monthly rental upstairs at the Nassau branch being an additional \$5,000.00 plus, have there been any discussions to possibly acquire a mortgage or a building of our own.
- 7.6 Chairman Leo Douglas responded that it takes time to get into a building, so we have to remain until such time that we can get a suitable place.
- 7.7 Vice Chairman Kevin Hanna added that it is something to consider as we move forward but in the meantime at present, we are not considering purchasing or building a new building. However, it will be kept on the agenda as it is a very good idea, and the members will be apprised of same.
- 7.8 With regards to the small business loans, Mrs. Sheree Neymour asked if

- the loans are only offered in Grand Bhaama or New Providence.
- 7.9 Chairman Douglas responded that the loans are offered throughout the Bahamas, but you must meet the criteria.
- 8.1 Mr. Robert Cox asked why we are venturing into small business loans which require more credit experience when we have not mastered consumer loans or mortgages. Is this a new strategy of the Board.
- 8.2 Mr. Alfred Poitier said the reason for the Credit Union venturing into the small business loans is because it minimizes the risk through SBDC guaranty. Based on the hit we endured during the pandemic from the consumer loans the Board decided that we would look for less risk and SBDC with Inter-American Development Bank (IDB) guaranty, it reduces the risk NWCCUL would have with lending.
- 8.3 Ms. Shantel Saunders asked if we do not have a rental space at the Poinciana location.
- 8.4 Mr. Poitier said we do have rental space at the Poinciana location however the Credit Union occupies 75% of the space and the other portion is rented to another Credit Union.
- 8.5 Chairman Douglas asked for a motion to adopt the external audit report for 2022.
- 8.6 On motion by Ms. Deborah Zonicle and seconded by Treasurer Anna Colebrooke, the Auditors Report of Financial Statements as at December 31, 2022, as presented by ECOVIS Bahamas was unanimously accepted.
- 8.7 Chairman Douglas thanked Ms. Noreen Campbell for presenting the Auditors Report.

TREASURER'S REPORT

- 8.8 Chairman Douglas invited Treasurer Colebrooke to present the Treasurer's Report for the year ended 2022 and the 2023 Budget to the membership.

Treasurer Colebrooke greeted the membership and said in so far that the AGM booklet was distributed to the membership she asked for a motion to forego the reading of the Treasurer's Report listed on pages 40 – 47 of the AGM booklets.

- 8.9 On motion by Mr. Alfred Poitier and seconded by Ms. Deborah Zonicle, it was unanimously agreed to forego the reading of the Treasurer's Report for the year ended December 31, 2022.
- 8.10 Chairman Douglas opened the floor to questions regarding the Treasurer's Report and the financials.
- 8.11 Mr. Robert Cox asked why the AGM meeting is being held via zoom and not in person.

8.12 Chairman Douglas told Mr. Cox that it was contemplated to have the AGM in person but unfortunately a space was not available. However, because we are trying to save money, having this meeting virtually is saving thousands of dollars compared to in person which you would be surprised to know the cost associated with having it with the members. He also said this is the way things are going in terms of meetings happening virtually throughout the world as a result of COVID-19.

9.1 Mr. Anthony Robert Farquharson asked if the Treasurer could give a summary of the Treasurer's Report for those people who may not have had the opportunity to read it even though the membership did have it for quite some time now.

9.2 Mr. Godfrey Russell asked what the square footage of the Poinciana building, and property is because as he reviewed the financials and saw the appraisal report it is showing the value at less than \$300,000.00 of which to him seems very low.

9.3 Mrs. Shernell Gardiner explained that the floor area is 3545sq. ft. and the property is 10626 sq. ft, but the property has not been appraised since 2013.

9.4 Mr. Robert Cox said typically when you look at your loan books there is the natural run off monthly and you look at what you need to put on monthly in order for your portfolio to grow or for you to have an

increase in interest income. The report says we put on almost \$6 million in new loans and according to the Credit Committee report there is another \$7 million in rewrites and based on that the loan portfolio not only decrease but the interest income is \$700,000.00 less than the year before. He then asked if the Treasurer knows how many loans need to be booked each month for the portfolio to remain static or how many loans, we need to book monthly for the portfolio to grow.

9.5 Mr. Alfred Poitier replied yes, we do. Unfortunately, under the standard we are governed which is called PEARLS, our loan to deposit ratio should be around 70% to 80%. In order for our loan books to grow we need to be booking new loans somewhere around \$2 million dollars to \$3 million dollars, of which we are unable to particularly with consumer loans etc. We were also very cautious about going back into the mortgage market and we have been searching.

9.6 Mr. Poitier then reminded Mr. Cox that he did a presentation for the Board and staff during the Strategic Plan and the Board was very impressed and sought to try and do the small loans as he suggested and figure out what we can do and do it well. The problem with that was we were not able to infiltrate those other entities that were giving extended loans which reduced the monthly payment even though the interest rate was significantly higher

than the Credit Union because they were able to go beyond the 7 years, thus we were not able to compete.

- 9.7 Mr. Poitier continued that the small loan market we got rid of considerably from the hotel workers etc. and we were trying to look at warehouses and other entities that had little staff departure during the pandemic. In doing so, we found out that a lot of those entities were already engaged and locked in with other institutions such as Commonwealth Bank and Bank of the Bahamas and they do not see the Credit Union as being competitive. Based on research we thought the SBDC Guaranty will mitigate significant risk and we are trying to tweak our policy to go in that direction in the short term while developing a niche that Mr. Cox had recommended to the Board.
- 10.1 Mr. Robert Cox said told Mr. Poitier that he understands the consumer market is very competitive, but he has been speaking on this issue for about 3 years now. The offset to reduce credit is collection activity. The Credit Union has lost perhaps \$7 million dollars in the last three years and has only collected probably \$300,000.00 against it so if we are not going to grow in terms of loans, we have to be able to go after collecting. Mr. Cox said he cannot believe that of the \$4 million dollar lost prior to 2022 we have gone through the court process and got judgment and we are still only collecting \$95,000.00 a year in

recoveries on \$2 million dollars. Something is wrong.

- 10.2 Mr. Poitier added that the Board has hired an experienced collections manager who has been with the Credit Union for almost three months and is making some inroads and putting a lot of things in place. We have a new collections policy that is very robust which was created in conjunction with the Credit Committee. He told Mr. Cox we agree with his statement 100% and the Board has mandated that we go after the delinquent loans with no stone unturned and we have already gotten judgment to vacate two premises.
- 10.3 Mr. Lovy Jean, chairman of the Credit Committee told Mr. Cox he heard and understand what he said in that delinquency is challenge and we have to treat the matter as something urgent. Delinquency continues to deteriorate and as it stands it is the topic of discussion in every meeting. However, 2023 is not as bad as 2022 as we have seen progress.
- 10.4 Ms. Shannon Hanna, Collections Department Manager, stated that collections are receiving greater focus now than it has, perhaps in a while. We are in the process of augmenting the team, and the current members are committed to the new focus which is, not only to reduce delinquency, but to create long term solutions for impaired accounts.

- 10.5 Mrs. Heather Wood-Fowler asked when we would see improved interest on our investment with NWCUL, especially the fixed deposit account etc.
- 10.6 Mr. Poitier said because of the hit we sustained from the pandemic and the displacement from a lot of the Credit Union members who were loan holders and the added provisions, we had to take measures by reducing interest rates etc. but the rates will not be reversed until we turn the corner. Based on the trajectory we are on we do feel we will turn the corner sooner rather than later; however, it would not be prudent for us to increase the rates on your investments until the organization becomes profitable again.
- 10.7 Mr. Godfrey Russell asked what our current active membership total is.
- 10.8 Mr. Poitier replied we have just over 7,000 active members currently.
- 10.9 With there being no further questions on the report, Chairman Douglas asked for a motion to accept the Treasurers Report.
- 10.10 On motion by Mr. Alfred Poitier and seconded by Mr. Kevin Hanna, the Treasurers Report for the year ended December 31, 2022, as presented was unanimously accepted.
- CREDIT COMMITTEE REPORT**
- 11.1 Chairman Douglas invited Mr. Lovy Jean, Chairman of the Credit Committee to present their report.
- 11.2 On motion by Mr. Alfred Poitier and seconded by Mrs. Yvonne Rahming, it was unanimously agreed that the reading of the Credit Committee Report be suspended.
- 11.3 Chairman Douglas opened the floor to questions regarding the Credit Committee Report.
- 11.4 It is noted that the Credit Committee Report is listed on pages 103, 104, 105 & 106 of the AGM booklet. The Credit Committee is comprised of three persons, Mr. Lovy Jean, Chairman, Ms. Sonia Williams, Secretary and Mr. Kenneth Knowles, Member.
- 11.5 As a new Credit Committee, Mr. Jean told the membership that he along with his team (Sonia Williams, Kenneth Knowles) did an awesome job in trying to tackle this beast (delinquency.) Delinquency is a challenge and lending has been a challenge but based on the resources available to the Committee, they have done what they can do. The Committee has made a few recommendations to the Board where they have asked for the required necessities to take the organization to the next level and the Board has seen their vision and has approved the Collections Policy manual that is currently in place with details on what has to be done.

11.6 The Credit Committee has identified three major challenges, one of which is that delinquency was not just increasing but the Credit Union was bleeding and there was sluggish growth. We know that the credit book must increase to offset delinquency, which has also been a challenge along with a declining membership. Therefore, the Committee has focused on training, policy, and structure which they will be able to report on at the next AGM. As for structure, the Committee has noted that the collections team is divided and that creates challenges, there is a manpower issue and as it stands, the delinquency officer's compliment is not suitable for what is needed to fix the problem.

11.7 Mr. Jean is happy to report that the Credit Union is actively recruiting officers and by the end of the month we will have a full team in place to address this mammoth problem. Once that is done, an aggressive training program will be implemented that consists of credit origination and delinquency.

11.8 Mr. Richard Johnson asked when we are going to increase the number of collectors to help arrest the collection issues.

11.9 Mr. Alfred Poitier affirmed that we have the new collections manager, a new collections officer is scheduled to start on Monday and a new collections officer started in Grand Bahama earlier this week. Further, the collections manager and the HR

manager have also interviewed two additional people for the department, and it is hoped that we can onboard at least two more collections officers within a few weeks.

12.1 Mr. Lovy Jean said it has been a challenge and when you are on the side where you can see things firsthand it verses on the other side where you do not see what is happening it makes a difference and manpower is a serious issue so the team is inadequate and he is surprised it took as long as it did but he is happy the issue is now being addressed and getting the attention it deserves and training is treated as a priority.

12.2 Again, once the team is onboard, by the middle of the third quarter, a 3-day training session is anticipated for all those involved with credit origination. Discussions are being held regarding the implementation of a collateral and securities unit which the Credit Committee believes will help to strengthen the book coupled with our trained collections and credit officers and other credit personnel. The Committee believes this would strengthen the quality of loans issued and the back-end persons managing. Kudos to the new collections manager onboard. The Committee has seen a lot and with the momentum and excitement, Mr. Jean said he is encouraged.

12.3 Ms. Olivia Saunders asked what efforts are being made to increase

membership, what is the nature of the training for the collections and credit officers and are there any loan restructuring efforts.

12.4 As for the training, Mr. Jean said we are bringing in industry professionals to conduct the training that will address increasing membership and loan restructuring.

12.5 Mr. Johnson asked what the ideal number of collectors is required to arrest collections and how many credit officers are needed to increase our loan book.

12.6 Mr. Jean said he does have the information about the collectors and credit officers needed to arrest collections and increase our loan book respectively, but he does not have the figure in front of himself currently. However special emphasis is needed on recoveries because it is about \$9 million and not \$7 million as was said by Mr. Robert Cox earlier. We need at minimum 2 trained persons with special skills addressing recoveries, so it cannot be just anyone, but the training is ongoing, 4 persons is needed for 90 days nonaccrual accounts and above and a minimum of 3 persons for lower buckets (contractual accounts.)

12.7 Mr. Robert Cox asked in the Credit Committee assessment of bad debt what was found to be the main reasons.

12.8 Mr. Lovy Jean said he thinks one of the reasons for bad debt was poor

lending practices in the past, not enough manpower to work the accounts to give it the attention need, property challenges because we do not have a collateral security specialist, especially in the past because it did not exist. As a result, mortgages are on the books with encroachment issues and with no payments made by the mortgagee and mortgages are on the books where the payment was restructured, and the payment amount lowered, or principle only and never reverted to the normal term and in a lot of the cases the Credit Union is at fault.

13.1 Further, Mr. Jean said we are unable to take persons to court due to outstanding and missing documents, items are not perfected and legal issues and a myriad of problems and just a situation where the collections officer is not working because that is not the case. For some of the accounts the issue is you cannot do anything because from the onset proper documentation was not in place. Hence his agitation for a security collateral department because once that is in place, it will help stop the bleeding or the new issues at hand.

13.2 Ms. Olivia Saunders asked what the nature of the training is because saying you are bringing in professionals is an inadequate response. She also asked what the skills/knowledge are lacking in the collections department.

13.3 As for the training professionals, Mr. Jean said they will be delinquency

professionals along with credit and business development experts, credit and collections and recoveries experts. Also, someone with interview skills for the customers and collateral security experts to make a presentation. The training session will be engaging. The Credit Committee along with the Collections manager also want to have a succession plan in place as it relates to training where a part of the collection officers' training in delinquency involves them sitting as a credit officer and vice versa. There are a lot of little things we want to do soon.

13.4 As for the skills/knowledge that are lacking in the collections department are, investigative skills, researchers, people with strong administrative and negotiating skills and basic accounting skills where they understand the bottom-line, so they know how what they do affects the big picture.

13.5 Mr. Robert Cox asked if the Credit Committee thinks we have the necessary credit adjudication experience given the level of bad debt over the years.

13.6 Mr. Jean said he thinks this is an area we are challenged in. He also said he feels he failed as a Credit Committee member with regards to the delegated lending authority and the Committee wanted to recommend some amendments to the policy as it relates to who would be able to sign etc. and the limits. This is not to imply that the

approving individuals were not doing the right thing, it is more so best practice. He thinks the Credit Committee limit is too low.

13.7 Miss Nike Gardiner asked if the restructured collections plan will include the implementation of debt collections and management software.

13.8 Mr. Lovy Jean said he thinks it is needed and he supports it, but he is not on the Board, and he does not have the power to approve it. However, as it relates to interest, the current system does not allow the collections officers to see accurate information and that is a challenge because if another institution is paying out the Credit Union

13.9 Chairman Douglas said many of the items Mr. Jean spoke on are in the works right now and things have turned around and changed even from the regulator, and we are putting a lot of things in place. The Credit Committee made a recommendation to hire additional key people for collections as was mentioned earlier by Mr. Jean and that is in the pipeline to be rectified. It would be fair to say many of the issues mentioned are being worked on and put in place.

14.1 With regards to the implementation of a debt collections and management software, Ms. Shannon Hanna said she is of the opinion that the current software is adequate but as we progress, and she gets deeper

- into it if it is necessary Mr. Alfred Poitier has assured, that he we will make the representation to solve that issue.
- 14.2 Mr. Richard Johnson asked Mr. Jean to explain whether we need an additional 5 persons or do we only need 5 persons for collections. He also asked if we are prepared to grant settlements at this time regarding the mortgages.
- 14.3 Chairman Douglas responded that the record of the Board meeting minutes will show that the Credit Committee made their recommendation and the number of persons required for collections which the Board approved, and we are trying to rectify those things.
- 14.4 Vice Chairman Hanna added that we are doing a full restructuring of the Collections department to make it more aggressive, and the additional staff that was approved by the Board is included but we will definitely see some improvements. We want to improve the culture of collections to make it a more effective engine for resolving delinquency issues.
- 14.5 Mr. Alfred Poitier said regarding granting settlements for mortgages, yes, the new collections policy also speaks to settlements.
- 14.6 Ms. Cyprianna Stuart asked if mortgages will be put on hold until the recommendations are put in place.
- 14.7 Mr. Poitier said mortgages have been put on hold for quite some time.
- 14.8 Mrs. Heather Wood-Fowler asked if the delinquency professionals hired for the training will be locals or international.
- 14.9 Mr. Alfred Poitier responded that if we hire someone for a particular area it is more than likely they will be domicile there as we are not trying to incur any additional expenses for living accommodation etc.
- 14.10 Mr. Brian Evans commented that it sounds like we need more account managers to manage the delinquent accounts before they get cold.
- 14.11 As was mentioned before, Mr. Poitier said we have a new collections manager, and we are staffing the department and managing the accounts.
- 15.1 Ms. Jane Gibson recommended that for the needed training the Bahamas Institute of Financial Services (BIFS) be contacted because they offer courses and can provide training and certification. BIFS can also recommend industry professionals that can assist.
- 15.2 Miss Nike' Gardiner said if the Collections department can say that they cannot in real time see the current balance of a particular client's debt then the software is not adequate and up to industry standard.

- 15.3 Mr. Poitier said we can see the balances in real time the issue is with the written-off accounts where we are mandated to take those accounts off the books completely so when we had to add legal fees etc. to the account that created an issue in terms of trying to figure out how to have those accounts in the system without it affecting the books. We do not have a problem with current delinquent account balances being displayed in real time.
- 15.4 Mrs. Sheree Neymour asked when we rewrite loans from other institutions are we ensuring we have all the documentation the person would have given that institution to ensure they got the loan for the Credit Union to confirm it is in order before we lend to them. The securities department needs to ensure they do their due diligence to get the pertinent information to prevent the Credit Union from being attached to a loan that cannot be collected on. It does not make sense to lend to people without the necessary documentation being in place to show we have the rights to what we have loaned them.
- 15.5 Mr. Poitier responded that whenever we decide to pay out the mortgages in Andros from the other banks before the mortgage is disbursed it has to go to the attorney to perfect the security. We have the policy drafted to be approved and whenever the Board determines when the mortgage program will start the first rule is no

disbursement until the security is perfected.

- 15.6 The Credit Committee thanked the Board, Mr. Alfred Poitier, CEO, Mr. Richard Johnson, Collections Manager, and the staff of NWCCUL for their cooperation and support.
- 15.7 As there were no further questions from the membership, Chairman Douglas asked for a motion to accept the Credit Committee report as presented.
- 15.8 On motion by Mr. Kevin Hanna and seconded by Ms. Florence Knowles, the Credit Committee report was unanimously accepted as presented.

SUPERVISORY COMMITTEE REPORT

- 15.9 Chairman Douglas invited Mrs. Yvonne Rahming, Chairman of the Supervisory Committee to present their report. He then asked for a motion to forego the reading of the Supervisory Committee Report.
- 16.1 On motion by Mr. Bronson Sands and seconded by Mr. Lovy Jean, it was unanimously agreed to forego the reading of the Supervisory Committee Report.
- 16.2 It is noted that the Supervisory Committee Report is listed on pages 107, 108, 109, 110 & 111, of the AGM booklet.
- 16.3 Mrs. Rahming advised that during the Committee review they have made points and recommendations as noted in their report. She

acknowledges her Committee members Dr. Jackson and Ms. Saunders and said their position as Supervisory Committee members is they have been charged with the responsibility of overseeing and monitoring the affairs of the business of NWCCUL. In their capacity they have visited the branches and done their inspections. The Committee has also been working with the Internal Auditor, Mr. Kendrick Christie, K Christie & Co. Chartered Accountants and Fraud Examiners and with him they are the audit committee.

- 16.4 Some of the Committee concerns are dormant accounts, whereas the members need to be notified effectively to come in and update their information as some of them may be deceased. This is a priority area where focus is needed. As the Committee visited the Freeport branch, we must remember to keep our policy and procedures as stated outside of that we need to have it upgraded and signed off on. The Committee is concerned about the results of the soft opening of the building in Freeport and the symposium that took place as well. It was stated that 14 applications were received as a result of the symposium held August 2022 which is a year ago. We need to go after these loans so we can put loans on the books and receive some interest for the funds expended to have the symposium and offset it.

- 16.5 Another concern the Committee has is the Berry Islands branch that has been open since 2018. As a group, the chairman of the board and credit committee along with the internal auditor representative, the CEO and the Supervisory Committee and they interviewed persons and got information on how to increase the revenue on the books. However, the Berry Islands branch is still operating at a loss, and it is a vexing problem. The branch is also large in bringing in funds and it was recommended that the branch be paid interest on the funds that are coming in and being used to lend. Mrs. Rahming said she believes the Berry Islands branch is bringing in more funds than the Nassau and other branches.

- 16.6 Delinquency is also of concern to the Committee but it has been dealt with and adequately so the Committee is sure it will be improving as they go along, and they are expecting great things in this area after hearing about all the new things that are happening which will offset all the delinquent loans and the loss of funds. The Human Resources area is another concern for the Committee. Human Resource is a very important function, and the staff needs this area up and running and adequately so. The role needs to be restructured and more attention needs to be given to the things concerning the staff and not overlooked.

16.7 As for other areas of concern, such as the East Bay property, the Poinciana location, and the JFK property, Mrs. Rahming said they have been addressed and she is sure the Board has it in hand. The Committee made their recommendation, and it is hoped they are followed. The Committee had a meeting with the Central Bank and their concern is that the regulator is expecting a lot from the Credit Union. The Committee asked the Central Bank how they can assist NWCCUL to remain viable, but the regulator also had concerns about some things that were put in writing to the CEO and the Board of Directors.

17.1 The Strategic Plan Conclave happened immediately after the AGM in 2022 and Mrs. Rahming is not sure the Committee is satisfied with all that was said, and nothing was done as they had anticipated it to be. NWCCUL is a great Credit Union with great potential and the Committee would like to see more action behind the plans put forth in the strategic planning meeting and worked on.

17.2 Mrs. Rahming thanked the Supervisory Committee members who worked diligently in the role in which they were elected, and she was pleased and had a pleasure in working with them and appreciate them giving up their valuable time for the Committee to work effectively. Ms. Shantel Saunders, secretary, and Dr. Ebbie Jackson, member who was very active. Mrs.

Rahming also thanked everyone for the opportunity to serve for the past 3 years as the chairperson of the Supervisory Committee. She also extended great thanks to the CEO, Mr. Alfred Poitier, and his management team at the Credit Union and his able staff.

