

PROGRESS WITH PURPOSE

ANNUAL REPORT 2026





2025- 2026 BOARD REPORT

Progress with Purpose

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St. Francis of Assisi

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A long, perspective view of a stone archway hallway, likely a cloister or a similar architectural space. The arches are made of light-colored stone and recede into the distance, creating a strong sense of depth. The floor is paved with large, light-colored stone tiles. A large, semi-transparent white rectangular box is centered over the image, containing the text of the prayer.

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;
and where there is sadness, joy.

O Divine Master,
grant that I may not so much seek to be consoled as to console;
to be understood, as to understand;
to be loved, as to love;
for it is in giving that we receive,
it is in pardoning that we are pardoned,
and it is in dying that we are born to Eternal Life.

OUR MEMBER SERVICE CHARTER

THE CREDIT UNION'S EXPECTATIONS OF IT'S MEMBERS

- To remain loyal to their Credit Union
- To maintain a professional manner when conducting business at the Credit Union.
- To be respectful to employees and other members.
- To be co-operative by way of providing all the necessary information requested by employees.
- To take the initiative on issues affecting them.
- To seek clarification on problematic issues.
- To maintain high levels of honesty and integrity.
- To be punctual for appointments and any other meetings at the Credit Union.
- To display care and consideration for Credit Union property and facilities.

WHAT MEMBERS CAN EXPECT TO RECEIVE IN TERMS OF SERVICE

- Prompt, professional, efficient service with an emphasis on service excellence.
- Dedication to adding value to the members' experience.
- Keen interest in making the member feel appreciated.
- Accuracy on members' accounts.
- Remittances processed in a timely manner (two (2) working days).
- Information on the Credit Union's products and services.
- Guidance on financial planning.
- Effective communication on the Credit Union's policies and procedures
- Timely response to queries and telephone calls.



OUR VISION

TO BE THE LEADING PROVIDER OF FINANCIAL SOLUTIONS FOR ALL OUR MEMBERS.



OUR MISSION

TO BE THE MOST EFFICIENT PROVIDER OF CREDIT UNION SERVICES AND PRODUCTS THAT DEVELOP AND SUSTAIN ALL MEMBERS' SOCIO-ECONOMIC STANDARDS, BASED ON CO-OPERATIVE PRINCIPLES.



CORE VALUES

MEMBER SERVICE

We strive to deliver a caring and effortless experience for all our members.

EXCELLENCE

We provide personable, customized, superior service in every interaction.

TEAMWORK

We work collaboratively and co-operatively with our staff, members, and key stakeholders.

RESPECT

We promote an environment of mutual respect.

INNOVATION

We encourage and reward innovative thought and action at every level of the Credit Union

INTEGRITY

We seek to build trust and are highly ethical and transparent in our every interaction.

COMMUNITY

We care about each other and our members and strive to build community within and outside the Credit Union.

SOLUTION-ORIENTED

We focus on always finding creative solutions to solve problems or challenges.



ANNUAL GENERAL MEETING

AGENDA

All members are invited to attend the Annual General Meeting of **AffinityPlus Credit Union Limited** at the Frank Collymore Hall, Central Bank of Barbados, Tom Adams Financial Centre, Church Village, Bridgetown, on **Saturday, June 27, 2026 at 10:00 a.m.**

- | | |
|--|---|
| 1. Ascertainment of Quorum | 13. Fixing of Maximum Liability |
| 2. Call to Order | 14. Appropriation of Surplus |
| 3. Prayers/St. Francis of Assisi | 15. Appointment of Auditors |
| 4. Apologies for Absence | 16. Resolutions |
| 5. Welcome and acknowledgement of other Organisations | 17. Close of Voting for Elections to the Board of Directors, Supervisory Committee and Credit Committee |
| 6. Credentials Committee Report | 18. Prize Giving |
| 7. Appointment of Election Chairman | 19. Election Results |
| 8. Elections
Vacancies and Terms | 20. Any Other Business |
| a) <i>Board of Directors</i> | 21. Vote of Thanks |
| b) <i>Credit Committee</i> | 22. Adjournment |
| c) <i>Supervisory Committee</i> | |
| 9. Adoption of Standing Orders | |
| 10. Minutes of the last Annual General Meeting held on June 28, 2025 | |
| 11. Matters arising from Minutes of Annual General Meeting held on June 28, 2025 | |
| 12. Reports 2025 - 2026 | |
| a) <i>Board of Directors</i> | |
| b) <i>Credit Committee</i> | |
| c) <i>Supervisory Committee</i> | |
| d) <i>Auditors</i> | |
| e) <i>Financial Statements</i> | |