17.3 Chairman Douglas thanked Mrs. Rahming for her report and opened the floor to questions regarding the Supervisory Committee report.

17.4 Mr. Lovy Jean asked if the Supervisory Committee has seen improvement in the overall operation of the Credit Union. Also, what areas other than delinquency do the Committee think special attention should be given to.

17.5 Mrs. Rahming said in terms of special attention, as it relates to accounting, the staff needs to pay more attention to certain items because there are times when there is a display of negligence even though she knows they are working hard. The staff and the CEO are aware of it, and she is sure they will work on it.

Vice Chairman Hanna thanked Mrs. Rahming and said the comments assist in the operation of the Credit Union and it is person who are on the Committee that bring these concerns to the Board and gives them the opportunity to work with management to put things in place.

17.6 Mr. Anthony Robert Farquharson asked if the Human Resources (HR) Committee of the Board is active

and if not, can the Committee be reappointed to respond to the issues related to Human Resources.

17.7 Mr. Poitier advised that the Credit Union has appointed an HR manager, and we are doing a workflow analysis as well as position evaluations and updating the job descriptions to accurately fit the task the employees are doing. This is not an overnight process, but it has begun. The HR manager has completed a class and there are several more that she is taking and there will be some collaboration with external HR professionals to help steer us along the way.

18.1 Mr. Richard Johnson asked if we have any schemes to help streamline our operations to make the Credit Union more efficient.

18.2 Mr. Poitier said some of the things we are working on and moving towards making the operations more efficient are drafting policies as we speak to change the way we do certain things such as loans and membership. A lot of the functions will be digitized in that applications will begin online, vetted by a committee, approved, and signed off on electronically.

18.3 Chairman Douglas asked for a motion to accept the Supervisory Committee report as presented.

18.4 On motion by Dr. Ebbie Jackson and seconded by Ms. Florence Knowles, the Supervisory Committee report

was unanimously accepted as presented.

18.5 Chairman Douglas thanked Mrs. Yvonne Rahming and the Supervisory Committee members for their support.

18.6 Mr. Kendrick Stubbs asked if the cash difference that happened in September of 2022 has been resolved.

18.7 Vice Chairman Hanna advised that the matter of the cash difference is still under investigation by a special group from Kikivarakis & Co. and soon as they present their final report, we will be able to fully resolve it.

NOMINATION COMMITTEE

18.8 Chairman Douglas advised everyone that as it relates to elections, according to the Byelaws, "each nominee introduced by the nominating committee shall indicate their acceptance of the position and in the case of a nominee being absent, they may still be considered provided a written acceptance of the nomination is provided to the AGM through the Nominating Committee. Where the number of nominees does not exceed the number of persons to be elected, the chairman shall declare all nominees elected. If there is a need for elections, it shall be by ballot and shall be determined by a majority vote except where there is no contest."

- 18.9 Chairman Douglas further advised that according to the Byelaws the Nomination Committee has the full authority to determine who qualify to offer themselves as candidates and not the Board.
- 18.10 Chairman Douglas invited Mr. Anthony Robert Farquharson the Nomination Committee Chairman to present the nominations for the positions vacant on the Board, Supervisory and Credit Committees.
- 19.1 Mr. Farquharson greeted everyone and gave apologies on behalf of Mrs. Sonia Cox-Hamilton who is not feeling well but worked actively with him along with the assistance of the CEO to complete the Committee report. He then said on behalf of himself, and Mrs. Cox-Hamilton, how pleased they are to have had the opportunity to serve NWCCUL once again in this capacity. The report the Nomination Committee compiled was submitted to the postmaster and distributed as outlined in the Byelaws.
- 19.2 **Board of Directors Nominees –** There are 4 available positions on the Board of Directors, 8 nominations were submitted, 7 nominations were deemed eligible, 1 nomination were not eligible due to section 55 of the Byelaws that states “you have to serve on at least one committee and sit out for 1 year in order to be considered.” Eligible people to serve are **Mr. Leo A. Douglas, Mr. Welbourne Cunningham Jr., Ms. Deborah Zonicle, Mr. Bronson Sands, Ms.**

Doreen Rolle, Mr. Lovy Jean, Mr. Wilbert Collie. Based on the Byelaws, an election is needed to fill the 4 vacant positions because the nominees qualify to serve on the Board of Directors.

- 19.3 **Supervisory Committee Nominees –** There are 3 available positions on the Supervisory Committee, 3 nominations were submitted, and the Nominations Committee deemed all were eligible to serve on the Committee in the persons of **Ms. Misty Adderley, Mr. Tyrone Perpall, Ms. Elaine Farquharson.** Based on the Byelaws, with Chairman Douglas lead, the 3 nominees can be deemed as elected.
- 19.4 **Credit Committee Nominees –** There is 1 available position on the Credit Committee, 3 nominations were submitted, 2 nominations were deemed eligible, 1 nomination was not eligible due to not attending the required amount of AGMs to serve. Eligible people to serve are **Mr. Richard Johnson, Ms. Shantel Saunders.** Based on the Byelaws, an election is needed to fill the 1 vacant position because the nominees qualify to serve on the Credit Committee.

ELECTIONS

Board of Directors

- 19.5 Chairman Douglas invited the nominees of the Board of Directors to indicate their acceptance of the

nomination and to give an overview of themselves to the membership.

19.6 Mr. Leo A. Douglas accepted his nomination, and he told the membership that he has served in many capacities in the organization and is currently serving as Chairman of the Board. He still has a lot more work to do for the Credit Union and it is his wish to see the organization move further upward and onward for the betterment of the Credit Union. He thinks there is no question that he is committed and will continue to do so if he is given the opportunity to serve again and asked the membership for their support.

19.7 Mr. Welbourne Cunningham Jr. told the membership that he has served on the Supervisory Committee and is currently serving as a Board of Director, and he accepts his nomination. He thinks the Credit Union is a great vehicle for savings, loans etc. and it is very stable even though we are not without financial challenges. Mr. Cunningham said at this stage, the Credit Union needs people who are committed, honest, transparent, with perfect integrity and accountability as we deal with the shareholders' money.

20.1 Mr. Cunningham continued that with his experience and educational background, he is confident he can be an asset to the organization. There are some internal matters that need to be addressed immediately that require people on the Committees who are forthright,

not easily swayed, fair and resolute to solve these issues. If he is elected, he assures the membership that he will be relentless in pursuing what is in the best interest of the shareholders and the employees. We must turn this Credit Union around and he asked the membership for their support, and they can depend on him to pursue what is in the interest of everyone.

20.2 Ms. Deborah M. Zonicle told the membership that she has been a member of NWCCUL since 2012, is currently a Board of Director and is seeking reelection. She has been a Certified Public Accountant (CPA) from 1989 and has worked in the accounting profession for nearly 35 years. She has also worked for about 18 and a half years with a Credit Union as the Financial Controller and can understand, analyze, interpret and report on the numbers which include changes in membership, delinquency, loan growth etc. These numbers are critical and required to constructively serve as a director in this financial service provider institution and it is also a Board requirement that you understand financial figures.

20.3 Ms. Zonicle said she appreciates the members presence in the AGM because they are concerned about how their funds in this institution are managed and vested in loans and government stocks just to name a few so they can earn the best and highest return on their investments while managing expenses. She

accepts her nomination and thanked the members in advance for their support and vote. May God bless the members NWCCUL and the Bahamas.

20.4 Mr. Bronson Sands told the members that having served previously as a member of the Credit Committee, the Supervisory Committee, and a former Board of Director he decided to put in his nomination to serve as a Board of Director once again. He thinks the Credit Union needs better representation and to ensure that we are looking out for the members as well as the public and ensure that we move NWCCUL to the next level. He accepts his nomination and hopes he has the support of the members.

20.5 Ms. Doreen A. Rolle told the members that she is a former banker and has held various roles in finance and management. Her goal in becoming a Board of Director comes from her desire to positively impact this organization in a leadership role and more importantly help make decisions that will help this organization fulfill its overall mission. With her previous experiences as a member of the Credit Committee, she believes she can be a great asset serving on the Board of Directors of NWCCUL. She is willing to serve and help guide the people's money in the right direction. She accepts her nomination, thanked the members and asked for their support.

21.1 Mr. Lovy Jean told the members he has over 21 years of experience in the financial sector with the last 10 years in a strategic leadership and is presently the regional manager for Grace Kennedy headquartered in Jamaca with oversight for the Bahamas and the Turks and Caicos Islands. He is also currently serving as a member of the investment committee at the SBDC, and he is currently the Chairman of the Credit Committee of NWCCUL.

21.2 Mr. Jean continued that he put in his nomination because he loves his Credit Union, and he was only a member who became interested in serving on the Credit Committee and while serving in that capacity he realized that a lot of times your hands are tied, and you want to make decisions and see progress, but it is delayed. However, he thinks we can control those issues sometimes. He put in his nomination because he thinks he represents something new and different to the Credit Union and he would like the opportunity to serve and help contribute to take NWCCUL to the next level. He accepted his nomination and asked the members for their support.

21.3 Mr. Wilbert Collie told the members that he has been a member of NWCCUL since 1980. The Credit Union was first formed in the Kipling building which he was a part of and has since served on the Credit Committee, the Supervisory Committee, and the Board of Directors. For the good of this

order, he put in his nomination to serve as a Board of Director again if elected and he asks for the member's support.

21.4 Chairman Douglas told the members that according to the Byelaws the Nomination Committee has the full authority to determine who qualify to offer themselves as candidates and not the Board. He then asked what the number of people are logged on to the AGM to cast their vote. It was confirmed that 85 members are logged on presently.

21.5 Mr. Alfred Poitier advised the members that the ballots will appear on their device screen, and they only have to choose who they would prefer to see serving and they have approximately 3 minutes to make their selection. He also said the process is electronic and secret and the Zoom will tally the votes and provide the results immediately following.

21.6 The voting results for the Board of Directors are as follows:

- **Leo A. Douglas** **62%**
- **Welbourne Cunningham Jr.** **63%**
- **Deborah Zonicle** **32%**
- **Bronson Sands** **48%**
- **Doreen Rolle** **27%**
- **Lovy Jean** **72%**
- **Wilbert Collie** **45%**

22.1 The following persons were elected to serve on the Board of Directors:

- **Leo A. Douglas**

- **Welbourne Cunningham Jr.**
- **Bronson Sands**
- **Lovy Jean**

22.2 Persons to serve on the Board of Directors are:

- **Leo A. Douglas**
- **Anna Colebrooke**
- **Welbourne Cunningham Jr.**
- **Darrin Woods**
- **Lovy Jean**
- **Kevin Hanna**
- **Bronson Sands**

22.3 Chairman Douglas thanked the members and colleagues who were a part of the election process which is a democracy. He also on behalf of the Board thanked the members for their support and confidence in them.

Supervisory Committee

22.4 The following persons was elected unopposed to serve on the Supervisory Committee:

- **Misty Adderley**
- **Tyronne Perpall**
- **Elaine Farquharson**

22.5 Persons to serve on the Supervisory Committee are:

- **Misty Adderley**
- **Tyronne Perpall**
- **Elaine Farquharson**

Credit Committee

22.6 The nominees of the Credit Committee were invited to indicate

their acceptance of the nomination and to give an overview of themselves to the membership.

22.7 Mr. Richard Johnson told the members he has over 31 years' experience in banking with 35 years' experience in financial statements and previously retired from a prominent bank in the country and recently retired from NWCCUL as the Collections Manager. He feels the Credit Committee needs strong, ethical people who have a keen interest in serving with an understanding of financial statements, collections and that loan interest is the driving force behind any financial institution of which NWCCUL is one.

22.8 Mr. Johnson said loan growth and reduction in delinquency is a priority that NWCCUL faces and are areas he has expert knowledge about. As his first time offering himself to serve, he put in his nomination and is seeking the members' support in electing him to serve as one of the next Credit Committee members. He accepted his nomination and thanked the members for their support.

23.1 Ms. Shantel Saunders told the members that she has recently served on the Supervisory Committee, previously represented NWCCUL as she served on the CAL board, has over 30 years' experience in the financial industry along with credit and collection experience where she previously worked in a leading commercial bank. As she is

now seeking to bring forward the mission of the Credit Committee, in using the same energy when she served on the Supervisory Committee, to bring the Credit Union to the next level. There have been continuous discussions about delinquency and the need to improve and adhere to policy, procedures and put in improvements. In that effort, she has put in her nomination and is seeking the members' support as she accepts her nomination.

23.2 The voting results for the Credit Committee are as follows:

- **Richard Johnson 67%**
- **Shantel Saunders 33%**

23.3 The following person were elected to serve on the Credit Committee:

- **Richard Johnson**

23.4 Persons to serve on the Credit Committee are:

- **Kenneth Knowles**
- **Sonia Williams**
- **Richard Johnson**

23.5 Chairman Douglas congratulated Mr. Richard Johnson the newly elected member of the Credit Committee and he is sure Mr. Johnson will fit in as he knows that area well.

23.6 Chairman Douglas expressed sincere thanks to the Nomination Committee in the persons of Anthony Robert Farquharson,

Chairman and Mrs. Sonia Cox Hamilton who has done a wonderful job. This is the first time after 47 years that everyone had the names of the candidates before the AGM was held which is in keeping with the Byelaws that the members know who is offering themselves for nomination.

NOMINATION COMMITTEE APPOINTMENT

- 23.7 Chairman Douglas asked the members for 3 nominees to serve on the Nomination Committee which is an independent committee and section 45 of the Byelaws sets out the duties of the Committee. He also said those persons who have served before in another capacity can take on the responsibility as well. He asked Mr. Anthony Robert Farquharson if he is willing to continue serving on the Nomination Committee.
- 24.1 Mr. Anthony Robert Farquharson accepted to continue serving on the Nomination Committee.
- 24.2 Ms. Yvonne Rahming was nominated by Mr. Alfred Poitier to serve on the Nomination Committee. She declined the nomination. and seconded by Mr. Quintin Percentie.
- 24.3 Ms. Doreen Rolle was nominated by Mr. Alfred Poitier to serve on the Nomination Committee. She accepted the nomination to serve on the Committee.

- 24.4 Ms. Florence Knowles agreed to serve on the Nomination Committee.
- 24.5 Persons to serve on the Nomination Committee are:
- **Mr. Anthony Robert Farquharson**
 - **Ms. Doreen Rolle**
 - **Ms. Florence Knowles**

RESOLUTIONS

- 24.6 The Resolutions from the Board of Directors are listed on page 113 of the AGM booklet.
- 24.7 The following resolutions were presented by Vice Chairman Hanna for the year 2023 even though it is listed as 2022 in the 46th AGM booklet:
- 24.8 **“BE IT RESOLVED THAT** the Board of Directors be responsible for the appointment of Auditors for the year end December 31, 2023.”
- 24.9 It is noted that 97% of the membership is in favor of the Board of Directors being responsible for the appointment of the Auditors for the year ended December 31, 2023.
- 24.10 **“BE IT RESOLVED THAT** the Board of Directors be responsible for the appointment of the Attorney for the year end December 31, 2023.”
- 24.11 It is noted that 97% of the membership is in favor of the Board of Directors being responsible for the appointment of the Attorney for the year ended December 31, 2023.

- 24.12 **“BE IT RESOLVED THAT** Board of Directors are to receive a monthly stipend of \$500.00 up to the next AGM.”
- 24.13 It is noted that 94% of the membership is in favor of the Board of Directors receiving a monthly stipend of \$500.00.
- 24.14 **“BE IT RESOLVED THAT** Supervisory Committee members are to receive a monthly stipend of \$250.00 up to the next AGM.”
- 25.1 It is noted that 97% of the membership is in favor of the Supervisory Committee members receiving a monthly stipend of \$250.00.
- 25.2 **“BE IT RESOLVED THAT** Credit Committee members are to receive a monthly stipend of \$200.00 up to the next AGM.”
- 25.3 It is noted that 97% of the membership is in favor of the Credit Committee members receiving a monthly stipend of \$200.00.
- 25.4 **“BE IT RESOLVED THAT** the qualifying share par value be increased by \$50.00 to \$150.00 per share.”
- 25.5 It is noted that 86% of the membership is in favor of the qualifying share par value being increased by \$50.00 to \$150.00 per share.
- 25.6 **“BE IT RESOLVED THAT** our maximum liability remain at
- \$75,000,000.00 as set at our 44th Annual General Meeting.”
- 25.7 It is noted that 100% of the membership is in favor of the maximum liability remaining at \$75,000,000.00 as set at our 45th Annual General Meeting.”

ANY OTHER BUSINESS

BUDGET 2023

- 25.8 Chairman Douglas drew the members attention page 48 of the AGM booklet for the 2023 Budget reminding them that the Board approves the budget, and the members ratify it. He then asked if there were any questions regarding the budget.
- 25.9 Mrs. Shernell Gardiner highlighted that in 2022 it was hoped that a profit would be achieved of \$188,000.00 however, due to the bad debt provision it basically wiped out the expected profit. We anticipated a provision of \$880,000.00 but it ended up being \$2.4 million which means the \$1.5 million wiped us out. It is hoped for 2023 that we maintain income of \$5.8 million which is a reduction from 2022 but we know it will improve because since the approval of the budget we have new tenants which is an increase in occupancy and rental income.
- 25.10 Mrs. Gardiner continued that we still have a lot to go in terms of achieving the interest income targets, especially on the SBDC loans. Our

interest rates have been lowered again so there is savings there and we have increased the provisions a little more of \$300,000.00 but we hope we do not have to use it. The budget is a tool, and we will see how best we can achieve the targets and if we compare it to 2022 budget in some lines there were big variances but for most of it we were on target.

25.11 Mr. Richard Johnson asked why the projected loss for 2023 is \$406,055.00.

26.1 Mrs. Gardiner said we would like to be optimistic, however we have to be realistic also. We know the loan books are not growing as it ought to, we know our deposit rates are still very good but the ratios for both deposits and loans still far exceed the standard of PEARLS. That is the unfortunate reality of the projected loss for 2023.

26.2 Chairman Douglas asked the members if they are in agreement with ratifying the budget remain silent and if they are not to indicate it.

26.3 It is noted that the membership ratified the 2023 Budget as presented.

VOTE OF THANKS

26.4 Chairman Douglas thanked the members for their participation and support in the 47th AGM and it is hoped that we would have better news to report at the next AGM. God bless and keep them.

ADJOURNMENT

26.5 On motion by Ms. Anna Colebrooke and seconded by Ms. Florence Knowles, the 47th Annual General Meeting of NWCCUL adjourned at 10:02 p.m.

Leo A. Douglas – Chairman

Darrin Woods – Secretary

Date: _____



47th Annual General Meeting Participants

Name (Original Name)	User Email	Join Time
NWCCUL	apoitier@nwccubahamas.com	7/21/2023 14:45
Yvonne Rahming	no_weaponformed@hotmail.com	7/21/2023 14:45
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:45
Elizabeth Ellis	eellis@nwccubahamas.com	7/21/2023 14:45
Ron Demeritte	ron.demeritte@gmail.com	7/21/2023 14:46
Rovena Ramsay	r Ramsay242@gmail.com	7/21/2023 14:46
Elizabeth Ellis	eellis@nwccubahamas.com	7/21/2023 14:46
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:46
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:47
Alcondo Hepburn	alcondo.hepburn@hotmail.com	7/21/2023 14:47
Rovena Ramsay	r Ramsay242@gmail.com	7/21/2023 14:48
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:48
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:49
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:51
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:52
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:54
Ron Demeritte	ron.demeritte@gmail.com	7/21/2023 14:54
Bronson Sands	bronsands@hotmail.com	7/21/2023 14:55
Nadia Davis	omairnr@hotmail.com	7/21/2023 14:55
Bianca Rahming-Brown	btrahming@gmail.com	7/21/2023 14:58
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:58
NWCCU Board Room Harrold Road	nwcuellis@gmail.com	7/21/2023 14:59
Sonia Williams	soniawill242@gmail.com	7/21/2023 15:03
Shamece Pinder	spinder1405@gmail.com	7/21/2023 15:05
Melanie Harris	melloharris@hotmail.com	7/21/2023 15:08
Lavern Hanna	lavernlhanna@hotmail.com	7/21/2023 15:08
LISA WILLIAMS	bestmommy140@live.com	7/21/2023 15:08
Shamece Pinder	spinder1405@gmail.com	7/21/2023 15:09
Florence Brown Knowles	flojo2007@hotmail.com	7/21/2023 15:09
Godfrey Russell	islandboy1@batelnet.bs	7/21/2023 15:11
Shannon Hanna	shanna@nwccubahamas.com	7/21/2023 15:11
Rose Knight	rosferkni_3@hotmail.com	7/21/2023 15:13
NICOLA ARNETTE	narnette@nwccubahamas.com	7/21/2023 15:14
Arlington Hanna	arlingtonhanna63@yahoo.com	7/21/2023 15:14
Annie J. Beckles	anniejbeckles@yahoo.com	7/21/2023 15:15
Alcondo Hepburn	alcondo.hepburn@hotmail.com	7/21/2023 15:15
Sonia Williams	soniawill242@gmail.com	7/21/2023 15:15
Dian Gray	dladylibra@hotmail.com	7/21/2023 15:16
Bianca Rahming-Brown	btrahming@gmail.com	7/21/2023 15:16
Cheryl Hurst	cheryl4it@yahoo.co.uk	7/21/2023 15:16
Cyprianna Stuart	cyprianna_stuart@hotmail.com	7/21/2023 15:17
Bianca Rahming-Brown	btrahming@gmail.com	7/21/2023 15:18
Heather Wood-Fowler	hawood57@gmail.com	7/21/2023 15:19

Sheree Neymour	sneymour@nwccubahamas.com	7/21/2023 15:19
DAMIEN MAYCOCK	damarinaj2008@gmail.com	7/21/2023 15:20
Welbourne Cunningham Jr	wellyd76@gmail.com	7/21/2023 15:20
Shantel Saunders	shantelsaunders@gmail.com	7/21/2023 15:20
Robert Farquharson	r_farq@yahoo.com	7/21/2023 15:20
Shernell Gardiner	shernellgardiner@hotmail.com	7/21/2023 15:21
Kendrick Stubbs	stubbskendrickv@gmail.com	7/21/2023 15:24
Sonia Williams	soniawill242@gmail.com	7/21/2023 15:24
Bianca Rahming-Brown	btrahming@gmail.com	7/21/2023 15:24
Brendalee Knowles	sept7981bknowles@gmail.com	7/21/2023 15:25
Patrice Cooper	rangiecooper@yahoo.com	7/21/2023 15:25
Noreen (Ecovis) Campbell	noreen.campbell@ecovis.bs	7/21/2023 15:26
Betty Cartwright-Rolle	cartwrightseafood@gmail.com	7/21/2023 15:26
Tyronne Perpall	tejacen@hotmail.com	7/21/2023 15:27
Ken Rolee	kenrollej1@gmail.com	7/21/2023 15:27
Elayne Farquharson	felaynelouise46@gmail.com	7/21/2023 15:28
Cyprianna Stuart	cyprianna_stuart@hotmail.com	7/21/2023 15:29
Demetrius Sears	ds_cannon79@hotmail.com	7/21/2023 15:29
Joy McKinney	joyandjace@gmail.com	7/21/2023 15:29
Ebbie Jackson	ebbiejuan60@hotmail.com	7/21/2023 15:29
Brian Evans	bmevans@live.com	7/21/2023 15:30
Stephen Rolle	pharaoh1992@gmail.com	7/21/2023 15:30
Sherelle Sands-Rolle	shenique_sands@yahoo.com	7/21/2023 15:30
Marshanel Rolle	marshanelrolle@gmail.com	7/21/2023 15:30
Sophia Sears	captainsears38@gmail.com	7/21/2023 15:30
Janet Wilson	wilsonjanet720@gmail.com	7/21/2023 15:31
Bronson Sands	bronsonsands@hotmail.com	7/21/2023 15:31
Nadia Davis	omairnr@hotmail.com	7/21/2023 15:31
Melanie Harris	melloharris@hotmail.com	7/21/2023 15:31
Doreen Rolle	doreen_rolle@hotmail.com	7/21/2023 15:31
Welbourne Cunningham Jr	wellyd76@gmail.com	7/21/2023 15:31
Arlington Hanna	arlingtonhanna63@yahoo.com	7/21/2023 15:31
Florence Brown Knowles	flojo2007@hotmail.com	7/21/2023 15:32
NICOLA ARNETTE	narnette@nwccubahamas.com	7/21/2023 15:32
Rose Knight	rosferkni_3@hotmail.com	7/21/2023 15:32
Godfrey Russell	islandboy1@batelnet.bs	7/21/2023 15:32
LISA WILLIAMS	bestmommy140@live.com	7/21/2023 15:32
Sheree Neymour	sneymour@nwccubahamas.com	7/21/2023 15:32
Janet Hall	jhall@nwccubahamas.com	7/21/2023 15:33
Lavern Hanna	lavernlhanna@hotmail.com	7/21/2023 15:33
Yvonne Rahming	no_weaponformed@hotmail.com	7/21/2023 15:33
Shannon Hanna	shanna@nwccubahamas.com	7/21/2023 15:33
Alcondo Hepburn	alcondo.hepburn@hotmail.com	7/21/2023 15:33
Heather Wood-Fowler	hawood57@gmail.com	7/21/2023 15:33
Shernell Gardiner	shernellgardiner@hotmail.com	7/21/2023 15:33

Dian Gray	dladylibra@hotmail.com	7/21/2023 15:33
Kendrick Stubbs	stubbskendrickv@gmail.com	7/21/2023 15:33
Annie J. Beckles	anniejbeckles@yahoo.com	7/21/2023 15:33
Shantel Saunders	shantelsaunders@gmail.com	7/21/2023 15:33
Bianca Rahming-Brown	btrahming@gmail.com	7/21/2023 15:33
Sonia Williams	soniawill242@gmail.com	7/21/2023 15:33
Brendalee Knowles	sept7981bknowles@gmail.com	7/21/2023 15:33
Patrice Cooper	rangiecooper@yahoo.com	7/21/2023 15:33
Noreen Campbell (Ecovis)	noreen.campbell@ecovis.bs	7/21/2023 15:33
Betty Cartwright-Rolle	cartwrightseafood@gmail.com	7/21/2023 15:33
Robert Farquharson	r_farq@yahoo.com	7/21/2023 15:34
Elayne Farquharson	felaynelouise46@gmail.com	7/21/2023 15:34
Ken Rolee	kenrollej1@gmail.com	7/21/2023 15:34
Demetrius Sears	ds_cannon79@hotmail.com	7/21/2023 15:34
Cyprianna Stuart	cyprianna_stuart@hotmail.com	7/21/2023 15:34
Ebbie Jackson	ebbiejuan60@hotmail.com	7/21/2023 15:34
Sherelle Sands-Rolle	shenique_sands@yahoo.com	7/21/2023 15:34
Brian M. Evans (Brian Evans)	bmevans@live.com	7/21/2023 15:34
Ruddesha Strachan	ruddeshastrachan@gmail.com	7/21/2023 15:34
Linda Knowles	justy422@yahoo.com	7/21/2023 15:34
Stephen Rolle	pharoah1992@gmail.com	7/21/2023 15:34
LISA WILLIAMS	bestmommy140@live.com	7/21/2023 15:34
DAMIEN MAYCOCK	damarinaj2008@gmail.com	7/21/2023 15:34
Marshanel Rolle	marshanelrolle@gmail.com	7/21/2023 15:34
Tyronne Perpall	tejacen@hotmail.com	7/21/2023 15:34
Doreen Rolle	doreen_arolle@hotmail.com	7/21/2023 15:34
Welbourne Cunningham Jr	wellyd76@gmail.com	7/21/2023 15:35
Florence Brown Knowles	flojo2007@hotmail.com	7/21/2023 15:35
Janet Hall	jhall@nwccubahamas.com	7/21/2023 15:35
Patrice Evans	patriceevans242@gmail.com	7/21/2023 15:35
Robert Farquharson	r_farq@yahoo.com	7/21/2023 15:35
Arlington Hanna	arlingtonhanna63@yahoo.com	7/21/2023 15:35
Patrice Evans	patriceevans242@gmail.com	7/21/2023 15:35
Linda Knowles	justy422@yahoo.com	7/21/2023 15:35
Sophia Sears	captainsears38@gmail.com	7/21/2023 15:35
Indirah Adderley	indirah_dames@yahoo.com	7/21/2023 15:35
iPhone	c.anthonyrussell@gmail.com	7/21/2023 15:36
Joy McKinney	joyandjace@gmail.com	7/21/2023 15:36
Indirah Adderley	indirah_dames@yahoo.com	7/21/2023 15:36
Cheryl Hurst	cheryl4it@yahoo.co.uk	7/21/2023 15:36
Cheryl E. Hurst (Cheryl Hurst)	cheryl4it@yahoo.co.uk	7/21/2023 15:36
Brian Evans	islandlife1910@gmail.com	7/21/2023 15:37
Janet Wilson	wilsonjanet720@gmail.com	7/21/2023 15:37
Anna Colebrooke	annacolebrooke744@gmail.com	7/21/2023 15:37
Brian Evans	islandlife1910@gmail.com	7/21/2023 15:37

Ruddesha Strachan	ruddeshastrachan@gmail.com	7/21/2023 15:37
Anna Colebrooke	annacolebrooke744@gmail.com	7/21/2023 15:37
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 15:38
Elizabeth Brown	lizbrown939@hotmail.com	7/21/2023 15:38
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 15:38
Elizabeth Brown	lizbrown939@hotmail.com	7/21/2023 15:39
Genetha Russell	genetharussell48@gmail.com	7/21/2023 15:39
Genetha Russell	genetharussell48@gmail.com	7/21/2023 15:39
Retta Douglas	rettad42@outlook.com	7/21/2023 15:40
Retta Douglas	rettad42@outlook.com	7/21/2023 15:40
Shamine Johnson	shaminejohnson@yahoo.com	7/21/2023 15:40
Frederick Bastian	leasserbastian@live.com	7/21/2023 15:40
Shamine Johnson	shaminejohnson@yahoo.com	7/21/2023 15:41
Frederick & Leasser Bastian (Frederick Bastian)	leasserbastian@live.com	7/21/2023 15:41
Cristy Evans	cristyevans89@gmail.com	7/21/2023 15:42
Cristy Evans	cristyevans89@gmail.com	7/21/2023 15:42
Lateisha Black	lateisha_black@hotmail.com	7/21/2023 15:42
Lateisha Black	lateisha_black@hotmail.com	7/21/2023 15:42
Nike' Gardiner	nekayg@gmail.com	7/21/2023 15:43
Nike' Gardiner	nekayg@gmail.com	7/21/2023 15:43
Richard Johnson	lionheart2608@gmail.com	7/21/2023 15:43
Richard Johnson	lionheart2608@gmail.com	7/21/2023 15:43
Lovy Jean	lovy.jean@gkco.com	7/21/2023 15:43
Lovy Jean	lovy.jean@gkco.com	7/21/2023 15:43
Wilbert Collie	wilbertcollie1954@gmail.com	7/21/2023 15:44
Alcondo Hepburn	alcondo.hepburn@hotmail.com	7/21/2023 15:44
Noreen Campbell (Ecovis)	noreen.campbell@ecovis.bs	7/21/2023 15:44
Wilbert Collie	wilbertcollie1954@gmail.com	7/21/2023 15:44
Alcondo Hepburn	alcondo.hepburn@hotmail.com	7/21/2023 15:45
Noreen Campbell (Ecovis)	noreen.campbell@ecovis.bs	7/21/2023 15:46
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 15:47
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 15:47
Carron Neely	cddneely_53@outlook.com	7/21/2023 15:48
Carron Neely	cddneely_53@outlook.com	7/21/2023 15:48
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 15:49
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 15:49
Dave Sweeting	dsweeting@gbshipyard.com	7/21/2023 15:49
Jasmine Ferguson	jferguson@nwccubahamas.com	7/21/2023 15:49
Vinnah Adderley	vadderley@nwccubahamas.com	7/21/2023 15:49
Vinnah Adderley	vadderley@nwccubahamas.com	7/21/2023 15:50
Dave Sweeting	dsweeting@gbshipyard.com	7/21/2023 15:50
Jasmine Ferguson	jferguson@nwccubahamas.com	7/21/2023 15:50
Cheryl E. Hurst	cheryl4it@yahoo.co.uk	7/21/2023 15:51
Leshon Neely	leshoneely@gmail.com	7/21/2023 15:51
Leshon Neely	leshoneely@gmail.com	7/21/2023 15:52

Linda Knowles	justy422@yahoo.com	7/21/2023 15:52
Cheryl E. Hurst	cheryl4it@yahoo.co.uk	7/21/2023 15:52
Linda Knowles	justy422@yahoo.com	7/21/2023 15:52
Alfred Poitier	alfredpoitier@hotmail.com	7/21/2023 15:53
Doreen Rolle	doreen_rolle@hotmail.com	7/21/2023 15:53
Chidese Taylor	ctaylor@nwccubahamas.com	7/21/2023 15:53
Robert Cox (Alfred Poitier)	alfredpoitier@hotmail.com	7/21/2023 15:53
Doreen Rolle	doreen_rolle@hotmail.com	7/21/2023 15:53
Chidese Taylor	ctaylor@nwccubahamas.com	7/21/2023 15:54
Jasmine Ferguson	jferguson@nwccubahamas.com	7/21/2023 15:54
Wilbert Collie	wilbertcollie1954@gmail.com	7/21/2023 15:54
Tyronne Perpall	tejacen@hotmail.com	7/21/2023 15:54
Lovy Jean	lovy.jean@gkco.com	7/21/2023 15:55
Jasmine Ferguson	jferguson@nwccubahamas.com	7/21/2023 15:55
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 15:55
Marshanel Rolle	marshanelrolle@gmail.com	7/21/2023 15:55
Wilbert Collie	wilbertcollie1954@gmail.com	7/21/2023 15:55
Tyronne Perpall	tejacen@hotmail.com	7/21/2023 15:55
Lovy Jean	lovy.jean@gkco.com	7/21/2023 15:55
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 15:55
Marshanel Rolle	marshanelrolle@gmail.com	7/21/2023 15:56
Linda Knowles	justy422@yahoo.com	7/21/2023 15:56
Candice Bain	candicefbain@gmail.com	7/21/2023 15:57
Candice Bain	candicefbain@gmail.com	7/21/2023 15:57
Elizabeth Brown	lizbrown939@hotmail.com	7/21/2023 15:58
Shonnell Storr Russell	shonnellstorr@gmail.com	7/21/2023 15:58
Linda Knowles	justy422@yahoo.com	7/21/2023 15:58
Shonnell Storr Russell	shonnellstorr@gmail.com	7/21/2023 15:58
Linda Knowles	justy422@yahoo.com	7/21/2023 15:58
Kendrick Stubbs	stubbskendrickv@gmail.com	7/21/2023 15:59
Kim THOMPSON	kimm.thompson@hotmail.com	7/21/2023 15:59
Kim THOMPSON	kimm.thompson@hotmail.com	7/21/2023 16:00
Kendrick Stubbs	stubbskendrickv@gmail.com	7/21/2023 16:00
Dian Gray	dladylibra@hotmail.com	7/21/2023 16:00
Dian Gray	dladylibra@hotmail.com	7/21/2023 16:00
Elizabeth Brown	lizbrown939@hotmail.com	7/21/2023 16:01
Tanya Neilly	lamansion34@yahoo.com	7/21/2023 16:01
Linda Knowles	justy422@yahoo.com	7/21/2023 16:01
Elizabeth Brown	lizbrown939@hotmail.com	7/21/2023 16:02
Linda Knowles	justy422@yahoo.com	7/21/2023 16:02
Tanya Neilly	lamansion34@yahoo.com	7/21/2023 16:02
Linda Knowles	justy422@yahoo.com	7/21/2023 16:03
Linda Knowles	justy422@yahoo.com	7/21/2023 16:03
Kennesha Rolle	krolle16@hotmail.com	7/21/2023 16:05
Kennesha Rolle	krolle16@hotmail.com	7/21/2023 16:05

Renardo K	renardokara242@gmail.com	7/21/2023 16:07
Bianca Rahming	btrahming@gmail.com	7/21/2023 16:09
Jane Gibson	janedgibson50@gmail.com	7/21/2023 16:09
Bianca Rahming	btrahming@gmail.com	7/21/2023 16:09
Jane Gibson	janedgibson50@gmail.com	7/21/2023 16:10
ALVINA ADDERLEY	nwccuberryislands@gmail.com	7/21/2023 16:10
Linda Knowles	justy422@yahoo.com	7/21/2023 16:10
Alana Cartwright	alanameredith20@gmail.com	7/21/2023 16:11
Alana Cartwright	alanameredith20@gmail.com	7/21/2023 16:11
ALVINA ADDERLEY	nwccuberryislands@gmail.com	7/21/2023 16:11
Candice Bain	candicefbain@gmail.com	7/21/2023 16:12
TANYGELA BRENNEN	pebblesbrennen@gmail.com	7/21/2023 16:13
TANYGELA BRENNEN	pebblesbrennen@gmail.com	7/21/2023 16:13
Linda Knowles	justy422@yahoo.com	7/21/2023 16:13
Kenneth Knowles (Linda Knowles)	justy422@yahoo.com	7/21/2023 16:13
Sonia Williams	soniawill242@gmail.com	7/21/2023 16:17
Sonia Williams	soniawill242@gmail.com	7/21/2023 16:17
Jane Gibson	janedgibson50@gmail.com	7/21/2023 16:18
Florence Brown Knowles	flojo2007@hotmail.com	7/21/2023 16:18
Carron Neely	cddneely_53@outlook.com	7/21/2023 16:19
Carron Neely	cddneely_53@outlook.com	7/21/2023 16:19
Retta Douglas	rettad42@outlook.com	7/21/2023 16:21
Retta Douglas	rettad42@outlook.com	7/21/2023 16:21
Sonia Williams	soniawill242@gmail.com	7/21/2023 16:22
Marshanell Rolle	marshanellrolle@gmail.com	7/21/2023 16:22
Marshanell Rolle	marshanellrolle@gmail.com	7/21/2023 16:23
Felicia R	felialaurent@googlemail.com	7/21/2023 16:26
Felicia R	felialaurent@googlemail.com	7/21/2023 16:26
LISA WILLIAMS	bestmommy140@live.com	7/21/2023 16:27
LISA WILLIAMS	bestmommy140@live.com	7/21/2023 16:28
Genetha Russell	genetharussell48@gmail.com	7/21/2023 16:30
Genetha Russell	genetharussell48@gmail.com	7/21/2023 16:30
Kendal (Internal Auditor) Christie	info@kchristieco.com	7/21/2023 16:30
Kendal (Internal Auditor) Christie	info@kchristieco.com	7/21/2023 16:30
Sherrine Sears-Backford	snickers832001@hotmail.com	7/21/2023 16:32
Sherrine Sears-Backford	snickers832001@hotmail.com	7/21/2023 16:33
Charles Russell	c.anthonyrussell@gmail.com	7/21/2023 16:34
Charles Russell	c.anthonyrussell@gmail.com	7/21/2023 16:34
Olivia Saunders	1olivia11@gmail.com	7/21/2023 16:36
Olivia Saunders	1olivia11@gmail.com	7/21/2023 16:36
Genetha Russell	genetharussell48@gmail.com	7/21/2023 16:37
Genetha Russell	genetharussell48@gmail.com	7/21/2023 16:37
Sonia Williams	soniawill242@gmail.com	7/21/2023 16:39
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 16:40
ALVINA ADDERLEY	nwccuberryislands@gmail.com	7/21/2023 16:41

Andrea Bain	andreabain50@gmail.com	7/21/2023 16:44
Andrea Bain	andreabain50@gmail.com	7/21/2023 16:44
Andrea Bain	andreabain50@gmail.com	7/21/2023 16:46
Andrea Bain	andreabain50@gmail.com	7/21/2023 16:49
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 16:50
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 16:50
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 16:52
Victoria Roberts	vroberts@nwccubahamas.com	7/21/2023 16:53
Victoria Roberts	vroberts@nwccubahamas.com	7/21/2023 16:53
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 16:54
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 16:54
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 17:00
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 17:04
Kendal (Internal Auditor) Christie	info@kchristieco.com	7/21/2023 17:05
Kendrick Christie-Internal Auditor (Kendal (Internal Auditor) Christie)	info@kchristieco.com	7/21/2023 17:05
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 17:06
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 17:06
Renardo K	renardokara242@gmail.com	7/21/2023 17:13
Renardo K	renardokara242@gmail.com	7/21/2023 17:14
Renardo K	renardokara242@gmail.com	7/21/2023 17:17
Kennesha Rolle	krolle16@hotmail.com	7/21/2023 17:22
Kennesha Rolle	krolle16@hotmail.com	7/21/2023 17:22
Bianca Rahming	btrahming@gmail.com	7/21/2023 17:26
Bianca Rahming	btrahming@gmail.com	7/21/2023 17:28
Sherelle Sands-Rolle	shenique_sands@yahoo.com	7/21/2023 17:35
Jenelle Cumberbatch	jenellecumberbatch@yahoo.com	7/21/2023 17:35
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 17:35
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 17:36
Jenelle Cumberbatch	jenellecumberbatch@yahoo.com	7/21/2023 17:36
Godfrey Russell	islandboy1@batelnet.bs	7/21/2023 17:37
Godfrey Russell	islandboy1@batelnet.bs	7/21/2023 17:37
Shonnell Storr Russell	shonnellstorr@gmail.com	7/21/2023 17:42
Shonnell Storr Russell	shonnellstorr@gmail.com	7/21/2023 17:42
Renardo K	renardokara242@gmail.com	7/21/2023 17:48
Renardo K	renardokara242@gmail.com	7/21/2023 17:48
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 17:48
Franklyn Strachan	franklyn12desha@gmail.com	7/21/2023 17:49
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 17:50
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 17:50
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 17:50
Doreen Rolle	doreen_arolle@hotmail.com	7/21/2023 17:51
Sonia Williams	soniawill242@gmail.com	7/21/2023 17:51
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 17:52
Sonia Williams	soniawill242@gmail.com	7/21/2023 17:52

Sonia Williams	soniawill242@gmail.com	7/21/2023 17:53
Kevin Hanna	kevinahanna@hotmail.com	7/21/2023 17:56
Kevin Hanna	kevinahanna@hotmail.com	7/21/2023 17:56
Leo Douglas	ldouglasr@hotmail.com	7/21/2023 17:58
Leo Douglas	ldouglasr@hotmail.com	7/21/2023 17:58
Tanya Neilly	lamansion34@yahoo.com	7/21/2023 17:58
Tanya Neilly	lamansion34@yahoo.com	7/21/2023 17:58
Jenelle Cumberbatch	jenellecumberbatch@yahoo.com	7/21/2023 17:59
Jenelle Cumberbatch	jenellecumberbatch@yahoo.com	7/21/2023 17:59
Shonnell Storr Russell	shonnellstorr@gmail.com	7/21/2023 17:59
Shonnell Storr Russell	shonnellstorr@gmail.com	7/21/2023 17:59
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 18:09
Darrin Woods	darrinwoods1@gmail.com	7/21/2023 18:10
Darrin Woods	darrinwoods1@gmail.com	7/21/2023 18:10
Kendral Forbes	dralups371975@gmail.com	7/21/2023 18:10
Kendral Forbes	dralups371975@gmail.com	7/21/2023 18:11
Sophia Sears	captainsears38@gmail.com	7/21/2023 18:11
Sophia Sears	captainsears38@gmail.com	7/21/2023 18:11
Ebbie Jackson	ebbiejuan60@hotmail.com	7/21/2023 18:11
Ebbie Jackson	ebbiejuan60@hotmail.com	7/21/2023 18:11
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 18:12
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 18:12
Winifred Woods	winnieanddarrin@gmail.com	7/21/2023 18:17
Winifred Woods	winnieanddarrin@gmail.com	7/21/2023 18:17
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:20
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:20
Sonia Hamilton	soniacox.hamilton@gmail.com	7/21/2023 18:27
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:28
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:31
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:33
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:33
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:35
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:36
Deborah Zonicle	demizo1161@gmail.com	7/21/2023 18:41
Alfred Poitier	alfredpoitier@hotmail.com	7/21/2023 18:45

Financial Statements of

**NATIONAL WORKERS CO-OPERATIVE
CREDIT UNION LIMITED**

For the year ended December 31, 2023



NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Financial Statements

December 31, 2023

C O N T E N T S

	Page
Independent Auditors' Report	1 – 2
Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Changes in Members' Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 38
Independent Auditors' Report on Supplementary Information	39
Statement of Profit or Loss – Nassau, Head Office	40
Statement of Operating Expenses – Nassau, Head Office	41 – 42
Statement of Profit or Loss – Freeport Branch	43
Statement of Operating Expenses – Freeport Branch	44 – 45
Statement of Profit or Loss – Andros Branch	46
Statement of Operating Expenses – Andros Branch	47 – 48
Statement of Profit or Loss – Berry Islands Branch	49
Statement of Operating Expenses – Berry Islands Branch	50 – 51

INDEPENDENT AUDITORS' REPORT

To the Members of:
National Workers Co-operative Credit Union Limited

Opinion

We have audited the financial statements of National Workers Co-operative Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2023, 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 a summary of significant 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, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors' report is information included in the Credit Union's Annual Report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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.