Secretary
Board of Directors



BOARD OF DIRECTORS



Bro. Dalton Medford
PRESIDENT



Sis. Cheryl-Ann Vaughan
VICE PRESIDENT



Sis. Marsha Greenidge
SECRETARY



Bro. Dario Arrendell
TREASURER



Sis. Alicia Pilgrim
ASSISTANT SECRETARY



Bro. Shomari Inniss
ASSISTANT TREASURER



Bro. Nicholas Alleyne
DIRECTOR



Bro. Eric Smith
DIRECTOR



Bro. Damian Mascoll
DIRECTOR



Sis. Daceia Bailey
CHAIRPERSON

SUPERVISORY COMMITTEE



Sis. Faith Roach
VICE CHAIRMAN



Bro. Harcourt Husbands
SECRETARY



Sis. Faye Arthur
ASSISTANT SECRETARY



Bro. Akeem Greaves
MEMBER





Sis. Ashlee Neblett
CHAIRPERSON

CREDIT COMMITTEE



Bro. Kemar Holder
VICE CHAIRMAN



Bro. Peter Vaughan
SECRETARY



Sis. Lisa Martin
ASSISTANT SECRETARY



Sis. Juliet Pollard
MEMBER



MANAGEMENT TEAM



Sis. Alana Cadogan
CHIEF EXECUTIVE OFFICER



Bro. Terry Bonnett
CHIEF FINANCE OFFICER



Sis. Marie Theodore
CHIEF OPERATIONS OFFICER



Bro. Shazard Mohammed
CHIEF LEGAL & COMPLIANCE OFFICER



Sis. Deborah Currency-Hunte
CHIEF HUMAN RESOURCE & ORGANISATION DEVELOPMENT OFFICER



Bro. Antonio Arthur
CHIEF INFORMATION TECHNOLOGY OFFICER



Sis. Valerie Hope
MARKETING MANAGER



Sis. Lisa Collymore
BRANCH MANAGER



Sis. Michaela Niles
BRANCH MANAGER



Sis. Leah Murray
RISK MANAGER



Sis. Alwyn Springer
INTERNAL AUDITOR





CORPORATE TEAM

CHIEF EXECUTIVE OFFICER

Alana Cadogan

OFFICE OF THE CEO

Leah Murray
Risk Manager

Lucretia Hall
Executive Secretary

Sharon Murrell- Executive
Assistant- Board of Directors

FINANCE

Terry Bonnett.....Chief Finance Officer
 Akilah MorganFinance Officer (Ag.)
 Jelani HopeFinance Assistant
 Natalia WilliamsFinance Assistant
 Shonnelle Holmes.....Senior Collections Officer
 Sharon Hope.....Collections Officer
 Sasha Gibbons.....Collections Officer
 Natalie Gilkes.....Collections Clerk

HR & ADMINISTRATION

Deborah Currency-Hunte.....Chief Human Resource
and Organisation
Development Officer
 Gail Cumberbatch.....Human Resource and
Administration Officer
 Makaila BestHR, Administrative
Assistant
 Janice GriffithOffice Attendant
 Mary HayneOffice Attendant
 Joan Best.....Office Attendant
 Adrian Bradshaw.....Office Assistant

INTERNAL AUDIT

Alwyn Springer.....Internal Auditor

INFORMATION SYSTEMS

Antonio ArthurChief Information
Technology Officer
 Dario HolderSenior Systems
Administrator
 Nikolai Holder.....Systems Analyst
 Jovon Amos.....Systems Administrator

LEGAL AND COMPLIANCE

Shazard Mohammed.....Chief Legal and
Compliance Officer
 Yvette Jordan-Dottin.....Compliance Officer
 Michelle HusbandsSecurities Officer
 Danica Mullin-HaynesSecurities Assistant

MARKETING

Valerie Hope Marketing Manager
 Desiree PuckerinMarketing Officer
 Dareon Millar.....Marketing Assistant

OPERATIONS

Marie Theodore.....Chief Operations Officer
 Lisa CollymoreBranch Manager
 Michaela NilesBranch Manager