ECOVIS Bahamas, Serenity House, East Bay Street, P.O. Box SS-6229, Nassau, The Bahamas Phone: +1 (242) 603-3410 Fax: +1 (242) 603-3430
E-Mail: nassau@ecovis.com Management: James B. Gomez, Noreen R. Campbell VAT-ID Number: 114394718 Headquarter: Nassau Registered in: The Bahamas

A member of ECOVIS International tax advisors accountants auditors lawyers in Algeria, Argentina, Australia, Austria, Bahamas, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Great Britain, Guatemala, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Morocco, Myanmar, Nepal, Netherlands, New Zealand, Norway, North Macedonia, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Republic of Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Tajikistan, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, USA (associated partners) and Vietnam.

ECOVIS International is a Swiss association. Each Ecovis member firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity. ECOVIS Bahamas is a member firm of ECOVIS International.



INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

The Directors are responsible for overseeing the Credit Union's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in cursive script that reads "Ecovis Bahamas".

ECOVIS Bahamas
Chartered Accountants
Nassau, The Bahamas

April 18, 2024

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position

As at December 31, 2023
(Expressed in Bahamian dollars)


	Notes	2023	2022
ASSETS			
Cash and cash equivalents	5	\$ 5,613,390	\$ 5,641,146
Deposits and short-term investments	6	5,108,077	5,030,257
Other assets	7	944,024	960,546
Deposits with the League	8	14,957,095	14,465,409
Financial investments	9	9,274,760	9,153,358
Loans receivable	10, 23	27,502,074	27,516,857
Investment properties	11	654,676	697,914
Property and equipment	12	4,850,492	4,763,168
TOTAL ASSETS		\$68,904,588	\$68,228,655
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Other liabilities	13	\$ 774,823	\$ 673,800
Lease liability	14.2	562,710	376,412
Members and other deposits	15, 23	63,637,098	63,743,381
Total liabilities		64,974,631	64,793,593
MEMBERS' EQUITY			
Qualifying shares	16, 23	2,093,532	1,544,646
Statutory reserve fund	17(i)	4,295,784	4,295,784
Fair value reserve	17(ii)	605,766	514,963
Revaluation reserve	12	154,517	154,517
Accumulated deficit		(3,219,642)	(3,074,848)
Total members' equity		3,929,957	3,435,062
TOTAL LIABILITIES AND MEMBERS' EQUITY		\$68,904,588	\$68,228,655

See notes to the financial statements.

These financial statements were approved on behalf of the Board and authorized for issue on April 18, 2024, and signed on its behalf by:


Leo A. Douglas
Chairman


Anna F. Colebrooke
Treasurer


Darrin M. Woods
Secretary

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	Notes	2023	2022
INTEREST INCOME			
Loan interest income	18, 23	\$ 2,978,821	\$ 3,141,095
Investment interest income	19	546,105	534,526
Interest on deposits with the League	8	210,440	206,613
Total interest income		3,735,366	3,882,234
INTEREST EXPENSE			
Deposit interest expense	20, 23	995,563	1,252,626
Total interest expense		995,563	1,252,626
NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT			
		2,739,803	2,629,608
Increase in provision for loan impairment	10	(76,637)	(2,309,340)
NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT			
		2,663,166	320,268
Other income	21	884,119	735,527
NET INTEREST AND OTHER INCOME		3,547,285	1,055,795
OPERATING EXPENSES			
Personnel	22, 23	1,885,355	1,893,433
Occupancy	22	469,925	385,786
Depreciation	22	415,099	345,370
Members' security	22	285,941	304,679
General business	22	399,896	260,841
Computer expense	22	111,996	104,753
Organizational	22	98,617	91,619
Marketing	22	25,250	41,641
Total operating expenses		3,692,079	3,428,122
LOSS FOR THE YEAR		(144,794)	(2,372,327)
OTHER COMPREHENSIVE INCOME			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Fair value change on equity securities	17(ii)	90,803	15,422
TOTAL COMPREHENSIVE LOSS		\$ (53,991)	\$ (2,356,905)

See notes to the financial statements.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Members' Equity

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	Notes	Qualifying Shares	Statutory Reserve Fund	Fair Value Reserve	Revaluation Reserve	Accumulated Deficit	Total
Balance as at December 31, 2021		\$ 1,434,716	\$ 4,295,784	\$ 499,541	\$ 154,517	\$ (702,521)	\$ 5,682,037
Comprehensive loss for the year							
Loss for the year		-	-	-	-	(2,372,327)	(2,372,327)
Fair value profit on marketable securities	17(ii)	-	-	15,422	-	-	15,422
Total comprehensive loss for the year		-	-	15,422	-	(2,372,327)	(2,356,905)
Transactions with members							
Net increase in membership	16	109,930	-	-	-	-	109,930
Total transactions with members		109,930	-	-	-	-	109,930
Balance as at December 31, 2022		1,544,646	4,295,784	514,963	154,517	(3,074,848)	3,435,062
Comprehensive loss for the year							
Loss for the year		-	-	-	-	(144,794)	(144,794)
Fair value profit on marketable securities	17(ii)	-	-	90,803	-	-	90,803
Total comprehensive loss for the year		-	-	90,803	-	(144,794)	(53,991)
Transactions with members							
Net increase in par value per share	16	548,886	-	-	-	-	548,886
Total transactions with members		548,886	-	-	-	-	548,886
Balance as at December 31, 2023		\$ 2,093,532	\$ 4,295,784	\$ 605,766	\$ 154,517	\$ (3,219,642)	\$ 3,929,957

See notes to the financial statements.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
Cash flows from operating activities:		
Net loss for the year	\$ (144,794)	\$ (2,372,327)
<i>Adjustment for items not affecting cash:</i>		
Interest income	(3,735,366)	(3,882,234)
Interest expense	995,563	1,252,626
Provision for loan impairment	151,478	2,404,350
Depreciation	415,099	345,370
	(2,318,020)	(2,252,215)
Changes in operating assets and liabilities:		
Interest received	3,245,070	3,329,056
Interest paid	(1,084,686)	(1,253,312)
Decrease/(increase) in other assets	16,522	(346,275)
Net (increase)/decrease in loans receivable	(135,509)	203,312
Increase in other liabilities	101,023	126,863
(Decrease)/increase in members and other deposits	(106,283)	2,156,731
Net cash (used in)/provided by operating activities	(281,883)	1,964,160
Cash flows from investing activities:		
Acquisition of financial investments	-	(530,700)
Acquisition of investment properties	-	(6,500)
Acquisition of property and equipment	(109,023)	(186,380)
Net cash used in investing activities	(109,023)	(723,580)
Cash flows from financing activities:		
Net issuance to qualifying shares	548,886	109,930
Principal paid on lease liabilities	(185,736)	(99,592)
Net cash provided by financing activities	363,150	10,338
Net (decrease)/increase in cash and cash equivalents	(27,756)	1,250,918
Cash and cash equivalents, beginning of year	5,641,146	4,390,228
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,613,390	\$ 5,641,146
Supplemental cash flow information:		
Dividends received	\$ 20,523	\$ 21,761

See notes to the financial statements.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

1. INCORPORATION AND ACTIVITIES

The National Workers Co-operative Credit Union Limited (the "Credit Union") was established in 1976 under the provisions of The Commonwealth of The Bahamas Cooperative Societies Act, 2005 (the "2005 Act").

On May 12, 2015, the government enacted The Bahamas Co-operative Credit Unions Act, 2015 (the "2015 Act") which superseded the 2005 Act. Under the 2015 Act, The Central Bank of The Bahamas is responsible for the administration of all co-operative credit unions. Effective June 1, 2015, the Credit Union was granted a Certificate of Continuance by The Central Bank of The Bahamas to continue as a co-operative credit union.

The Credit Union's primary purpose is to:

- Promote thrift among its members by affording them an opportunity to accumulate savings.
- Create for its members a source of credit for provident or productive purposes at reasonable rates of interest.
- Provide the opportunity for members to use and control their money for their mutual benefit in accordance with co-operative principles.

The Credit Union is affiliated with The Bahamas Co-operative League Limited (the "League") and The Caribbean Confederation of Credit Union.

The registered office of the Credit Union is located on Tonique Williams-Darling Highway, Nassau, The Bahamas.

2. LAWS AND REGULATIONS

During the year ended December 31, 2015, the Bahamas Co-operative Credit Unions Act, 2015 and the Bahamas Co-operative Credit Unions Regulations, 2015 came into effect. The Act transferred the regulation of credit unions in the Bahamas to The Central Bank of The Bahamas.

This regulatory framework affects these financial statements, and the effects are disclosed in the financial statements and the relevant notes:

- a) Section 65(1) of the Bahamas Co-operative Credit Unions Act, 2015 states that "*where a co-operative credit union realizes an annual surplus from its transactions, that co-operative credit union shall establish and maintain a statutory reserve fund as may be prescribed by regulations*".
- b) Section 122 of the Bahamas Co-operative Credit Unions Act, 2015 exempts the Credit Union from stamp duty relating to the execution of documents in the Bahamas, including loans granted.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied 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 Credit Union's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").
- b) **Basis of preparation** – These financial statements have been prepared under the historical cost convention except for certain financial investments which have been measured at fair value.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

- c) **Changes in accounting policies and disclosures** – Certain new standards, and amendments to existing standards, have been published by the IASB. The effects on the Credit Union's financial statements are set out below:

i) Amended standards effective January 1, 2023

The Credit Union adopted the following new and amended standards during the year:

- *IAS 1, 'Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements – Disclosure of Accounting Policies* - The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. There was no material impact to the Credit Union on adoption of this amendment and Practice Statement.
- *Definition of Accounting Estimates – Amendments to IAS 8*. The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. There was no impact to the Credit Union on adoption of this amendment.

ii) New standard issued but not yet effective or adopted

The following amended standard has been issued but is not yet effective and has not been early adopted. The Credit Union intends to adopt this standard when it becomes effective:

- *IAS 1, 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-current' (Amendment) (Effective January 1, 2024)* – The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its rights to defer settlement of a liability, explain that rights are in existence if covenants are compiled with at the end of the reporting period, and introduce a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

Management anticipates that the application of these amendments may not have a significant impact on the Credit Union's financial statements in future periods.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

d) **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements of the Credit Union are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Bahamian dollars, which is the Credit Union's functional and reporting currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the statement of comprehensive income.

- e) **Cash and cash equivalents** – Cash and cash equivalents are carried in the statement of financial position at amortized cost using the effective interest method. Cash and cash equivalents comprise cash in banks and short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.
 - f) **Time deposits with banks** – Time deposits with banks represent deposits at banks with original maturities of more than 90 days. These deposits are recognized in the statement of financial position at amortized cost using the effective interest method.
 - g) **Deposits with the League** – Deposits with the League represent the proceeds of the statutory reserve fund and the liquidity reserve fund, which are deposited with and administered by the League, as required by the Act. Other deposits are also held at the League. These deposits are carried at amortized cost using the effective interest method in the statement of financial position.
 - h) **Other receivables and prepayments** – Other receivables and prepayments which include refundable deposits, prepaid expenses, interest receivable and other receivables, are carried at cost in the statement of financial position, net of allowance for impairment, due to their short-term nature.
 - i) **Non-performing financial assets** – All loans to members on which principal or interest payments are overdue in excess of thirty (30) days are classified by management as non-performing and monitored closely for impairment.
 - 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 realize the asset and settle the liability simultaneously.
 - k) **Financial instruments** – A financial instrument is any contract that gives rise to both a financial asset of one enterprise and financial liability or equity of another enterprise.
- i) Recognition and derecognition
Financial assets and financial liabilities are recognized when the Credit Union becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

k) *Financial instruments (Continued)*

ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognized in profit or loss are presented within net interest and other income and provision for loan impairment and expected credit losses.

iii) Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Credit Union's cash and cash equivalents, time deposits with banks, deposits with the League, loans receivable, other assets and financial investments in debt securities fall into this category.

Financial assets at fair value through other comprehensive income (FVTOCI)

The Credit Union accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will not be recycled upon derecognition of the asset.

The Credit Union's financial investments in equity securities and investment in the League are classified as financial assets at FVTOCI.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

k) *Financial instruments* (Continued)

iv) Classification and subsequent measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Credit Unions' financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Credit Union designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within "interest income" or "interest expense".

The Credit Union's financial liabilities include members' regular deposits, other deposits and other liabilities which are measured at amortized cost using the effective interest rate method. Discounting, however, is omitted where the effect of discounting is immaterial.

v) Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the "expected credit loss (ECL) model". This replaces IAS 39's "incurred loss model". Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVTOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Credit Union first identifying a credit loss event. Instead, the Credit Union considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

To comply with IFRS 9, the Credit Union have estimated forward-looking losses for all outstanding loans. How the losses are estimated depends upon the performance of the loan. Three stages were recognized as shown below:

- Stage 1: Performing loans - 12-month loss forecast;
- Stage 2: Significantly increased risk and not low risk - Lifetime loss forecast; and
- Stage 3: Impaired loans - Lifetime loss forecast.

The model structure follows a Basel II approach (Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD)) with the addition of probability of attrition (PA) to facilitate lifetime loss forecasting considering both PD and PA provides a competing risks approach necessary for accurate long-range forecasting.

The models are estimated in stages: vintage decomposition, macroeconomic correlations, and loan-level discrete time survival modeling. Each stage provides necessary inputs to the next.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

k) **Financial instruments** *(Continued)*

v) **Impairment of financial assets** *(Continued)*

Vintage decomposition is performed with an Age-Period-Cohort (APC) algorithm. The APC algorithm provides the decomposition components: (1) a lifecycle function versus the age of the account, (2) a vintage function versus loan origination date quantifying unique risk scaling by vintage, and (3) an environment function versus calendar date that captures systematic affects across all accounts on a given date, most commonly macroeconomic drivers. The APC algorithm produces these estimates non-parametrically, so it does not explain what changes in underwriting might drive changes in the vintage function or what macroeconomic changes may cause the observed movements in the environment function. To provide an explanation, additional modeling is done.

In a second phase, a model is built to represent the environmental component as a function of factors such as macroeconomic indicators like house prices and unemployment. Similarly, to explain how shifts in underwriting affect the vintage function, a multi-horizon survival model (MSM) is created with the APC lifecycle and environment as inputs alongside origination or behavioral scoring factors. The coefficients of the MSM are also functions of forecast horizon to capture the changing value of the information with time.

To create forecasts, macroeconomic scenarios are used to extend the environment function. This future estimate of the environment function is combined with lifecycle and credit quality for a given account in order to create forecasts.

vi) **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

vii) **Fair value measurement hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Credit Union's financial assets at FVTPL are classified within Level 1 and 2.

- l) **Provisions** – Provisions for restructuring costs and legal claims are recognized when the Credit Union has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

- l) **Related parties** – Related parties represent entities or individuals who can exercise significant influence or control over the operations and policies of the Credit Union. In these financial statements, current and past members of the Board of Directors, committee members (one year past), management staff and their close relatives are classified as related parties.

The Credit Union is a member of the League and has a representative on the Board of Directors. Accordingly, the League is considered a related party in these financial statements.

All related party transactions and balances are shown as such in these financial statements.

- m) **Investment properties** – Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Credit Union, are classified as investment properties. Investment properties comprise office buildings leased out under operating lease agreements and land which is held for capital appreciation.

Some properties may be partially occupied by the Credit Union, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Credit Union can be sold separately, the Credit Union accounts for the portions separately. The portion that is owner-occupied is accounted for as property, plant and equipment under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40.

When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied. The Credit Union considers the owner-occupied portion as insignificant when the property is more than 5% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Credit Union uses the size of the property measured in square feet.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

After initial recognition, the Credit Union has elected to account for investment property at cost, measuring the investment property at its initial recognition value, less accumulated depreciation, and impairment losses, if any. Every three (3) to five (5) years, independent appraisers determine the fair value of all investment properties.

Land is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate their cost over 40 years.

- n) **Leases**

The Credit Union as a lessor

The Credit Union leases out its investment properties. The Credit Union has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income arising is accounted for on a straight-line basis over the lease term and is included in profits/(losses) on rental properties in the statement of comprehensive income (see Note 12).

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

n) **Leases** (Continued)

The Credit Union as a lessee

At inception of a contract, the Credit Union assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Credit Union assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Credit Union has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Credit Union has the right to direct the use of the asset. The Credit Union has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

- o) **Property, plant and equipment** – Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributed to the acquisition of an item.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Credit Union and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate costs over the estimated useful lives as follows:

Buildings	-	30 years
Building improvements	-	5 years
Leasehold improvements	-	5 years
Furniture and equipment	-	5 years
Computer hardware and software	-	5 years
Automobiles	-	5 years

The asset's useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized within other income in the statement of comprehensive income.

- p) **Members' regular deposits** – Members' regular deposits represent the deposit holdings of the Credit Union's members, to satisfy membership requirements and facilitate eligibility for loans and other benefits. These deposits earn interest on the first day of the month following such deposits, provided that the amounts paid in on the first day of any month shall earn interest from that day. The rate of interest payable on members' regular deposits is recommended by the Board of Directors, through a resolution to the general membership, and voted on by the members at the annual general meetings

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

- q) **Other deposits** – Other deposits represent term and other deposits, savings accounts, and retirement accounts, which are held by members and non-members of the Credit Union. These deposits, if interest bearing, bear interest at rates that are also set by the Board of Directors, but do not require the approval of the general membership at the annual general meetings.
- r) **Qualifying shares** – Qualifying shares are shares required to become a member of the Credit Union as described in the Credit Union's Bye-Laws. Each member of the Credit Union is required to own a minimum of 10 qualifying shares with a par value of \$5 each for an equivalent qualifying share value of \$50. These shares entitle each member to 1 vote at the annual general meetings.
- s) **Statutory reserve** – This reserve is set up in accordance with the provisions of the Bahamas Co-operative Credit Unions Act, 2015 set out in Note 2(a) to the financial statements. The proceeds of this reserve are deposited with the League and are not available for distribution.
- t) **Fair value reserve** – Fair value reserve represents increases or decreases in the fair values of equity financial investments at FVTOCI reported directly in equity.
- u) **Statutory reserve** – This reserve is set up in accordance with the provisions of the Bahamas Co-operative Credit Unions Act, 2015 set out in Note 2(a) to the financial statements. The proceeds of this reserve are deposited with the League and are not available for distribution.
- v) **Fair value reserve** – Fair value reserve represents increases or decreases in the fair values of equity financial investments at FVTOCI reported directly in equity.
- w) **Retained earnings** – Retained earnings represent the undistributed surplus after statutory appropriations and dividends.
- x) **Dividends declaration** – Section 33 (2)(b) of The Bahamas Co-operative Credit Union Act, 2015, states that the Credit Union “shall not pay a dividend or make any payment an account or out of its surplus unless the requirements under section 65 (2)(b) have been complied with”, (see Note 26).
- y) **Interest income and expense recognition** – Interest income and expense are recognized in the statement of comprehensive income for all instruments measured at amortized cost using the effective interest method. Loan origination fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loans. Loan interest income is not recognized on loans that are past due for periods exceeding 90 days.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

- z) **Fees and other income** – Fees and other income are recognized on the accrual basis. Performance linked fees or fee components are recognized when the performance criteria are fulfilled.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

- aa) **Operating expenses** – Operating expenses are recognized on the accrual basis in the statement of comprehensive income.
- bb) **League dues and stabilization fees** – The League has fixed its dues at \$12 annually per member, while stabilization fees are set at \$3 annually per member.
- cc) **Employee benefits** – The Credit Union's employees participate in a defined contribution pension plan, administered by an external party. A defined contribution pension plan is a pension plan under which the Credit Union pays fixed contributions into a separate entity.

The Credit Union has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Credit Union's contributions are recognized as employee benefits expense in the statement of comprehensive income when they are due.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and contingent assets and contingent liabilities at the statement of financial position date and the income and expenses for the year then ended. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

a) **Expected Credit Losses**

The Credit Union measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for debt investment securities that are determined to have low credit risk at the reporting date and loans and advances where credit risk has not increased significantly since their initial recognition. In particular, management judgement is required in the estimate of whether credit risk of an instrument has increased significantly, inputs into the ECL quantitative model and in the use of forward-looking information.

The Credit Union assesses whether credit risk on a financial asset has increased significantly considering reasonable and supportable information since initial recognition in order to determine whether a 12-month ECL or lifetime ECL should be recognized. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Credit Union's historical experience and expert credit assessment.

b) **Property and Equipment**

Depreciation methods, useful lives and residual values require estimation and are reviewed annually and adjusted if appropriate.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	Interest Rate	2023	2022
Cash on hand	N/A	\$ 848,535	\$ 548,457
Non-interest bearing accounts	0.00%	1,797,377	2,299,487
Interest bearing accounts	1.25%	2,967,478	2,793,202
		\$ 5,613,390	\$ 5,641,146

The Credit Union has an overdraft facility for the Freeport Branch with one of its Bankers in the amount of \$85,000, that bears interest at the rate of Bahamas Prime plus 2.5% (effective interest rate 6.75%) per annum and which at the end of the reporting period was unused.