CORPORATE TEAM

Kim Hunte..... Branch Supervisor

Keisha GoodardBranch Supervisor

Sacha Mondesir Branch Supervisor

Jalisa Broome.....E-Services, Processing and
Call Centre Supervisor

Sherri TaylorRelationship Officer

Marika Hinds.....Relationship Officer

Shavonne DottinRelationship Officer

Chelsea Brathwaite.....Relationship Officer

Juann McCarthy.....Loans Underwriter

Dario Yearwood Loans Underwriter

Kelly Lewis.....Processing Clerk

Jade-Amor GrantProcessing Clerk

Jacobie Gilkes.....Member Experience
Representative Trainee –
Loans

Toni Worrell.....Member Experience
Representative

Omelle Broomes.....Member Experience
Representative

Charmaine Johnson.....Member Experience
Representative

Sadie-Ann Alleyne.....Member Experience
Representative

Neville Nurse.....Teller

Tia Atwell.....Teller

Octavia LewisTeller

Jequan Jones.....Teller

Reon Harris.....Teller

Erika White-Cummings.....Teller

Carl KishnaE-Service Assistant – Cards

Dakayla Hutson.....Telephone Operator
/ Customer Service
Representative

Cheryse Simmons.....Telephone Operator
/ Customer Service
Representative

Akira Nicholls.....Telephone Operator
/ Customer Service
Representative

Fabianna Walthrust Telephone Operator
/ Customer Service
Representative

Lourdes Lobin.....Receptionist

PART-TIME

Destinee GlasgowTeller

Kellyann HolderTeller

Tiann Franklyn.....Teller

Svetlana ArneauTeller

Kim PayneTeller

Dawndré GoodingTeller





MESSAGE FROM

The President

Bro. Dalton Medford

Let me start by saying how honored I am to have the privilege to lead the team at AffinityPlus. This past year was, without question, the most challenging of my life, and I want to take a moment to thank those who carried me through it.

To my fellow board members, thank you for standing beside me. To our management, staff, and to you, our members: thank you for the support, the kind words, and the encouragement. On behalf of my son and myself, I am deeply grateful.

I am pleased to report that this year, we have recorded yet another strong year-end performance with a net surplus of \$2.7 million. Our capital adequacy remains well above the regulatory benchmark, and liquidity also stands at 13.22%. Our delinquency rate is among the lowest in the industry – a direct result of you, the members, honouring your commitments so that your brothers and sisters can have the same opportunity to borrow as you did. It is this action that shows what the cooperative spirit is all about. Let me also thank the team in the Collections Department who at times remind members when necessary to repay their loans. Our loan portfolio continues to grow, and we are actively rebalancing it to position the credit union for the years ahead.

I take this opportunity to encourage those members that may from time to time, have challenges repaying their loans to reach out to the office as soon as possible. While we cannot remove the obligation, we can find an arrangement to assist you in repaying your loans.

The cost of technology continues to be a challenge but we remain committed to equipping the institution responsibly and within our means. This year has seen the purchasing of software for the Internal Audit Department, to improve the management of the auditing process. Likewise, we have invested in software for the Human Resources Department, and we are actively evaluating options for the Loans Department.

Further to the technological advancements, we continue to accept loan applications online and have implemented 24-hour monitoring of our systems to guard against external threats. At the same time, we are in the final stages of joining BiMPAY, the national payment system, and work is well underway to have our ATMs up and running by financial year end.

In terms of governance, a strong framework has been adopted and continues to be practiced, supported by ongoing training for directors and senior management. The approved 2025–2028 Strategic Plan is now guiding the organisation's strategic direction and informing key decisions and initiatives across all areas of operation. We have also developed a corporate debit card policy to govern the use of cards issued to senior management and board members where necessary. Lastly, we are pleased to have introduced a call centre, giving members more timely responses to their queries.

In conclusion, let me again express my gratitude to the entire team and membership for your unwavering support, and I ask that God continues to guide the Credit Union as we look towards the future.



BOARD REPORT

Progress with Purpose

The 2025/2026 financial year reflects a period of steady, intentional progress for AffinityPlus Credit Union (AffinityPlus), where growth has been guided not only by strategy, but by purpose, structure, and disciplined execution.

Over the past year, we have continued to build brand awareness, expand our reach, and deepen engagement with both existing and prospective members. This has been supported by ongoing progress in our digital transformation efforts, improved operational efficiencies, and a deliberate focus on strengthening staff engagement across the organization. As a result, we have achieved increased visibility, stronger brand recognition, and better connections with key stakeholders and the communities we serve.

Deliberate efforts have been made to strengthen the systems, frameworks, and structures that underpin the organization. During the year, the Credit Union advanced the development and implementation of key policies to better guide operations and decision-making, enhanced its responsiveness to regulatory requirements, and took important steps to safeguard and manage its intellectual capital.

Significant operational milestones were also achieved, including the completion of the Real Time Payments (RTP) project and the establishment of a dedicated Call Centre. The Credit Union also expanded its community presence through the assumption of a shared title sponsorship of Kiddies Kadooment, and Title sponsorship of the folk concert, further strengthening brand visibility and engagement.

Execution of these initiatives was driven by the Management Team, under the active oversight of the Board. In its role, the Board maintained a clear focus on ensuring that all efforts support sustainable growth, operational excellence, and long-term member value, while reinforcing strong governance, fostering innovation, and aligning strategy with the evolving needs of the membership.

This report outlines the results of a year defined not only by performance, but by the continued strengthening of a resilient, responsive, and trusted credit union, well positioned for the future.

FINANCIAL PERFORMANCE AND OVERVIEW

AffinityPlus achieved another strong financial performance during the year, surpassing \$293 million in total assets. The loan portfolio grew by 12% to \$217 million, while deposits increased by 13% to \$261 million, reflecting continued confidence in the Credit Union among members and the wider public. The organization also recorded a net surplus of \$2.7 million, exceeding projected performance for the year. These results underscore the Credit Union's continued ability to generate sustainable growth, maintain financial stability, and strengthen its overall position for the future.

OPERATIONS

The Operations Department delivered an exceptional performance throughout the financial year, successfully meeting and exceeding all major strategic and operational targets. Through strong leadership, disciplined execution, and an unwavering commitment to operational excellence, the department significantly advanced the Credit Union's growth agenda while continuing to enhance member experience, operational efficiency, and financial sustainability.

The department's overall performance reflected a highly engaged and resilient team culture focused on accountability, innovation, and service excellence. Strategic initiatives implemented during the year strengthened core operations,



accelerated digital transformation efforts, and reinforced the Credit Union's position as a trusted and growing financial institution.

Deposit Growth and Liquidity Strengthening

The Credit Union achieved exceptional deposit growth during the financial year, resulting in total growth of \$29.1 million, significantly exceeding projections.

This performance was supported by targeted member engagement initiatives, including the special deposit promotions like the Term Deposit offer, financial literacy events, corporate visits, and attending networking activities. These initiatives strengthened relationship management with both existing and prospective members while enhancing overall member engagement.

Operational responsiveness and service delivery improvements also contributed to stronger member confidence and continued business growth.

Outstanding Loan Portfolio Performance

Total loan approvals reached \$67.78 million during the financial year, reflecting strong growth across key lending portfolios.

Operational improvements, including the introduction of digital loan on-boarding and virtual loan disbursements, significantly enhanced processing efficiency, reduced turnaround times, and improved convenience and accessibility for members throughout the lending process. These enhancements also strengthened service delivery and contributed to a more seamless member experience.

Strategic emphasis was also placed on sustaining portfolio yield through the promotion of higher-interest loan products and Lines of Credit (LOCs), supporting continued profitability and long-term portfolio growth. As a result, the loan portfolio generated a strong yield of 7.98%.

Membership Growth and Market Expansion

Membership grew to 36,165 members during the financial year, representing growth of 7.68% and exceeding annual targets. This performance was supported by several outreach initiatives and promotional activities aimed at attracting new members and increasing awareness of the Credit Union's products, services, and community impact.

Digital onboarding initiatives were also implemented to streamline the account opening process, improve operational efficiency, and make membership more accessible through convenient, technology-driven solutions designed to appeal to a broader demographic.

Digital Transformation and E-Service Advancements

Significant progress was achieved during the financial year in advancing the Credit Union's digital transformation agenda and operational modernization initiatives.

A major milestone was the successful launch of the internal Call Centre in October 2025, which substantially enhanced the organization's member support capabilities and operational responsiveness. The Call Centre currently manages both inbound and outbound member engagement activities, including Medical Plan assistance, Mastercard callbacks, and Security renewal processes related to Vehicle and House Insurance, as well as Land Tax proof-of-payment verification. This initiative has strengthened communication channels, improved service accessibility, and increased operational efficiency across several critical service areas.