During the year, the Credit Union established a customs bond facility for the Freeport Branch with another one of its bankers in the amount of \$10,000. Both of these facilities are secured by the hypothecation of fixed deposits in Note 6 below.

6. DEPOSITS AND SHORT-TERM INVESTMENTS

Deposits and short-term investments are comprised of the following:

	Interest Rate	2023	2022
Fidelity Bank Bahamas Limited	2.00%-2.50%	\$ 4,955,619	\$ 4,887,891
Scotiabank (Bahamas) Limited	0.03%-0.08%	142,458	142,366
Bank of the Bahamas Limited	2.50%	10,000	-
		5,108,077	5,030,257
Restricted (Note 5)		(95,000)	(85,000)
		\$ 5,013,077	\$ 4,945,257

The restricted deposits represent amounts hypothecated for the overdraft and customs bond facilities at the Freeport Branch in Note 5 above.

7. OTHER ASSETS

Other assets represent the following:

	2023	2022
Prepaid expenses	\$ 259,897	\$ 286,127
Investment interest receivable	301,442	265,313
Accounts receivable and refundable	219,146	245,567
Other assets	131,425	131,425
Vault difference	32,114	32,114
	\$ 944,024	\$ 960,546

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

8. DEPOSITS WITH THE LEAGUE

Deposits with the League are comprised of the following:

	Interest Rate	2023	2022
Statutory reserve deposits (i)	1.44%		
<i>Balance, beginning of year</i>		\$ 7,626,217	\$ 7,517,381
<i>Interest earned during the year</i>		110,412	108,836
<i>Balance, end of year</i>		7,736,629	7,626,217
Liquidity reserve deposits (ii)	1.44%		
<i>Balance, beginning of year</i>		6,839,192	6,741,415
<i>Interest earned during the year</i>		99,195	97,777
<i>Balance, end of year</i>		6,938,387	6,839,192
Dormant account deposits	1.00%		
<i>Deposit for dormant accounts (Note 13)</i>		281,246	-
<i>Interest earned during the year</i>		833	-
<i>Balance, end of year</i>		282,079	-
TOTAL DEPOSITS AT THE LEAGUE		\$ 14,957,095	\$ 14,465,409
<i>Total interest earned during the year</i>		\$ 210,440	\$ 206,613

- i) **Statutory reserve deposits** – Section 65(1) of the Act requires that annual amounts be transferred from retained earnings to the statutory reserves, before the payment of dividends. The proceeds of this reserve are held at the League. At the end of the reporting period, the surplus in the statutory reserve fund is as follows:

	2023	2022
Statutory reserve deposits with the League	\$ 7,736,629	\$ 7,626,217
Requirement (10% of total assets)	(6,890,459)	(6,822,866)
<i>Surplus in statutory reserve deposits</i>	\$ 846,170	\$ 803,352

- ii) **Liquidity reserve deposits** – Section 65(2) of the Act stipulates that not less than 10% of the Credit Union's members' deposits are kept in a "liquidity reserve fund". The proceeds of the liquidity reserve fund are deposited with the League. At the end of the reporting period, the surplus in the liquidity reserve fund is as follows:

	2023	2022
Liquidity reserve deposits with the League	\$ 6,938,387	\$ 6,839,192
Requirement (10% of members' deposits)	(6,363,710)	(6,374,338)
<i>Surplus in liquidity reserve deposits</i>	\$ 574,677	\$ 464,854

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***9. FINANCIAL INVESTMENTS**

Financial investments are comprised of the following:

		2023	2022
<u>Debt securities - Amortized cost</u>			
	<u>Interest Rate (%)</u>		
<i>Bahamas Government Registered Stocks:</i>			
Maturing in 2024	4.500	\$ 3,700	\$ 3,700
Maturing in 2025	4.531	102,000	102,000
Maturing in 2030	5.900	1,000,000	1,000,000
Maturing in 2032	5.432	500,000	500,000
Maturing in 2033	5.400	2,000,000	2,000,000
Maturing in 2037	4.875	200,000	200,000
Maturing in 2040	5.300	425,900	425,900
Maturing in 2041	6.000	400,000	400,000
Maturing in 2050	5.290 - 6.250	3,049,900	3,049,900
<i>Total Bahamas Government Registered Stocks</i>		7,681,500	7,681,500
<i>Corporate Bonds:</i>			
Bahamas First Holdings Limited Series II (Oct-2025)	6.250	100,000	100,000
<i>Total Corporate Bonds</i>		100,000	100,000
<i>Total debt securities</i>		7,781,500	7,781,500
<u>Equity securities - FVTOCI</u>			
<i>Quoted investments:</i>			
CFAL Money Market Investment Fund A		785,290	733,281
Freeport Oil Holdings Company Limited		342,000	286,560
Famguard Corporation Limited		88,200	78,540
Emera Incorporated		42,409	42,683
CFAL Balanced Fund Limited		37,211	35,044
		1,295,110	1,176,108
<i>Unquoted investments:</i>			
FOCOL Holdings Limited Preference Shares B prime plus 1.75%		88,000	88,000
The Bahamas Co-operative League Limited		66,950	64,550
FOCOL Holdings Limited Preference Shares A prime plus 1.75%		43,200	43,200
		198,150	195,750
<i>Total equities securities</i>		1,493,260	1,371,858
Total		\$ 9,274,760	\$ 9,153,358

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

10. LOANS RECEIVABLE

The Credit Union has a lien on the shares, deposits and savings of all members with outstanding loan balances. Interest is charged at various rates per month on the outstanding principal balance of members' loans over the term of the loan. The rate of interest charged is based on the type of loan. In most instances, loans are repaid via salary deductions, which are established at the time the various loans are granted.

a) Loans receivable after provision for credit losses consist of the following:

	2023	2022
Consumer	\$ 17,174,153	\$ 16,745,588
Mortgage	5,035,077	5,520,194
Debt consolidation	4,666,365	3,930,475
Revolving line of credit	4,287,271	4,916,352
Auto	151,120	52,519
Loans in collection	46,206	59,555
	31,360,192	31,224,683
Interest receivable	876,662	875,476
	32,236,854	32,100,159
Less: allowance for credit losses	(4,734,780)	(4,583,302)
	\$ 27,502,074	\$ 27,516,857

b) The movement of loans receivable during the year is as follows:

	2023	2022
Balance, beginning of year	\$ 31,224,683	\$ 31,427,995
Add: disbursements during the year	5,809,878	5,985,269
	37,034,561	37,413,264
Less: repayments and transfers during the year	(5,674,369)	(6,188,581)
	31,360,192	31,224,683
Interest receivable	876,662	875,476
	32,236,854	32,100,159
Less: allowance for credit losses	(4,734,780)	(4,583,302)
Balance, end of year	\$ 27,502,074	\$ 27,516,857

c) Non-accrual loans receivable consists of the following:

	2023	2022
Residential mortgages	\$ 3,178,874	\$ 3,401,710
Demand loans	798,120	656,730
	\$ 3,976,994	\$ 4,058,440

Loans receivable classified as non-accrual represent 12.68% (2022: 13.00%) of the total gross loans.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***10. LOANS RECEIVABLE** *(Continued)***d) Concentration of loans receivable is as follows:**

	%	2023	%	2022
\$0 - \$100,000	90.26	\$ 28,304,661	88.84	\$ 27,740,299
\$100,001 - \$300,000	7.47	2,341,912	8.88	2,773,256
\$300,001 - \$500,000	2.28	713,619	2.28	711,128
	100	31,360,192	100	31,224,683
Accrued interest receivable		876,662		875,476
Less: allowance for credit losses		(4,734,780)		(4,583,302)
		\$ 27,502,074		\$ 27,516,857

e) The movement on the provision for loan impairment during the year is as follows:

	2023	2022
<i>Balance, beginning of year</i>	\$4,583,302	\$2,443,224
Net provision during the year	151,478	2,404,350
Loans written-off	-	(264,272)
<i>Balance, end of year</i>	\$4,734,780	\$4,583,302
Provided for during the year	\$ 151,478	\$2,404,350
Recoveries of bad debts	(74,841)	(95,010)
<i>Impairment losses reported in profit or loss</i>	\$ 76,637	\$2,309,340

f) Reconciliation of Regulatory loss provision and IFRS Expected Credit Losses provision:

	2023	2022
IFRS Expected Credit losses (Note g)	\$4,734,780	\$4,583,302
Regulatory loan loss provision (Note h)	4,734,780	4,583,302
Difference	\$ -	\$ -

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

10. LOANS RECEIVABLE (Continued)

g) Impairment under IFRS:

The movement in the ECL determined under IFRS is as follows:

	12-Month ECL	Lifetime Non-credit Impaired	Lifetime Credit Impaired	Total	
	Stage 1	Stage 2	Stage 3	2023	2022
Balance, beginning of year	\$ 84,623	\$ 29,077	\$ 4,469,602	\$ 4,583,302	\$ 2,443,224
Net provision during the year	2,375	(454)	149,557	151,478	2,404,350
Loans written-off	-	-	-	-	(264,272)
Balance, end of year	\$ 86,998	\$ 28,623	\$ 4,619,159	\$ 4,734,780	\$ 4,583,302

h) Delinquent loans:

The loan loss provision derived below as at the reporting date is consistent with the loan loss provisioning in Regulations Section 7:

As at December 31, 2023						
Days in Arrears	Number of Accounts	Delinquent Loans	Value of Security	Exposure	PEARLS Loan Loss Provision	Provision Rate
1 to 30 days	0	\$ -	\$ -	\$ -	\$ -	0%
31 to 90 days	58	532,376	178,292	354,084	123,929	35%
91 to 180 days	59	391,117	145,777	245,340	85,869	35%
181 to 365 days	61	399,901	70,901	329,000	115,150	35%
> 365 days	574	6,258,935	1,849,103	4,409,832	4,409,832	100%
	752	\$ 7,582,329	\$ 2,244,073	\$ 5,338,256	\$ 4,734,780	
As at December 31, 2022						
Days in Arrears	Number of Accounts	Delinquent Loans	Value of Security	Exposure	PEARLS Loan Loss Provision	Provision Rate
1 to 30 days	28	\$ 410,323	\$ 186,800	\$ 223,523	\$ -	0%
31 to 90 days	34	274,725	95,745	178,980	62,643	35%
91 to 180 days	95	897,018	215,273	681,745	238,611	35%
181 to 365 days	213	1,814,145	595,760	1,218,385	426,435	35%
> 365 days	354	6,864,249	3,008,636	3,855,613	3,855,613	100%
	724	\$ 10,260,460	\$ 4,102,214	\$ 6,158,246	\$ 4,583,302	

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

11. INVESTMENT PROPERTIES

a) *Investment properties consist of the following:*

	Land	Building	Total
<u>Cost</u>			
Balance at December 31, 2021	\$ 475,167	\$ 1,074,442	\$ 1,549,609
Additions	-	6,500	6,500
Balance at December 31, 2022	475,167	1,080,942	1,556,109
Additions	-	-	-
Balance at December 31, 2023	475,167	1,080,942	1,556,109
<u>Accumulated depreciation</u>			
Balance at December 31, 2021	-	814,993	814,993
Additions	-	43,202	43,202
Balance at December 31, 2022	-	858,195	858,195
Additions	-	43,238	43,238
Balance at December 31, 2023	-	901,433	901,433
<u>Carrying value</u>			
As at December 31, 2023	\$ 475,167	\$ 179,509	\$ 654,676
As at December 31, 2022	\$ 475,167	\$ 222,747	\$ 697,914

b) *Details of the Credit Union's investment properties consist of the following:*

	Carrying Values	
	2023	2022
<u>Unoccupied land</u>		
Hollywood Subdivision	\$ 100,000	\$ 100,000
San Salvador	70,167	70,167
Nassau Village	25,000	25,000
Total vacant properties	195,167	195,167
<u>Rental Property - East Bay/Okra Hill</u>		
Land	280,000	280,000
Building	179,509	222,747
Total rental properties	459,509	502,747
	\$ 654,676	\$ 697,914

Rental income earned from investment property during the year totaled \$200,403 (2022: \$117,515), which is carried in Note 21.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

12. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Land	Building	Furniture and Fixtures	Leasehold Improvements	Computer System	Vehicles	Construction in Progress	Right of Use	Total
									(Note 14.1)
Cost									
Balance at December 31, 2021	\$ 1,129,597	\$ 3,079,312	\$ 661,636	\$ 173,211	\$ 651,786	\$ 85,428	\$ 317,694	\$ 354,714	\$ 6,453,378
Additions	-	136,710	43,699	-	5,971	-	-	365,061	551,441
Disposal/Lease expiration	-	-	-	-	-	-	-	(99,970)	(99,970)
Balance at December 31, 2022	1,129,597	3,216,022	705,335	173,211	657,757	85,428	317,694	619,805	6,904,849
Additions	-	22,664	50,020	4,940	31,399	-	-	664,656	773,679
Disposal/Lease expiration	-	-	-	(385)	-	-	-	-	(385)
Adjustment	-	-	-	-	-	-	-	(314,269)	(314,269)
Balance at December 31, 2023	1,129,597	3,238,686	755,355	177,766	689,156	85,428	317,694	970,192	7,363,874
Accumulated depreciation									
Balance at December 31, 2021	-	430,594	479,280	126,476	568,204	82,113	-	252,816	1,939,483
Additions	-	125,272	34,858	7,809	35,551	3,315	-	95,363	302,168
Disposal/Lease expiration	-	-	-	-	-	-	-	(99,970)	(99,970)
Balance at December 31, 2022	-	555,866	514,138	134,285	603,755	85,428	-	248,209	2,141,681
Additions	-	128,980	33,907	7,605	30,816	-	-	170,553	371,861
Disposal/Lease expiration	-	-	-	(160)	-	-	-	-	(160)
Balance at December 31, 2023	-	684,846	548,045	141,730	634,571	85,428	-	418,762	2,513,382
Carrying value									
As at December 31, 2023	\$ 1,129,597	\$ 2,553,840	\$ 207,310	\$ 36,036	\$ 54,585	\$ -	\$ 317,694	\$ 551,430	\$ 4,850,492
As at December 31, 2022	\$ 1,129,597	\$ 2,660,156	\$ 191,197	\$ 38,926	\$ 54,002	\$ -	\$ 317,694	\$ 371,596	\$ 4,763,168

Included in land is a property on JFK Drive, with a carrying value of \$763,315. This land was purchased in 2013 as a location for the construction of the Credit Union's future main office. The Credit Union incurred architectural design and other preliminary costs related to construction totaling \$317,694. These costs were classified as construction-in-progress. A site inspection performed by a third party resulted in the identification of topography and other issues. The total cost to resolve the issues is currently unknown. The project has since been put on hold and the Board of Directors instructed its legal counsel to pursue legal action for recovery of all costs incurred related to the project including \$750,000 for the tract of land, and \$1,400,000 in damages and losses.

The principal owner from whom subject property was purchased died November 2023. The Board is desirous of an out of court settlement with his successor. Dialogue has been open with Mr. Charles Christie's heir who, with respect to the infrastructure installation, confirmed in September 2023 that he received approved stamped drawings from the Ministry of Works, however, he is still waiting for the WSC and BPL approved drawings.

The Credit Union's Poinciana Drive property is comprised of land and building with net book value of \$157,500 and \$200,015 respectively. In October 2008, Bahamas Realty Limited, an independent qualified real estate broker and appraiser, conducted an appraisal of the Poinciana Drive property. The restated fair market value resulted in a revaluation surplus of \$154,517 (land: \$123,900 and building: \$30,617), which is included in equity. The remaining land pertains to a property in George Town, Exuma with a carrying value of \$108,752.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

13. OTHER LIABILITIES

Other liabilities consist of the following:

	2023	2022
Dormant accounts liabilities (Note 8)	\$ 281,247	\$ -
Members' salary deductions received in advance	239,084	380,490
Accounts payable	101,090	145,495
Share/loan insurance payable	53,485	51,903
Value Added Tax payable	44,504	31,935
Others	26,293	10,589
Professional and legal fees payable	15,100	20,250
Tenants' deposit	14,020	33,138
	\$ 774,823	\$ 673,800

14. LEASES

Details of the amounts recognized in the statement of financial position and the statement of profit or loss and other comprehensive income for the Credit Union's right-of-use asset and the corresponding lease liability are set out below:

14.1. Right-of-use asset

	2023	2022
<i>Balance, beginning of year</i>	\$ 371,596	\$ 101,898
Adjustment to remove prior leases	(314,269)	-
Addition for new leases signed	664,656	365,061
Amortization expense recognized in profit or loss	(170,553)	(95,363)
<i>Balance, end of year</i>	\$ 551,430	\$ 371,596

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

14. LEASES (Continued)

14.2. Lease liability

	2023	2022
<i>Balance, beginning of year</i>	\$ 376,412	\$ 106,497
Adjustment to remove prior leases	(318,216)	-
Addition for new leases signed	664,656	363,206
Interest expense recognized in profit or loss	25,594	6,301
Lease payments during the year	(185,736)	(99,592)
<i>Balance, end of year</i>	\$ 562,710	\$ 376,412
<i>Maturity analysis:</i>		
The future minimum lease payments under this lease at the reporting period are as follows:		
No later than one year	\$ 148,109	\$ 140,000
Later than one year and not later than five years	414,601	236,412
	\$ 562,710	\$ 376,412

14.3. Amounts recognized in profit or loss

	2023	2022
Amortization of right-of-use asset	\$ 170,553	\$ 95,363
Interest on lease liability	25,594	6,301
	\$ 196,147	\$ 101,664

15. MEMBERS AND OTHER DEPOSITS

Concentration of members and other deposits is as follows:

	%	2023	%	2022
\$0 - \$100,000	77.06	\$ 48,599,163	77.69	\$ 49,012,739
\$100,001 - \$300,000	15.01	9,468,174	14.15	8,925,833
\$300,001 - \$500,000	4.45	2,809,622	4.72	2,977,754
\$500,001 and over	3.48	2,192,736	3.44	2,170,529
	100	63,069,695	100	63,086,855
Accrued interest payable		567,403		656,526
		\$ 63,637,098		\$ 63,743,381

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***15. MEMBERS AND OTHER DEPOSITS (Continued)**

Members and other deposits consist of the following:

	2023	2022
Members' share deposits (a)	\$ 31,984,105	\$ 30,573,625
Term deposits (b)	19,609,662	20,898,954
Deposit accounts (e)	3,418,279	3,181,676
Educational savings (c)	2,448,250	2,494,190
House plan savings (d)	2,154,475	2,144,935
Retirement savings	1,543,453	1,373,893
Other deposit accounts	523,328	638,570
Vacation club savings	547,257	551,835
Debit card account	444,576	489,461
Dormant accounts	-	334,710
Christmas savings (f)	220,277	206,299
Back-to-school savings (g)	105,983	115,839
Credit card security account	70,050	82,868
	63,069,695	63,086,855
Accrued interest payable	567,403	656,526
	\$ 63,637,098	\$ 63,743,381

Included in deposits is an amount of \$811,576 (2022: \$811,576) that is attributable to non-members.

- a) *Members' Share Deposits* – This account is the anchor for the Credit Union. Members are encouraged to deposit a minimum of \$20.00 per week or \$80.00 per month. This account can be used as a retirement account as members are discouraged from making withdrawals from this account except under extreme circumstances. This account can also be used as the collateral account for consumer loans. Interest is paid on this account at a range of 1.5% to 2.5% per annum depending on the balance of the account.
- b) *Term Deposits* – Term deposits have a minimum duration of one year (2021: one year) and a minimum deposit requirement of \$1,000. The deposits bear interest at rates ranging from 1.50% to 3.79% per annum. Non-members rates are 1% less than rates to members.
- c) *Educational Savings* – Educational savings account is designed to assist members preparing for their children's education or for a designated child college expense. A child must be named for this account and must not be over the age of 18 years old. Interest on this account is paid at 3.5% per annum.
- d) *House Plan Savings* – This account is designed to assist members in saving for the acquisition of a home. Interest is calculated at 2.5%.
- e) *Deposit Accounts* – This is a regular savings account. There is free access to the balance of this account, and members may use this account for salary deposit or any other saving purpose. No interest is paid on this account.
- f) *Christmas Savings* – The Christmas savings account is an additional savings vehicle for members during the Christmas period. Members can deposit funds into this account at any time during the year. Interest is calculated at 2.5%.
- g) *Back-to-School Account* – The purpose of this account is to aid members in preparing for school fees and associated expenses that are due at the beginning of each semester/term. Interest is paid on this account at 0.5%.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***16. QUALIFYING SHARES**

The movement in the qualifying shares is as follows:

	2023	2022
<i>Balance, beginning of year</i>	\$ 1,544,646	\$ 1,434,716
Adjustments for increase in share price	410,600	-
Issued during the year	143,100	144,000
Withdrawals and transfers	(4,814)	(34,070)
<i>Balance, end of year</i>	\$ 2,093,532	\$ 1,544,646

At December 31, 2023, there were 6,977 financial members (2022: 7,721 members) in the Credit Union. Included in the qualifying shares are junior co-operative members with a total value of \$446 (2022: \$516).

17. OTHER RESERVES**i) Statutory Reserve**

The movement in the statutory reserve is as follows:

	2023	2022
<i>Balance, beginning of year</i>	\$ 4,295,784	\$ 4,295,784
Transfer from retained earnings	-	-
<i>Balance, end of year</i>	4,295,784	4,295,784
Requirement (10% of total assets)	6,890,459	6,822,866
<i>Deficiency in statutory reserve</i>	\$ (2,594,675)	\$ (2,527,082)

The requirement to hold 10% of the Credit Union's assets in a statutory reserve in members' equity has not been met. The current amount of the statutory reserve in equity is 6.27% (2022: 6.30%) of total assets.

ii) Fair Value Reserve

The movement in the fair value reserve is as follows:

	2023	2022
<i>Balance, beginning of year</i>	\$ 514,963	\$ 499,541
Net change in fair value of quoted equities during the year	90,803	15,422
<i>Balance, end of year</i>	\$ 605,766	\$ 514,963

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***18. LOAN INTEREST INCOME**

Loan interest income consists of interest earned on loans receivable from members.