Further progress was made through continued enhancements to Debit Mastercard Services. The team proactively collaborated with Capita to secure adequate card inventory ahead of the upcoming renewal cycle while simultaneously addressing system purge criteria improvements to strengthen operational readiness.

Operational efficiencies also improved significantly within Payroll Processing Services, with payments consistently being applied to members' accounts within one business day, significantly improving turnaround times and the overall member experience.

Leadership, Team Performance and Organizational Impact

The Operations Department's achievements throughout the financial year reflect the strength of its leadership, the professionalism and dedication of its teams, and a sustained commitment to operational excellence.

Despite an evolving operating environment and increasing service demands, the department consistently demonstrated agility, innovation, accountability, and a results-oriented approach in delivering exceptional outcomes for both the Credit Union and its members.

Collectively, these accomplishments position the Credit Union for continued growth and operational success while reinforcing its reputation as a trusted, progressive, and member-focused financial institution.

TECHNOLOGY

The Credit Union made significant progress in its ongoing efforts to enhance ATM support services for members. In addition to the ATM hardware units purchased and currently in storage in Barbados, we have successfully received one Hardware Security Module (HSM) device, with an additional



unit scheduled to arrive. These devices will strengthen the security and reliability of ATM-related operations.

In November 2025, the Credit Union successfully implemented its Real-Time Payments (RTP) Service, representing another major advancement in the organization's digital banking strategy. Since implementation, adoption levels have remained strong, with the number of incoming transactions reaching 16.7 thousand and outgoing transactions totalling 7.1 thousand, reflecting increasing member confidence and utilization of the platform.

RTP services through the Barbados Automated Clearing House are to be replaced by BiMPay, the new national instant payments platform, which is being driven by the Central Bank of Barbados. As part of the Credit Union's adoption of the BiMPAY platform, continuous enhancements have been made to the online banking platform. Testing activities remain ongoing as preparations continue for the official launch of BiMPAY on June 12, 2026.

In alignment with the organization's cybersecurity hardening initiatives, Cisco Duo was successfully deployed in February and has since been adopted credit union-wide. This multifactor authentication (MFA) solution significantly makes it more difficult for unauthorized actors to gain access to organizational systems and devices.

Furthermore, improvements have been implemented within the Freshdesk service ticketing system to streamline and enhance employee onboarding workflows, contributing to greater operational efficiency.

The Credit Union is also currently transitioning to the IBM MaaS360 platform, a mobile device management (MDM) solution that will provide a more centralized and comprehensive view of organizational devices, while also offering improved insight into device usage patterns and employee utilization trends.

Additionally, progress has been made toward the transition to Microsoft Teams Phones, which will replace the current Cloud Voice infrastructure. The new telephony system is expected to provide enhanced functionality, improved reporting capabilities, and greater mobility across the organization's communications environment. The implementation is currently in the testing phase using provisions supplied by FLOW.

Employee utilization rates across existing systems and applications within the Microsoft ecosystem have remained consistent. This includes continued active usage of platforms and applications such as Microsoft Teams, Word, Excel, and

Outlook, all of which continue to support daily operational and collaborative activities across the organization.

LEGAL & COMPLIANCE

The Legal and Compliance Department remains a critical and pivotal department in ensuring enterprise wide compliance with the growing regulatory landscape of the Credit Union's operations.

Policies

The Department has been instrumental in ensuring that policies are developed, amended, or updated to ensure legal and regulatory compliance in various sectors of the credit union's operation inclusive but not limited to corporate governance, investment, system change management, business conduct, and ethics. In summary, a total of fifty-nine (59) policies were either created, updated, or amended.

Regulatory Compliance

The Credit Union continues to maintain a favourable regulatory compliance with its principal regulators, the Financial Services Commission (the "FSC") and the Barbados Revenue Authority (the "BRA").

With respect to the FSC, the Credit Union has provided responses to:

- An Anti-Money Laundering/Counter-Financing of Terrorism/Counter Proliferation Financing (AML/CFT/CPF) audit and inspection of the regulatory period June 1, 2023, to June 30, 2025, which ended in October 2025 and culminated in the FSC's final report in March 2026.
- National Risk Assessment which seeks to identify, assess and understand the money laundering, terrorist financing and proliferation financing (ML/TF/PF) risk facing the jurisdiction of Barbados, which was submitted in April 2026.
- A request for information relative to the Suspicious Transactions Report ('STR') was completed in December 2025.