	2023	2022
Consumer	\$ 1,776,758	\$ 1,857,137
Debt consolidation	1,009,922	1,022,276
Mortgage	96,450	124,467
Revolving line of credit	85,828	128,839
Auto	8,019	6,194
Other	1,844	2,182
	\$ 2,978,821	\$ 3,141,095

19. INVESTMENT INTEREST INCOME

Investment interest income consists of interest earned on investments held by the Credit Union.

	2023	2022
Bahamas Government Registered Stock	\$ 433,890	\$ 412,906
Term deposits	101,703	112,190
Bahamas First Series 2 Corporate Bonds	6,250	6,250
Current accounts	4,262	3,180
	\$ 546,105	\$ 534,526

20. DEPOSIT INTEREST EXPENSE

Interest expense on members' deposits during the year is as follows:

	2023	2022
Members' share deposits	\$ 541,282	\$ 619,821
Term deposits	302,892	441,008
Educational savings	52,213	86,662
House plan savings	46,145	49,498
Other deposit accounts	37,012	38,421
Christmas savings	16,019	17,216
	\$ 995,563	\$ 1,252,626

Included in interest expense on members' share deposits, is an amount of \$30,759 (2022: \$30,759) that is attributable to one non-member depositor.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

21. OTHER INCOME

Other income consists of the following:

	2023	2022
Service charges	\$ 629,194	\$ 541,953
Rental (Note 11)	200,403	117,515
Credits and debit card fees	22,890	41,487
Dividends	20,523	21,761
Liabilities written-off and lease adjustment	8,800	5,389
Entrance fees	2,309	7,422
	\$ 884,119	\$ 735,527

Rental income pertains to rentals earned on the Credit Union's investment properties.

22. OPERATING EXPENSES

Operating expenses are comprised of the following:

	2023	2022
<i>Personnel</i>		
Salaries	\$ 1,263,046	\$ 1,271,725
Group health insurance	126,772	136,046
Vacation pay	118,705	120,230
Staff pension (Note 24)	130,315	121,254
Christmas bonus	70,325	74,714
National insurance contribution	65,472	65,678
Other employee benefits	61,397	58,310
Travel	38,709	30,277
Employee training and development	6,658	11,690
Overtime	3,956	3,509
	1,885,355	1,893,433
<i>Occupancy</i>		
Utilities	\$ 240,265	\$ 194,890
Security	49,498	35,223
Repairs and maintenance	76,890	77,174
Insurance - building and contents	71,936	64,837
Real property tax	3,473	7,361
Lease liability	27,863	6,301
	\$ 469,925	\$ 385,786

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

22. OPERATING EXPENSES (Continued)

	2023	2022
<i>General business</i>		
Professional and legal fees	\$ 133,812	\$ 91,476
Insurance - general	40,527	31,263
Value Added Tax (VAT)	85,744	62,147
Vehicles	20,036	19,743
Stationery supplies	13,082	8,340
Bank charges	59,081	11,273
Office supplies	12,808	13,838
Equipment maintenance	22,668	14,730
Courier and postage	3,232	2,323
FPO events auditorium	3,930	3,438
Other expenses	4,751	2,270
Loss on disposal of fixed assets	225	-
	399,896	260,841
<i>Organizational</i>		
Board stipend and expenses	53,633	54,919
Committees stipend and expenses	27,961	22,425
Annual general meeting	2,743	5,202
Officials development and travel	3,181	700
Insurance - Officers liabilities	9,849	8,373
Other expenses	1,250	-
	98,617	91,619
<i>Depreciation</i>		
Building - investment property	43,238	43,202
Furniture and fixtures	33,907	34,858
Building and improvements	128,980	125,272
Computer hardware and software	30,816	35,551
Vehicles	-	3,314
Leasehold improvements and right-of-use assets	178,158	103,173
	\$ 415,099	\$ 345,370

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

22. OPERATING EXPENSES (Continued)

	2023	2022
<i>Members' security</i>		
Share/loan insurance premium	\$ 231,605	\$ 251,815
Stabilization fee	23,163	21,513
Deposit insurance	31,173	31,351
	285,941	304,679
<i>Computer expense</i>		
Computer maintenance	93,725	88,820
Computer stationery supplies	18,271	15,933
	111,996	104,753
<i>Marketing</i>		
Advertising and promotions	23,070	38,761
Donations	2,180	2,880
	25,250	41,641
	\$ 3,692,079	\$ 3,428,122

23. RELATED PARTY BALANCES AND TRANSACTIONS

The following balances and transactions are held or conducted directly or indirectly by or with related parties:

	2023	2022
Assets		
Loans receivable	\$ 487,585	\$ 391,673
Liabilities		
Interest payable	\$ 145	\$ 218
Term deposits	\$ 30,000	\$ 30,000
Other deposits	\$ 50,850	\$ 66,592
Share deposits	\$ 516,468	\$ 495,238
Equity		
Qualifying shares	\$ 4,100	\$ 2,800
Income		
Interest income on loans receivable	\$ 38,954	\$ 27,598
Expenses		
Interest expense on deposits	\$ 12,104	\$ 20,770
Key management, board and committee compensation	\$ 172,391	\$ 169,391

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

24. PENSION PLAN

The Credit Union has a Participation Agreement with the Bahamas Hotel and Allied Industries Pension Fund (BHAIPF). BHAIPF is a defined contribution retirement plan (the "Plan") administered by Providence Advisors Limited. The Credit Union contributes an amount equivalent to 5.00% of the employees' weekly salaries to the Plan. Total pension cost charged to operations amounted to \$130,315 (2022: \$121,254).

25. FINANCIAL RISK MANAGEMENT

The Credit Union has exposure to the following risks from its use of financial instruments:

- 25.1. Credit risk
- 25.2. Liquidity risk
- 25.3. Market risk
- 25.4. Interest rate risk

This note presents information about the Credit Union's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

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 analyze the risks faced by the Credit Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Credit Union's activities.

25.1. Credit risk

Credit risk is the risk of financial loss arising if a customer or counterparty fails to meet its contractual obligations. The Credit Union is exposed to credit risk from deposits and banks and other financial institutions including the League, loans to members, investments in debt securities, and other receivables. The most significant credit risk for the Credit Union is on loan to members.

Loans to Members and Credit Policy

The Credit Union controls credit risk by the application of credit approvals, limits, and monitoring procedures. The Credit Union ensures that loans are extended to members with appropriate credit history and an internal mechanism exists to monitor the granting of credit and the management of credit exposures. It is also the Credit Union's policy to trade with recognized and creditworthy third parties. The Board of Directors is responsible for establishing credit policies. The Credit Committee has oversight responsibility for the credit risk management process, including reviewing and assessing credit risk. There is a documented credit policy in place which guides the Credit Union's credit review process. The Credit Committee reports to the Board of Directors on a monthly basis.

Collateral – The Credit Union holds collateral against loans, depending on the type of loans and the risk rating assigned to the member. The required collateral is set out in the loan policy manual issued by the Credit Union.

Write-off policy – The Credit Union writes off loans and any related allowances for impairment losses when it is determined that the loans are uncollectible.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***25. FINANCIAL RISK MANAGEMENT (Continued)****25.1. Credit risk (Continued)****Maximum exposure to credit risk – Loans to Members**

The following table below sets out information about the Credit Union's maximum exposure to credit risk on loans to its members at the end of the reporting date:

As at December 31, 2023				
	Allowance for Credit Losses			Total
	Stage 1	Stage 2	Stage 3	
Loans to members before credit losses	\$ 23,782,945	\$ 532,376	\$ 7,044,871	\$ 31,360,192
Allowance for credit losses	(86,998)	(28,623)	(4,619,159)	(4,734,780)
	\$ 23,695,947	\$ 503,753	\$ 2,425,712	\$ 26,625,412
As at December 31, 2022				
	Allowance for Credit Losses			Total
	Stage 1	Stage 2	Stage 3	
Loans to members before credit losses	\$ 22,877,415	\$ 685,047	\$ 7,662,221	\$ 31,224,683
Allowance for credit losses	(84,623)	(29,077)	(4,469,602)	(4,583,302)
	\$ 22,792,792	\$ 655,970	\$ 3,192,619	\$ 26,641,381

25.2. Liquidity risk

Liquidity risk is the risk that the Credit Union will not be able to meet its financial obligations as they fall due. The Credit Union's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Credit Union ensures that it has sufficient liquid assets to settle currently maturing obligations. The maturity profile of the Credit Union's financial liabilities and the liquidity gap are disclosed in Note 26.

25.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Credit Union's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Credit Union is exposed to market risk on investments in that the Credit Union may not be able to readily dispose of its holdings when it chooses and also that the price obtained on disposal may be below that at which the investment is included in the Credit Union's financial statements. The Credit Union's market risk is managed by the Board of Directors through diversification of the investment portfolio across a wide range of financial assets.

25.4. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Cash balances and short-term investments are not subject to significant interest rate risk due to their short-term nature. The Credit Union's loans receivable and members' deposits have fixed interest thus there is no significant exposure to interest rate risk on these instruments. The investments in bonds and Bahamas Government Registered Stock have interest rates based on the Bahamas Prime rate of 4.25% which is set by the Central Bank of the Bahamas and is also not considered exposed to significant fluctuations.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

26. MATURITY OF SIGNIFICANT ASSETS AND LIABILITIES

Maturity of significant assets and liabilities consist of the following:

As at December 31, 2023						
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Over 5 Years	Total
Financial assets:						
Cash and cash equivalents	\$ 4,764,855	\$ -	\$ -	\$ -	\$ -	\$ 4,764,855
Short-term investments	1,294,003	3,804,074	-	10,000	-	5,108,077
Other assets	684,127	-	-	-	-	684,127
Deposits with the League	-	-	-	-	14,957,095	14,957,095
Financial investments	3,700	-	-	102,000	9,169,060	9,274,760
Loans receivable	152,509	345,661	848,734	14,384,607	11,770,563	27,502,074
	6,899,194	4,149,735	848,734	14,496,607	35,896,718	62,290,988
Financial liabilities:						
Accrued expenses and other liabilities	774,823	-	-	-	-	774,823
Lease liabilities	37,027	74,054	37,028	414,601	-	562,710
Members and other deposits	48,888,599	2,794,327	7,157,390	4,796,782	-	63,637,098
	49,700,449	2,868,381	7,194,418	5,211,383	-	64,974,631
Liquidity gap	\$ (42,801,255)	\$ 1,281,354	\$ (6,345,684)	\$ 9,285,224	\$ 35,896,718	\$ (2,683,643)
As at December 31, 2022						
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Over 5 Years	Total
Financial assets:						
Cash and cash equivalents	\$ 5,092,689	\$ -	\$ -	\$ -	\$ -	\$ 5,092,689
Short-term investments	2,096,367	-	1,151,545	1,782,345	-	5,030,257
Other assets	674,419	-	-	-	-	674,419
Deposits with the League	-	-	-	-	14,465,409	14,465,409
Financial investments	-	-	-	205,700	8,947,658	9,153,358
Loans receivable	198,861	361,373	694,610	15,149,433	11,112,580	27,516,857
	8,062,336	361,373	1,846,155	17,137,478	34,525,647	61,932,989
Financial liabilities:						
Accrued expenses and other liabilities	673,800	-	-	-	-	673,800
Lease liabilities	35,000	35,000	70,000	236,412	-	376,412
Members and other deposits	49,659,374	2,699,160	5,170,321	6,214,301	-	63,743,156
	50,368,174	2,734,160	5,240,321	6,450,713	-	64,793,368
Liquidity gap	\$ (42,305,838)	\$ (2,372,787)	\$ (3,394,166)	\$ 10,686,765	\$ 34,525,647	\$ (2,860,379)

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Most of the Credit Union's financial instruments lack an available trading market. Therefore, these instruments have been fair valued using other valuation techniques and may not necessarily be indicative of the amounts realizable on the settlement of the instruments.

a) Financial instruments not measured at fair value:

- i) The fair value of liquid assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- ii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.
- iii) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the provisions for credit losses from both the book and fair values.
- iv) The fair value of members' regular shares and deposits, with no specific maturity is assumed to be the amount payable on demand at the reporting date.
- v) The fair values of all other financial instruments not mentioned above are assumed to approximate their carrying values.

b) Financial instruments measured at fair value:

Quoted securities classified as available-for-sale are measured by reference to quoted market prices on the Bahamas International Stock Exchange (BISX).

c) Fair value hierarchy:

The following table provides an analysis of financial instruments held at the reporting date that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level consists of listed equity securities traded on the Bahamas International Stock Exchange (BISX).
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This includes government debt securities and other securities with observable inputs.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. The Credit Union has no financial instruments categorized in this level.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements

December 31, 2023
(Expressed in Bahamian dollars)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

c) *Fair value hierarchy (Continued)*

The following table analyzes within the fair value hierarchy, the Credit Union's financial assets measured at fair value as at the statement of financial position date:

As at December 31, 2023				
	Level 1	Level 2	Level 3	Total
<u>Financial instruments</u>				
Equity securities	\$ 1,295,110	\$ 131,200	\$ 66,950	\$ 1,493,260
As at December 31, 2022				
	Level 1	Level 2	Level 3	Total
<u>Financial instruments</u>				
Equity securities	\$ 1,176,108	\$ 131,200	\$ 64,550	\$ 1,371,858

28. CAPITAL RISK MANAGEMENT

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

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

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

'Every society shall ensure that –

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

(Continued)

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2023

*(Expressed in Bahamian dollars)***28. CAPITAL RISK MANAGEMENT (Continued)**

The table below summarizes the composition of the Credit Union's regulatory capital and the ratios at the reporting date:

	2023	2022
Provision (a)		
Liquidity reserve deposits	\$ 6,938,387	\$ 6,839,192
Members' deposits	\$ 63,637,098	\$ 63,743,381
Actual ratio	11%	11%
Required ratio	10%	10%
Surplus of regulation	1%	1%
Provision (b)		
Regulatory reserves	\$ 3,169,674	\$ 2,765,582
Total assets	\$ 68,904,588	\$ 68,228,655
Actual ratio	5%	4%
Required ratio	10%	10%
Shortfall over regulation	-5%	-6%

29. LEGAL MATTERS

The Credit Union is involved in several litigations as follows:

- i) The Credit Union has brought actions against several members who are in default of their loan commitments. These actions are ongoing.
- ii) The Credit Union filed a claim against C.A.C. Properties Limited in regard to the JFK Drive property for recovery of all costs incurred related to the project (See Note 12). The trial begun in 2020 but was suspended due to COVID-19. The principal owner from whom subject property was purchased died November 2023. The Board is desirous of an out of court settlement with his successor. Dialogue has been open with Mr. Christie's heir who, with respect to the infrastructure installation, confirmed in September 2023 that he received approved stamped drawings from the Ministry of Works, however, he is still waiting for the WSC and BPL approved drawings.

No provisions for contingent assets or liabilities have been recorded in these financial statements for the above legal matters for the reporting period, as the Attorneys have not made any assessments of the probabilities of the success of these matters.

30. EVENTS AFTER THE REPORTING PERIOD

There were no material events of significance impacting the Credit Union since December 31, 2023 and up to April 18, 2024 that require disclosure in these financial statements.

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

The primary purpose of our examination for the year ended December 31, 2023 was to express an opinion on the basic financial statements of National Workers Co-operative Credit Union Limited (the "Credit Union") presented on pages 4 through 38, taken as a whole.

The supplementary information for the year ended December 31, 2023 presented on pages 40 through 51 is not considered necessary for a fair presentation of the Credit Union's financial position and the results of its operations and its cash flows in accordance with International Financial Reporting Standards, and is presented for supplementary analysis purposes. Such information has been subjected to the audit procedures applied on the examination of the basic financial statements.

In our opinion, the accompanying supplementary information is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Ecovis Bahamas
CHARTERED ACCOUNTANTS

April 18, 2024
Nassau, The Bahamas

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss – Nassau, Head Office

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loan interest income	\$ 2,160,190	\$ 2,368,735
Investment interest income	354,585	360,028
Interest in deposits with the League	169,318	166,205
Total interest income	2,684,093	2,894,968
INTEREST EXPENSE		
Deposit interest expense	699,164	912,395
Total interest expense	699,164	912,395
NET INTEREST INCOME	1,984,929	1,982,573
OTHER INCOME	489,118	423,054
OPERATING EXPENSES		
Personnel	1,231,047	1,272,036
Increase in provision for credit losses	154,713	2,160,931
Occupancy	282,723	224,054
General business	278,608	161,981
Organizational	59,666	57,876
Depreciation	243,654	173,933
Members' security	205,301	234,895
Computer expense	90,570	83,833
Marketing	14,227	7,731
Total operating expenses	2,560,509	4,377,270
LOSS FOR THE YEAR	(86,462)	(1,971,643)
SUMMARY OF RESULTS BY LOCATION		
Nassau Head Office - net comprehensive loss	(86,462)	(1,971,643)
Freeport Branch - net comprehensive loss	87,481	(257,238)
Andros Branch - net comprehensive loss	(68,602)	(36,107)
Berry Islands Branch - net comprehensive loss	(77,211)	(107,339)
NET LOSS	\$ (144,794)	\$ (2,372,327)

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Operating Expenses – Nassau, Head Office

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<i>Personnel</i>		
Salaries	\$ 770,679	\$ 797,384
Group health insurance	88,752	100,162
Vacation pay	93,380	95,428
Staff pension	110,561	99,094
Christmas bonus	54,356	58,256
National insurance contribution	45,194	46,815
Other employee benefits	50,814	48,920
Travel	8,179	12,982
Employee training and development	5,328	11,590
Overtime	3,804	1,405
	1,231,047	1,272,036
Increase in provision for loan impairment	154,713	2,160,931
<i>Occupancy</i>		
Utilities	173,841	139,519
Security	3,584	3,709
Repairs and maintenance	48,292	43,134
Insurance - building and contents	29,664	26,221
Real property tax	3,473	7,361
Lease liability	23,869	4,110
	282,723	224,054
<i>General business</i>		
Professional and legal fees	119,791	69,331
Insurance - general	11,832	4,554
Value Added Tax (VAT)	60,349	39,666
Vehicles	13,642	13,596
Stationery supplies	11,123	6,208
Bank charges	33,845	8,121
Office supplies	9,386	9,836
Equipment maintenance	14,043	9,170
Courier and postage	961	358
Other expenses	3,636	1,141
	\$ 278,608	\$ 161,981

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Operating Expenses – Nassau, Head Office *(Continued)*

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<i>Organizational</i>		
Board stipend and expenses	\$ 37,326	\$ 32,412
Committees stipend and expenses	9,378	14,136
Annual general meeting	2,368	4,790
Officials development and travel	2,649	200
Insurance - Officers liabilities	6,695	5,981
Other expenses	1,250	357
	59,666	57,876
<i>Depreciation</i>		
Building - investment property	43,238	43,202
Furniture and fixtures	17,907	18,516
Building and improvements	22,851	19,656
Computer hardware and software	24,461	30,097
Leasehold improvements and right-of-use assets	135,197	62,462
	243,654	173,933
<i>Members' security</i>		
Share/loan insurance premium	166,039	197,051
Stabilization fee	16,194	15,300
Deposit insurance	23,068	22,544
	205,301	234,895
<i>Computer expense</i>		
Computer maintenance	80,645	78,654
Computer stationery supplies	9,925	5,179
	90,570	83,833
<i>Marketing</i>		
Advertising and promotions	13,447	6,451
Donations	780	1,280
	14,227	7,731
	\$ 2,560,509	\$ 4,377,270

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss – Freeport Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loan interest income	\$ 601,689	\$ 602,039
Investment interest income	191,520	174,498
Interest in deposits with the League	41,122	40,408
Total interest income	834,331	816,945
INTEREST EXPENSE		
Deposit interest expense	257,867	300,220
Total interest expense	257,867	300,220
NET INTEREST INCOME	576,464	516,725
OTHER INCOME	278,837	235,808
OPERATING EXPENSES		
Personnel	419,396	406,600
(Decrease)/increase in provision for credit losses	(87,234)	153,233
Occupancy	143,582	138,867
General business	57,518	64,176
Organizational	31,541	31,302
Depreciation	118,173	122,139
Members' security	63,088	56,891
Computer expense	11,437	10,533
Marketing	10,319	26,030
Total operating expenses	767,820	1,009,771
NET PROFIT/(LOSS) FOR THE YEAR	\$ 87,481	\$ (257,238)

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Operating Expenses – Freeport Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<i>Personnel</i>		
Salaries	\$ 328,223	\$ 317,610
Group health insurance	20,519	20,691
Vacation pay	18,923	18,713
Staff pension	12,564	12,563
Christmas bonus	10,978	10,275
National insurance contribution	12,509	11,126
Other employee benefits	6,318	6,008
Travel	8,564	9,009
Employee training and development	798	50
Overtime	-	555
	419,396	406,600
(Decrease)/increase in provision for loan impairment	(87,234)	153,233
<i>Occupancy</i>		
Utilities	56,693	47,409
Security	19,433	21,837
Repairs and maintenance	26,220	32,824
Insurance - building and contents	41,236	36,797
	143,582	138,867
<i>General business</i>		
Professional and legal fees	13,830	21,195
Insurance - general	5,073	2,883
Value Added Tax (VAT)	14,331	16,658
Vehicles	4,525	4,818
Stationery supplies	1,648	1,957
Bank charges	1,830	2,740
Office supplies	1,623	2,525
Equipment maintenance	8,625	5,205
Courier and postage	924	1,614
FPO events auditoriom	3,930	3,438
Other expenses	1,179	1,143
	\$ 57,518	\$ 64,176

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Operating Expenses – Freeport Branch (*Continued*)

For the year ended December 31, 2023
(*Expressed in Bahamian dollars*)

	2023	2022
<u>Organizational</u>		
Board stipend and expenses	\$ 16,307	\$ 21,412
Committees stipend and expenses	11,173	6,943
Annual general meeting	375	412
Officials development and travel	532	-
Insurance - Officers liabilities	3,154	2,392
Other expenses	-	143
	31,541	31,302
<u>Depreciation</u>		
Furniture and fixtures	9,339	10,230
Building and improvements	106,129	105,616
Computer hardware and software	2,705	2,979
Vehicles	-	3,314
	118,173	122,139
<u>Members' security</u>		
Share/loan insurance premium	52,050	44,602
Stabilization fee	4,803	4,446
Deposit insurance	6,235	7,843
	63,088	56,891
<u>Computer expense</u>		
Computer maintenance	9,108	7,418
Computer stationery supplies	2,329	3,115
	11,437	10,533
<u>Marketing</u>		
Advertising and promotions	9,319	25,430
Donations	1,000	600
	10,319	26,030
	\$ 767,820	\$ 1,009,771

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
 Statement of Profit or Loss – Andros Branch

For the year ended December 31, 2023
 (Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loan interest income	\$ 167,067	\$ 137,434
Total interest income	167,067	137,434
INTEREST EXPENSE		
Deposit interest expense	23,382	29,084
Total interest expense	23,382	29,084
NET INTEREST INCOME	143,685	108,350
OTHER INCOME	63,361	43,605
OPERATING EXPENSES		
Personnel	132,188	117,841
Increase/(decrease) in provision for credit losses	5,583	(3,822)
Occupancy	33,786	11,659
General business	49,739	13,255
Organizational	3,449	900
Depreciation	35,682	32,595
Members' security	9,887	8,005
Computer expense	4,897	3,745
Marketing	437	3,884
Total operating expenses	275,648	188,062
NET LOSS FOR THE YEAR	\$ (68,602)	\$ (36,107)

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Statement of Operating Expenses – Andros Branch

For the year ended December 31, 2023

(Expressed in Bahamian dollars)

	2023	2022
<u>Personnel</u>		
Salaries	\$ 94,353	\$ 83,464
Group health insurance	10,642	5,873
Vacation pay	3,688	3,240
Staff pension	3,969	4,059
Christmas bonus	3,060	3,195
National insurance contribution	4,609	4,436
Other employee benefits	2,749	1,835
Travel	8,825	10,831
Employee training and development	266	50
Overtime	27	858
	132,188	117,841
Increase/(decrease) in provision for loan impairment	5,583	(3,822)
<u>Occupancy</u>		
Utilities	5,609	4,507
Security	23,565	4,299
Repairs and maintenance	732	771
Insurance - building and contents	632	1,124
Lease liability	3,248	958
	33,786	11,659
<u>General business</u>		
Insurance - general	16,481	9,073
Value Added Tax (VAT)	7,844	2,200
Vehicles	765	292
Stationery supplies	150	-
Bank charges	22,159	237
Office supplies	1,315	964
Equipment maintenance	-	355
Courier and postage	842	148
Other expenses	(42)	(14)
Loss on disposal of fixed assets	225	-
	49,739	13,255
<u>Organizational</u>		
Committees stipend and expenses	3,449	900
	\$ 3,449	\$ 900

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
 Statement of Operating Expenses – Andros Branch (*Continued*)

For the year ended December 31, 2023
 (Expressed in Bahamian dollars)

	2023	2022
<i>Depreciation</i>		
Furniture and fixtures	\$ 3,838	\$ 3,553
Computer hardware and software	2,410	1,857
Leasehold improvements and right-of-use assets	29,434	27,185
	35,682	32,595
<i>Members' security</i>		
Share/loan insurance premium	7,566	6,166
Stabilization fee	1,386	1,131
Deposit insurance	935	708
	9,887	8,005
<i>Computer expense</i>		
Computer maintenance	2,328	1,324
Computer stationery supplies	2,569	2,421
	4,897	3,745
<i>Marketing</i>		
Advertising and promotions	137	3,484
Donations	300	400
	437	3,884
	\$ 275,648	\$ 188,062

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss – Berry Islands Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loan interest income	\$ 49,875	\$ 32,887
Total interest income	49,875	32,887
INTEREST EXPENSE		
Deposit interest expense	15,150	10,927
Total interest expense	15,150	10,927
NET INTEREST INCOME	34,725	21,960
OTHER INCOME	52,803	33,060
OPERATING EXPENSES		
Personnel	102,724	96,956
Increase/(decrease) in provision for credit losses	3,575	(1,002)
Occupancy	9,834	11,206
General business	14,031	21,429
Organizational	3,961	1,541
Depreciation	17,590	16,703
Members' security	7,665	4,888
Computer expense	5,092	6,642
Marketing	267	3,996
Total operating expenses	164,739	162,359
NET LOSS FOR THE YEAR	\$ (77,211)	\$ (107,339)

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Operating Expenses – Berry Islands Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<u>Personnel</u>		
Salaries	\$ 69,791	\$ 73,267
Group health insurance	6,859	9,320
Vacation pay	2,714	2,849
Staff pension	3,221	5,538
Christmas bonus	1,931	2,988
National insurance contribution	3,160	3,301
Other employee benefits	1,516	1,547
Travel	13,141	(2,545)
Employee training and development	266	-
Overtime	125	691
	102,724	96,956
Increase/(decrease) in provision for loan impairment	3,575	(1,002)
<u>Occupancy</u>		
Utilities	4,122	3,455
Security	2,916	5,378
Repairs and maintenance	1,646	445
Insurance - building and contents	404	695
Lease liability	746	1,233
	9,834	11,206
<u>General business</u>		
Professional and legal fees	191	950
Insurance - general	7,141	14,753
Value Added Tax (VAT)	3,220	3,623
Vehicles	1,104	1,037
Stationery supplies	161	175
Bank charges	1,247	175
Office supplies	484	513
Courier and postage	505	203
Other expenses	(22)	-
	14,031	21,429
<u>Organizational</u>		
Board stipend and expenses	-	1,095
Committees stipend and expenses	3,961	446
	\$ 3,961	\$ 1,541

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED
 Statement of Operating Expenses – Berry Islands Branch (*Continued*)

For the year ended December 31, 2023
 (Expressed in Bahamian dollars)

	2023	2022
<u>Depreciation</u>		
Furniture and fixtures	\$ 2,823	\$ 2,559
Computer hardware and software	1,240	618
Leasehold improvements and right-of-use assets	13,527	13,526
	17,590	16,703
<u>Members' security</u>		
Share/loan insurance premium	5,950	3,996
Stabilization fee	780	636
Deposit insurance	935	256
	7,665	4,888
<u>Computer expense</u>		
Computer maintenance	1,644	1,424
Computer stationery supplies	3,448	5,218
	5,092	6,642
<u>Marketing</u>		
Advertising and promotions	167	3,996
Donations	100	600
	267	4,596
	\$ 164,739	\$ 162,959

Treasurer's Report

For the year ended December 31, 2023

General

Members/Shareholders and visiting friends:

In my capacity as Treasurer on the Board of Directors, I am in a somewhat better temperament to report that for the year 2023, our credit union improved tremendously in comparison to last year's devastating loss.

As you are aware the credit union was negatively affected by the pandemic, which resulted in higher-than-normal delinquency and increase in our Expected Credit Loss (ECL) provision. This year, due to the hard work of collection efforts and loan management, we were able to reduce the loss sustained.

Also, in October 2023, Qualifying Shares increased from \$200.00 to \$300.00. This change, while positively affecting our Equity, also resulted in a temporary decrease in our financial members. There is currently an ongoing process to gradually build up members qualifying shares to the correct amount.

I provide for your attention the following:

Statement of Financial Position

Liquidity

Note 8 of the audited financials details our level of compliance with respect to the Bahamas Co-operative Credit Unions Act, 2015 Section 65 (1 and 2).

Loans Receivable

In 2023, 966 new loans totaling \$5,809,878, were granted (2022: 1,123 totaling \$5,985,269). They were granted as follows:

- Nassau - 518 loans totaling \$3,231,780 (2022: 588 totaling \$3,355,663)

- Freeport – 358 loans totaling \$1,782,272 (2022: 399 totaling \$1,741,805)
- Andros – 47 loans totaling \$324,578 (2022: 52 totaling \$442,822)
- Berry Islands – 31 loans totaling \$395,507 (2022: 46 totaling \$254,176)
- San Salvador – no loans (2022: no loans)
- Exuma – no loans (2022: 38 totaling \$190,803)
- Eleuthera – 12 loans totaling \$70,026

The following make up most of the net movement in Loans:

- Consumer loans increased by \$428,565 or 2.56% (2022: decrease by \$193,587 or 1.14%).
- Revolving line of credit loans decreased by \$629,081 or 12.80 % (2022: decrease by \$1,076,545 or 17.96%).
- Debt Consolidation Loans increased by \$735,890 or 18.72% (2022: increase of \$1,313,783 or 50.21%)

During 2023, there were no loans written off due to non-collectability (2022: 73 loans totaling \$264,272).

Net write off loan recovery for 2023 was \$74,841 representing approximately 162 accounts (2022: 127 accounts totaling \$95,010).

At December 31, 2023, there were 64 (2022: 79) credit cards in circulation of which 4 (2022: 7) were delinquent. Total credit extended on these cards was \$66,406 (2022: \$76,615).

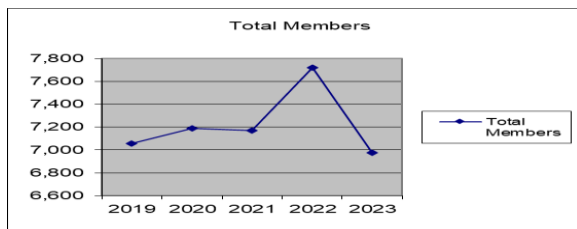
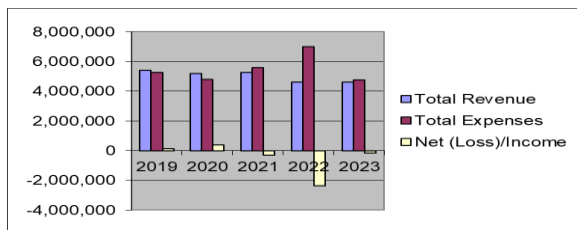
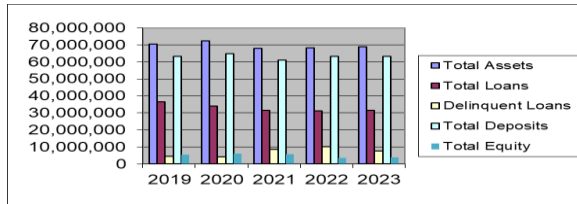
Members' Deposits

Total Deposits increased by \$17,160 or .03%, (2022: increase of \$2,157,417 or 3.54%.)

The following make up most of the movement in Deposits:

Regular Shares increased by \$1,410,480 or 4.61% (2022: \$1,798,814 or 6.25%).
 Term Deposits decreased by \$1,289,292 or 6.17% (2022: \$1,015,331 or 4.63%)
 Deposit savings increased by \$236,603 or 7.44%, (2022: \$641,275 or 25.24%).
 Other savings decreased by \$115,242 or 18.05% (2022: \$93,550 or 17.16%).
 Retirement savings increased by \$169,560 or 12.34% (2022: \$278,733 or 25.45%).

FIVE YEARS FINANCIAL CONDITION							
(for the years ended December 31.)							
	2019	2020	2021	2022	2023	Incr./(Decr.)	%
Total Assets	70,409,095	72,286,820	67,922,121	68,228,655	68,904,588	675,933	0.99
Total Loans	36,667,031	33,898,087	31,427,995	31,224,683	31,360,192	135,509	0.43
Total Deposits	63,364,742	64,936,293	60,929,438	63,086,855	63,069,695	-17,160	-0.03
Total Equity	5,477,511	5,940,010	5,682,037	3,435,062	3,929,957	494,895	14.41
Total Revenue	5,424,690	5,179,920	5,278,710	4,617,761	4,619,485	1,724	0.04
Total Expenses	5,278,137	4,793,847	5,575,270	6,990,088	4,764,279	-2,225,809	-31.84
Net Income/(Loss)	146,553	386,073	-296,560	-2,372,327	-144,794	2,227,533	-93.90
Total Members	7,058	7,188	7,171	7,721	6,977	-744	-9.64



Debit Cards

At the end of December 2023, there were 1,766 (2022: 1,950) debit cards in circulation.

During the year, the VISA Debit Cards were used to withdraw \$509,760 cash (3,028 transactions) (2022: \$683,230 cash 3,821 transactions) out of our cash sourced ATM's (Nassau, Berry Islands and Andros); \$1,949,971 cash (8,681 transactions) out of other institutions' ATMs locally and abroad (2022: \$2,071,818 cash 9,555 transactions) and purchase \$4,200,830 worth of merchandise (59,218 transactions) locally and abroad (2022: \$4,170,677 cash 56,159 transactions).

Revenue (annual and shared withdrawal fees) gained from the Atm's was \$20,851.04 (2022: \$37,798.70).

Unfortunately, the ATM in Andros and Freeport was still not operational in 2023.

The challenge remains for getting the new ATM machines that were ordered for the three branches operational, at the end of 2023. It should be noted that work has begun on the ATM for Freeport

Comprehensive Income

CONSOLIDATED

Loan interest income decreased by \$162,274 or 5.17% (2022: decrease of \$700,364 or 18.23%).

Operating expenses increased by \$263,957 or 7.70% (2022: \$275,938 or 8.75%).

Provision for loan impairment (IFRS Expected Credit Loss (ECL) expense decreased by \$2,232,703 or 96.68% (2022: increased by \$1,164,568 or 101.73%)

The following make up most of the movement in Expenses:

Occupancy costs (mostly in the area of utilities and lease liability) increased by

\$84,139 or 21.81% (2022: \$39,575 or 11.43%).

Depreciation costs (mostly in the area of leasehold improvements and right-of-use assets) increased by \$69,729 or 20.19% (2022: \$961 or .28%).

General Business (mostly in the area of professional & legal fee, VAT, and bank charges) increased by \$139,055 or 53.31% (2022: decreased by \$19,605 or 6.99%).

TRAINING

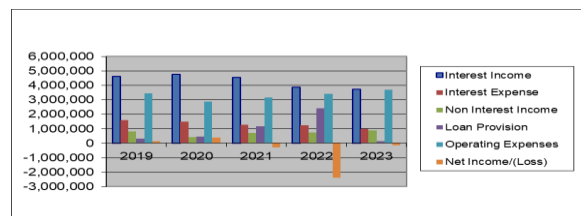
Staff training continued in-house. Staff, Board and Credit Committee participated in an online credit administration workshop hosted by the Caribbean Confederation of Credit Unions (CCCU).

We did not send a delegate to the 2023 World Council of Credit Unions (WOCCU) Conference.

The majority of the Board and Supervisory Committee members had perfect attendance at their regularly scheduled monthly meetings.

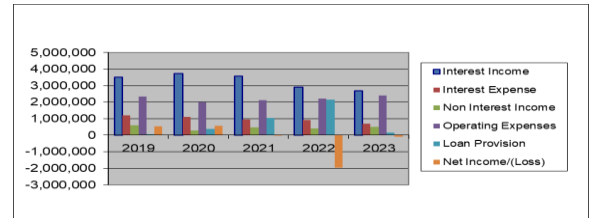
CONSOLIDATED

FIVE YEARS FINANCIAL PERFORMANCE							
(for the years ended December 31.)							
	2019	2020	2021	2022	2023	Incr./(Decr.)	%
Interest Income	4,616,533	4,771,437	4,560,065	3,882,234	3,735,366	-146,868	-3.78
Interest Expense	1,590,103	1,491,699	1,278,314	1,252,626	995,563	-257,063	-20.52
Non Interest Income	808,157	408,483	718,645	735,527	884,119	148,592	20.20
Loan Provision	321,107	458,529	1,179,329	2,404,350	151,478	-2,252,872	-93.70
Operating Expenses	3,453,115	2,883,306	3,152,184	3,428,122	3,692,079	263,957	7.70
Net Income/(Loss)	146,553	386,073	-296,560	-2,372,327	-144,794	2,227,533	-93.90



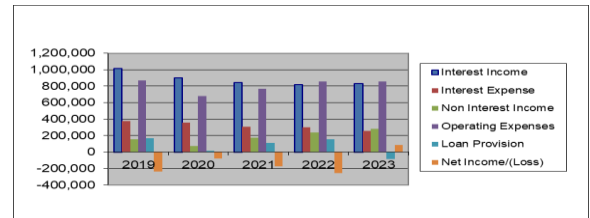
NASSAU BRANCH

FIVE YEARS FINANCIAL PERFORMANCE							
(for the years ended December 31.)							
	2019	2020	2021	2022	2023	Incr./(Decr.)	%
Interest Income	3,515,573	3,737,041	3,581,692	2,894,968	2,684,093	-210,875	-7.28
Interest Expense	1,196,711	1,109,583	943,576	912,395	699,164	-213,231	-23.37
Non Interest Income	609,476	284,656	478,457	423,054	489,118	66,064	15.62
Operating Expenses	2,322,671	1,979,204	2,121,926	2,216,339	2,405,796	189,457	8.55
Loan Provision	63,851	374,678	1,035,522	2,160,931	154,713	-2,006,218	-92.84
Net Income/(Loss)	541,816	558,232	-40,875	-1,971,643	-86,462	1,885,181	-95.61



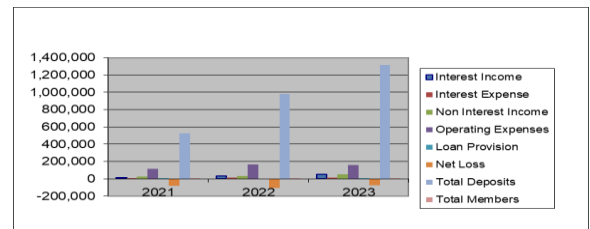
FREEPORT BRANCH

FIVE YEARS FINANCIAL PERFORMANCE							
(for the years ended December 31.)							
	2019	2020	2021	2022	2023	Incr./(Decr.)	%
Interest Income	1,015,915	904,025	841,891	816,945	834,331	17,386	2.13
Interest Expense	375,122	358,235	307,880	300,220	257,867	-42,353	-14.11
Non Interest Income	157,209	74,450	172,997	235,808	278,837	43,029	18.25
Operating Expenses	870,056	680,756	767,399	856,538	855,054	-1,484	-0.17
Loan Provision	166,570	16,297	110,816	153,233	-87,234	-240,467	-156.93
Net Income/(Loss)	-238,624	-76,813	-171,207	-257,238	87,481	344,719	-134.01



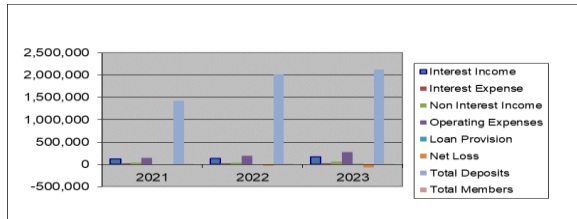
BERRY ISLANDS BRANCH

THREE YEARS FINANCIAL PERFORMANCE					
(for the years ended December 31.)					
	2021	2022	2023	Incr./(Decr.)	%
Interest Income	12,538	32,887	49,875	16,988	51.66
Interest Expense	6,400	10,927	15,150	4,223	38.65
Non Interest Income	24,702	33,060	52,803	19,743	59.72
Operating Expenses	114,073	163,361	161,164	-2,197	-1.34
Loan Provision	683	-1,002	3,575	4,577	-456.79
Net Loss	-83,916	-107,339	-77,211	30,128	-28.07
Total Deposits	526,482	981,733	1,317,411	335,678	34.19
Total Members	212	260	256	-4	-1.54



ANDROS BRANCH

THREE YEARS FINANCIAL PERFORMANCE					
(for the years ended December 31.)					
	2021	2022	2023	Incr./(Decr.)	%
Interest Income	123,944	137,434	167,067	29,633	21.56
Interest Expense	20,458	29,084	23,382	-5,702	-19.61
Non Interest Income	42,489	43,605	63,361	19,756	45.31
Operating Expenses	148,786	191,884	270,065	78,181	40.74
Loan Provision	-2,249	-3,822	5,583	9,405	-246.08
Net Loss	-562	-36,107	-68,602	-32,495	90.00
Total Deposits	1,425,789	2,013,818	2,120,054	106,236	5.28
Total Members	377	462	408	-54	-11.69



CONCLUSION

It has been my pleasure to serve as your Treasurer on the Board of Directors for 2023.

My sincerest appreciation to my fellow Directors, the Supervisory and Credit Committees, Management and Staff for their individual and collective support.

Have a great 48th. Annual General Meeting.

Anna Colebrooke
Treasurer



NOTICE OF ANNUAL GENERAL MEETING

To: All members of National Workers Co-operative Credit Union (NWCCU) Limited, New Providence, Grand Bahama, Eleuthera, San Salvador, Exuma, the Berry Islands, Andros in **Good Standing**:

The 48th Annual General Meeting of National Workers Co-operative Credit Union (NWCCU) Limited will be held on Friday, June 21, 2024, beginning at 6:00 p.m., for the following purposes:

- To receive the Report of the Board of Directors for 2023
- To receive the 2023 Audited Accounts
- To elect (1) member of the Board of Directors
- To elect (1) member of the Credit Committee
- To elect members of the Nominations Committee
- To take action on such matters as may come before the meeting

This is a virtual meeting and pre-registration is required. Please scan the code below with your smartphone or go to the link below to register before 5:00 p.m. June 19, 2024.



<https://us02web.zoom.us/joining/register/ZJodumsrT4sGNM3RTZNsMzfF37R5Y3tbzn>

Only members in Good Standing with the required qualifying share amount of \$300.00 and regular deposits to your share savings account will be eligible to register. Delinquent account holders will not be registered.

NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LTD.

NOMINATION COMMITTEE NOTICE

National Workers Co-operative Credit Union Limited invites all Members in **Good Standing** to consider being a candidate for the following positions at our upcoming Annual General Meeting:

- Board of Directors (One (1) Positions Available)
- Credit Committee (One (1) Position Available)

Any member interested in becoming a candidate for any of the above must complete an application form and present same to any branch of NWCCU or via email at nominationcommittee@email.com. Application forms can be collected at all branches or by requesting one via email at nominationcommittee@email.com or at our website at nwccubahamas.com. All applications must be submitted on or before June 10, 2024.

Requirements

No member may be elected to the Board, the Credit Committee, the Supervisory Committee unless he or she has satisfied the fit and proper requirements as set in the Regulations and the Byelaws and meet the additional requirements below:

- Must be an active member in good standing of the National Workers Co-operative Credit Union limited with a qualifying share balance of \$200.00.
- Must have attended no less than two (2) of the last three (3) Annual General Meetings.
- Must have served on the Supervisory Committee or Credit Committee (**for members seeking to be elected to the Board**.)
- Must possess business acumen and a basic understanding of accounting.
- Must have completed a basic application form which would entail "Know Your Customer" information as per the Financial Transaction Reporting Act.
- Members seeking to serve on the Supervisory Committee or Credit Committee must have on their share savings account a minimum balance of \$2,500.00 (Two Thousand Five Hundred Dollars.)
- Members seeking to serve on the Board of Directors must have in their share savings account a minimum balance of \$5,000.00 (Five Thousand Dollars.)

In compliance with local and international financial regulatory standards, no member will be nominated to hold an elected office unless an application was duly submitted and approved by the Nomination Committee. Further, nominations from the floor are no longer accepted.



NATIONAL WORKERS CO-OPERATIVE CREDIT UNION

BUDGET PRESENTATION

Bahamas Co-operative Credit Unions Act, 2015 47.2 (d)

	Budget 2024	Increase (Decrease)	Budget 2023	Actual 2023	Increase (Decrease)
Revenue:					
Interest on Deposits	110,000	(5,000)	115,000	105,965	(9,035)
Investment Income	450,250	6,000	444,250	440,140	(4,110)
Interest on Statutory Reserve Deposit	218,000	(2,000)	220,000	210,439	(9,561)
Interest on Auto Loans	40,000	(57,000)	97,000	8,019	(88,981)
Interest on Mortgage Loans	263,000	-	263,000	96,450	(166,550)
Interest on Consumer Loans	3,609,000	(40,000)	3,649,000	2,874,352	(774,648)
Processing Fees	214,000	(18,000)	232,000	218,082	(13,918)
Service Charges	368,000	31,000	337,000	350,425	13,425
Dividends	22,000	(1,000)	23,000	20,523	(2,477)
Other	100,000	10,000	90,000	83,578	(6,422)
Entrance Fees	32,250	21,500	10,750	2,309	(8,441)
Rental Income	245,640	56,100	189,540	200,403	10,863
Loans Writtenoff Recovery	550,000	(450,000)	100,000	74,841	(25,159)
Total Operating Income	6,222,140	451,600	5,770,540	4,685,525	(1,085,015)
Expenses:					
Interest on Member Share Deposits	544,000	(126,000)	670,000	541,282	(128,718)
Interest on Term Deposits	401,000	(103,000)	504,000	302,892	(201,108)
Interest on Educational Savings	55,000	(35,000)	90,000	52,213	(37,787)
Interest on Christmas Savings	17,000	(6,000)	23,000	16,019	(6,981)
Interest on Other Savings	103,000	(22,000)	125,000	83,157	(41,843)
Salaries	1,656,792	304,837	1,351,955	1,456,032	104,077
Staff Benefits	321,350	33,560	287,790	317,318	29,528
National Insurance	76,850	11,300	65,550	65,472	(78)
Employee Training & Development	35,000	15,000	20,000	6,658	(13,342)
Employee Travel	45,000	23,000	22,000	38,709	16,709
Employee Uniforms	22,500	18,300	4,200	1,166	(3,034)
Share/Loan Insurance	247,000	-	247,000	231,605	(15,395)
Other Member Security	22,500	-	22,500	23,163	663
Depositor's Insurance	35,000	(1,500)	36,500	31,173	(5,327)
Bad Debts	895,000	(300,000)	1,195,000	151,478	(1,043,522)
Internal & External Audit Fees	63,500	7,500	56,000	55,200	(800)
Legal Fees	31,000	(15,000)	46,000	19,001	(26,999)
Consultant Fees	10,000	-	10,000	58,972	48,972
Investment Management Fees	500	-	500	425	(75)
Collectors Fees	3,000	-	3,000	639	(2,361)
Insurance	124,400	10,400	114,000	122,312	8,312
Vehicles	27,100	-	27,100	20,036	(7,064)
Subscriptions/Dues	4,500	2,000	2,500	4,299	1,799
Stationery & Supplies	57,000	-	57,000	29,830	(27,170)
Bank Charges	56,400	42,600	13,800	59,081	45,281
Equipment Maintenance	45,000	8,000	37,000	34,590	(2,410)
Courier & Postage	4,000	1,000	3,000	3,232	232
Electricity	103,500	51,000	52,500	93,991	41,491
Telephone and Internet	139,000	1,000	138,000	135,813	(2,187)
Water & Cable	19,000	4,000	15,000	10,461	(4,539)
Building Maintenance	75,000	4,500	70,500	64,969	(5,531)
Building Security	71,000	7,000	64,000	49,498	(14,502)
Real Property Tax	10,000	-	10,000	3,473	(6,527)
Value Added Tax (VAT)	81,000	16,000	65,000	85,744	20,744
Lease Liability	11,000	2,000	9,000	27,863	18,863
Depreciation - Investment Property	43,000	-	43,000	43,238	238
Depreciation - Building	133,000	-	133,000	128,980	(4,020)
Depreciation - Leasehold Improvements & Right of Use Asset	195,300	3,000	192,300	178,159	(14,141)
Depreciation - Computer Hardware & Software	36,000	2,000	34,000	30,816	(3,184)
Depreciation - Furniture & Fixtures	37,000	-	37,000	33,907	(3,093)
Depreciation - Vehicles	4,000	(3,000)	7,000	(0)	(7,000)
Debit Card	6,000	-	6,000	6,027	27
Credit Card	1,000	-	1,000	-	(1,000)
Advertising & Promotion	25,000	5,000	20,000	13,126	(6,874)
Member's Appreciation	19,500	2,500	17,000	5,407	(11,593)
Mobile Branch	2,400	(12,600)	15,000	-	(15,000)
Donations	7,500	-	7,500	2,180	(5,320)
Board of Directors Expenses & Allowances	57,000	-	57,000	53,633	(3,367)
Supervisory & Credit Committees Exp & Allowances	40,000	13,000	27,000	27,961	961
Board Development & Travel	20,000	12,000	8,000	3,181	(4,819)
Youth Cooperative	5,000	-	5,000	-	(5,000)
Annual General Meeting	7,000	-	7,000	2,744	(4,256)
Family Island Representatives Honorarium	2,400	-	2,400	-	(2,400)
Computer Maintenance	93,000	10,000	83,000	93,725	10,725
Computer Stationery & Supplies	18,000	2,000	16,000	18,271	2,271
Other	-	-	-	(8,800)	(8,800)
Total Operating Expenses	6,164,992	11,603	6,176,595	4,830,319	(1,346,276)
Net Income/(Loss)	57,148	(463,203)	(406,055)	(144,794)	261,261

NWCCUL PEARLS RATIO ANALYSIS:				
		Standard	31-Dec-23	31-Dec-22
1	Solvency	>111%	102.97%	103.15%
2	Net Loans Ratio	70%-80%	39.91%	40.33%
3	Financial Investments Ratio	<2%	13.46%	13.42%
4	Non-financial Investments Ratio	0%	1.00%	1.00%
5	Institutional Capital Ratio	>10%	-4.67%	-4.51%
6	Savings Deposits Ratio	70%-80%	91.53%	92.46%
7	Delinquency Ratio	<5%	16.87%	19.18%
8	Non-earning Assets Ratio	<5%	16.56%	16.66%
9	Operating Expense Ratio	<5%	5.36%	5.02%
10	(ROA) - Net Income Ratio	10%	-0.21%	-3.48%
11	Operating Liquidity Ratio	15%-20%	17.29%	16.68%
12	Statutory Liquidity Deposit Ratio	>10%	11.00%	10.84%
13	Statutory Reserves Ratio	>10%	6.23%	6.30%
14	Total Capital Ratio	>10%	4.60%	4.05%



The 2024 Supervisory Committee Report

Greetings to the membership of NWCCUL, according to the Co-operatives Societies Act Chapter 81:03 (Act No.22 of 2015) and Byelaws of National Workers Co-operative Credit Union Society Limited, the Supervisory Committee is pleased to present a report of activities done within the Administration period July 2023 to May 2024 and the financials year to date.

COMPOSITION OF THE SUPERVISORY COMMITTEE

During the forty-seventh (47th) Annual General Meeting held on Friday, July 21st, 2023; the following members were elected to serve on the Supervisory Committee:

- | | | |
|----------------------|---|-----------|
| ✓ Tyronne J. Perpall | - | Chairman |
| ✓ Elaine Farquharson | - | Secretary |
| ✓ Misty Adderley | - | Member |

This was a naïve mix determined to make a difference and we embarked upon a course to follow the preambles of the cooperative credit union to adhere to the governing regulatory requirements and to move forward in strict operating compliance.

OBSERVATION OF AREAS OF EXAMINATION

Our initial and current assessment has found the National Workers Cooperative Credit Union to be very laid back and completely passive in its service offerings to the Public. Too often the pace of conducting business, timeliness in responding to requests and tasks, and the general attitude is rather slow and nonchalant. Moreover, we take a secondary or subservient position when compared to other financial institutions in the marketplace. Therefore, this committee took on an open approach to gauge the temperature of the organization to ascertain actual behaviors and deliverables to provide meaningful ideas, alternatives and changes to improve our organization business undertakings.

As a consensus, we discovered that many antiquated methods are being utilized that generate too much paper and clutter in a digital age. Many branches store too much paper visible documents. The key impression is that the staff seem reluctant to put forth new ideas, are afraid to challenge the status quo and simply follow the same old drum beat of doing the same old and expecting better results.

BRANCHES AUDIT OF THE SUPERVISORY COMMITTEE

Hence, we visited all locations at least two (2) to three times year-to-date and performed our duties, documented our findings and related our sentiments to the board for adoption. Additionally, we have put forward new ideas, suggestions and recommendations to enhance staff morale, standardize committee performance outcomes, push Board governance, and challenge ourselves to step up our game to make the Credit Union great again. As a collective communal


body, we do not cast blame on anyone but strongly encourage everyone to do more with less, in whenever capacity they find themselves.

SITE VISITS			
BRANCH LOCATION	TARGET	ACTUAL	KEY FINDINGS
Andros	4	2	Customers want more banking capabilities and product offerings.
Berry Islands	4	2	Many customers to be served in an unfriendly environmental limited space.
Freeport	4	3	Security service provider need to be upgraded or replaced
New Providence (Main Office)	4	3	Headquarters' is slow in reacting and providing active solutions
New Providence (Poinciana)	2	2	Making the best of a challenging situation

The National Worker's Cooperative Credit Union Limited has pockets of strengths or hidden gems that are unique and special to each specific location, these should be considered as best practices and adopted throughout the entire organization. Then there are also some policies, behaviors and procedures that need to be updated or discouraged. The opportunity for shared learnings, exchange of experiences needs to be encouraged between the branches so that we can better our current offerings and existing activities while simultaneously protecting our flanks that are exposed to keen and aggressive competition.

KEY FINDINGS		
DEPARTMENT	FOCUS AREA	CONCERNS
Accounts	Financial Accounts	Reconciliations and deposits are not made on a timely basis
Board	General Oversight	Very slow in making and taking effective actions with accountability and verification.
Information Technology	ATM	Working in a digital age where we are not using the latest technology available in the marketplace
Management	Foresight	Most branches are client friendly and not using the tools to be innovative and financially competitive.
Supervisory Committee	Strategic	We need to step up and be more aggressive to take the lead in getting the Board and Credit Committee to be more aggressive as well.

THE TRAFFIC LIGHT SUMMARY APPROACH



AREA	CLASSIFICATION	FOCUS
RECONCILIATIONS	WEAKNESS (Change or Stop)	These must be processed much more timely to foster better business decisions.
ATMs	CAUTION (Potential)	The ATM's must be made functional to service our family island customers efficiently.
MULTI-FLEXIBLE WORKERS	STRENGTH (Keep-up)	Keep ensuring that the staff are very flexible at all locations

In conclusion, we should all strive with excellence to fulfill our task requirements as we propel others to bring out their best for the betterment of the National Workers Cooperative Credit Union Limited!

*Tyronne J Perpall
Supervisory Committee
Chairman*

*Elayne Farquarson
Supervisory Committee
Secretary*

*Misty Adderley
Supervisory Committee
Member*

Credit Committee 23-24 Report

The Credit Committee after the 2023 AGM is comprised of the following individuals: Mr. Kenneth Knowles, Chairman, Mrs. Sonia Williams, Secretary and newly elected member Richard Johnson.

The Credit Committee is pleased to make its report on the period January 2, 2023, to 6th June 2024.

Central Bank in their Quarterly Economic Review March 2024 said: 'During the first quarter of 2024, preliminary indications are that the Bahamian economy maintained its growth trajectory, albeit at a more tempered pace, with economic indicators returning closer to their expected medium-term potential. Tourism output remained expanded, supported by robust gains in both the high value-added air segment and sea traffic, as the demand for travel in key source markets persisted. '

We are seeing glimpses of this growth as chronicled with the chart below which shows:

- Year over Year increase in the number of loans granted 363
- Year over Year increase in Dollars Loaned \$4,171,866.99

Credit Type	2023-2024 Number	2023 -2024 Disbursement Amount	2022 Number	2022 Disbursement Amount	Variance
70K Debt Consolidation			1	\$12,562.76	-\$12,562.76
2017-N-Staff Debt Promotion	6	\$225,928.09	5	\$204,150.00	\$21,778.09
2018 Easy 10K Promo	271	\$2,342,546.95	182	\$1,568,952.31	\$773,594.64
2020 Debt Consolidation Loan Promo	74	\$2,476,728.54	57	\$2,355,551.38	\$121,177.16
2020 Your Essential Loan Kit	553	\$3,486,444.82	494	\$3,127,001.51	\$359,443.31
Auto Loan	2	\$113,170.52	0	\$0.00	\$113,170.52
Consumer Loans	611	\$7,968,829.87	405	\$5,098,501.42	\$2,870,328.45
Debt Recovery Expense	0	\$0.00	1	\$28,978.00	-\$28,978.00
Loan Collection Realization	4	\$16,033.82	5	\$28,864.76	-\$12,830.94
Revolving Credit	4	\$40,148.49	3	\$36,687.21	\$3,461.28
Vendor Special BI Loan	3	\$16,705.24	12	\$53,420.00	-\$36,714.76
Totals	1,528	\$16,686,536.34	1,165	\$12,514,669.35	\$4,171,866.99

Notwithstanding this unprecedented number of New Loan and dollar amount loaned for the period, our loan portfolio saw a slight growth of 69 loans and \$428,691.54 year over year.

This modest growth shows that NWCCUL is trending in the right direction.

During the reported period, the Credit Committee has met with Main Branch, Freeport Branch and the Collections Department, to standardize our collection approach. In this vein, we have authorized and recommended 3 mortgages totaling \$372,200.00 for restructuring, 1 Education loan for \$18,155.00, 3 auto Loans for \$134,224.35, 2 Home Improvement Loans for \$73,000.00 and have right sized 3 loans for \$111,356.44. We encourage the Branches and Collections Department to seek out more loans of this nature (according to the New Policy) and make the necessary recommendations.

The Credit Committee, like the Board, believes in the education of our employees. As such, we held a training session Q1. 2024 on the completion of the Bad Debt Forms, which was well received, and we hope to hold Collections training session the end of Q2, 2024.

During this reporting period, the Credit Committee has worked hand in hand with the Supervisory Committee and Board of Directors to bring about positive change to NWCCUL. This is evident in the positive, recommendations put forth by the Credit Committee which we await the Boards approval.

The Credit Committee wishes to thank the Board of Directors for seeing fit to grant our request for a Laptop with VPN access. This has greatly enhanced the productivity of the Credit Committee.

The Credit Committee wishes to thank the Board of Directors, Executive Management and Staff for their faith and confidence displayed in us for this period. Mrs. Hanna and her staff at the Collections Departments in both Nassau and Freeport for generously giving of their time and being so accommodating to us. And Mrs. Neely in Freeport and Mrs. Arnette for opening their offices to us on our visits.

Thank you all for the success for this period and look forward to even greater success in the upcoming years ahead.



Terms of Office for Directors

Director Name	Year Up for Election
Darrin Woods	2025
Anna Colebrooke	2024
Lovy Jean	2026
Leo Douglas	2026
Bronson Sands	2026
Kevin Hanna	2025
Welbourne Cunningham	2026

Terms of Office for Supervisory Committee

Committee Member Name	Year Up for Election
Tyronne Perpall	2026
Misty Adderley	2026
Elayne Farquarson	2026

Terms of Office for Credit Committee

Committee Member Name	Year Up for Election
Kenneth Knowles	2025
Sonia Williams	2024
Richard Johnson	2026



Criteria for election to the Board of Directors

1. Candidate must have attended at minimum two (2) prior AGMs inclusive of the last AGM.
2. Candidate must have served on any of the Committees, i.e., Credit or Supervisory Committees.
3. Candidate must be a member of the credit union.
4. Candidate must be a citizen of The Bahamas.
5. Candidate must be eighteen years of age or older.
6. Candidate must not have been found by a court to be of unsound mind or is certified to be suffering from a mental disorder within the meaning of the Mental Health Act (Ch. 230).
7. Candidate is not eligible if he/she is an employee of the co-operative credit union, the Apex Body or the Central Bank.
8. Candidate is not eligible if he/she has been convicted of an offence that is punishable on indictment in The Bahamas, or in another country or an offence involving dishonesty.
9. Candidate is not eligible if he/she is a professional advisor who provides services to the cooperative credit union in his professional capacity or has provided such services in twelve months preceding the date on which he may be elected.
10. Candidate is not eligible if he/she is a member of the Supervisory or Credit Committees (no one can hold a post and apply for a higher post at the same time; they must resign).
11. Candidate is not eligible if he/she is ninety days or more in arrears of his debt obligation to the cooperative credit union.
12. Candidate is not eligible if he/she is an undischarged bankrupt Candidate is not eligible if he/she has been suspended, removed or prohibited from acting as a director of a:
 - a) financial institution by a domestic regulatory authority; or
 - b) foreign financial institution by a foreign regulatory authority.
13. Candidate is not eligible if he/she does not meet the requirements prescribed in the byelaws.
14. No member may be elected to the Board, the Credit committee nor the Supervisory committee unless he or she has satisfied the fit and proper requirements as set by the regulator (details provided below).
15. Former or retired directors who received benefits on retirement are not eligible to run.
16. Candidates must have experience in accounts, management, or business acumen.

Appendix

The Central Bank of The Bahamas Corporate Governance Guidelines for Co-operatives
Fit and proper persons.

All credit unions must ensure that each director, committee member, officer or senior manager is fit and proper to carry out the duties and responsibilities of his/her position. The Central Bank will determine whether a person remains fit and proper to hold the aforementioned positions and will consider the following attributes:

- Integrity, probity, competence, and soundness of judgment to fulfill his/her responsibilities.
- The diligence with which the person is fulfilling or is likely to fulfill the responsibilities of the position in question.
- Whether the interest of a credit union is likely to be in any way threatened by the person holding that position.
- Whether they have engaged in any activity or business practices that appear to be deceitful or oppressive or otherwise improper (whether lawful or not) or which would discredit his/her method of conducting business; and Whether there has been impropriety in handling an employer's business.

Resolutions

1. **BE IT RESOLVED THAT** the Board of Directors be responsible for the appointment of Auditors for the year ending December 31, 2024.
2. **BE IT RESOLVED THAT** the Board of Directors be responsible for the appointment of the Attorney for the year end December 31, 2024.
3. **BE IT RESOLVED THAT** Board of Directors are to receive a monthly stipend of \$500.00.
4. **BE IT RESOLVED THAT** Supervisory Committee members are to receive a monthly Stipend of \$250.00.
5. **BE IT RESOLVED THAT** the Credit Committee members are to receive a monthly Stipend of \$200.00.
6. **BE IT RESOLVED THAT** the criteria for election to the Board of Directors as presented be adopted to ensure NWCCUL's compliance to the Central Banks' fit and proper guidelines for qualification of nominees to vie for board and committee positions.

Setting of Maximum Liability

7. **BE IT RESOLVED THAT** our maximum liability remains at \$75,000,000.00 as set at our 47th Annual General Meeting.

Budget Ratification

8. **BE IT RESOLVED THAT** the budget as presented on page 100 of this booklet for the fiscal year 2024 be ratified by the AGM body present.

Seven Cooperative Principles for Credit Unions

1. **Voluntary Membership**

Credit unions are voluntary, cooperative organizations, offering services to people willing to accept the responsibilities and benefits of membership, without gender, social, racial, political, or religious discrimination.

Many cooperatives, such as credit unions, operate as not-for-profit institutions with volunteer board of directors. In the case of credit unions, members are drawn from defined fields of membership.

2. **Democratic Member Control**

Cooperatives are democratic organizations owned and controlled by their members, one member one vote, with equal opportunity for participation in setting policies and making decisions.

3. **Members' Economic Participation**

Members are the owners. As such they contribute to, and democratically control, the capital of the cooperative. This benefits members in proportion to the transactions with the cooperative rather than on the capital invested.

For credit unions, which typically offer better rates, fees, and service than for-profit financial institutions, members recognize benefits in proportion to the extent of their financial transactions and general usage.

4. **Autonomy and Independence**

Cooperatives are autonomous, self-help organizations controlled by their members. If the cooperative enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the member and maintains the cooperative autonomy.

5. **Education, Training, and Information**

Cooperatives provide education and training for members, elected representatives, managers, and employees so they can contribute effectively to the development of the cooperative.

Credit unions place particular importance on educational opportunities for their volunteer directors, and financial education for their members and the public, especially the nation's youth. Credit unions also recognize the importance of ensuring the general public and policy makers are informed about the nature, structure, and benefits of cooperatives.

6. **Cooperation Among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, state, regional, national, and international structures.

7. **Concern for Community**

While focusing on member needs, cooperatives work for the sustainable development of communities, including people of modest means, through policies developed and accepted by the members.

Prayer of St. Francis of Assisi

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,
It is in dying that we are born into eternal
life.**