With respect to the BRA, the Credit Union continues to comprehensively address their onsite remediation review relative to the Automatic Exchange of Information ("AEOI") and provide the BRA with responses to their requests. Additionally, the Credit Union's remains compliant with statutory requirement to file its annual FATCA and CRS reporting.

The Credit Union has also become a participant to the Central Bank of Barbados' instant payment system, "BiMPAY" in accordance with the provisions of the National Payment



System Act, 2021-1. Consequently, the Credit Union will be required to, amongst other things, to prudentially report to the Central Bank of Barbados.

RISK MANAGEMENT

The Credit Union maintains a comprehensive risk management framework to identify, measure, monitor, and control risks across its operations and safeguard member assets. Oversight is provided by the Board of Directors and Supervisory Committee, guided by the annually reviewed Risk Appetite Statement and in full compliance with FSC requirements, the Cooperative Societies Act, and applicable AML/CFT legislation.

During the reporting period, the Credit Union strengthened its Enterprise Risk Management (ERM) approach through enhanced internal controls, expanded staff training, and continued alignment with evolving regulatory expectations. The risk environment remained influenced by domestic inflationary pressures, labour market shifts, and climate related impacts on member livelihoods and collateral values.

Risk Profile Summary

- **Credit Risk - Moderate**

Credit risk remains the most material risk. Enhanced underwriting standards and affordability assessments continue to be assessed, while active arrears management have helped to contain delinquency. IFRS 9 ECL provisioning remained forward-looking, and loan concentration limits were monitored throughout the period. The Securities Department is actively addressing all instances of lapsed insurance on pledged securities and collateral to ensure continuous and adequate collateral protection.

- **Liquidity Risk - Low**

The Credit Union maintained a liquid assets ratio above FSC requirements, supported by a diversified funding base. Work progressed on standby credit facilities to strengthen liquidity buffers, and periodic stress testing assessed resilience under adverse scenarios. Deposit strategies have been successfully implemented and have delivered positive results to date.

- **Operational Risk - Low to Moderate**

Operational controls were reinforced through targeted resilience testing and fraud prevention training. Segregation of duties and supervisory oversight were further strengthened across key operational processes.

- **Cyber and IT Risk - Moderate**

Cybersecurity remained a priority as digital services expanded. Multi-Factor Authentication was maintained and expanded, an external assessment identified remediation priorities, while member education

campaigns addressed phishing and social engineering risks. Infrastructure and dataprotection enhancements continue to be evaluated.

- **Reputational Risk - Low to Moderate**

The Credit Union recognises that member trust and its reputation are among its most valuable assets. Reputational risk was managed through consistent service delivery, transparent member communication, and strong governance practices. Adherence to established conduct standards, ongoing social media monitoring, and the proactive management of cyber, compliance, and operational risks all contributed to safeguarding the Credit Union's reputation. These measures were important given the potential for incidents in any of these areas to erode member confidence and public trust.

- **Regulatory and Compliance Risk - Low**

The Credit Union met all FSC prudential requirements, submitted regulatory filings on time, and updated internal policies to reflect legislative and supervisory changes. Engagement with the FSC remained active and constructive.

- **Climate Risk - Moderate**

Climate considerations were formally integrated into the ERM Framework. Management reviewed borrower insurance. Further development of climate risk assessment and scenario analysis is planned.

Key Highlights

- Loan delinquency ratio maintained below the PEARLS benchmark of 5%.
- Institutional capital ratio exceeded the minimum threshold prescribed under the PEARLS monitoring system and the Tier 1 capital minimum as outlined by the Financial Services Commission.
- Business Continuity Plan review and testing conducted, including hurricane disruption scenarios.
- Climate risk considerations have begun to be formally integrated into the Credit Union's Enterprise Risk Management Framework to support long-term sustainability and resilience.

HUMAN RESOURCE MANAGEMENT

The development of our human capital has remained a key priority for the Credit Union, recognizing that our people are central to the organization's growth, long-term success, and strategic advancement.



Learning and Development

Each year, the Credit Union makes a significant investment in strengthening the knowledge, skills, and competencies of its employees to enhance service to members and other key stakeholders. Key training initiatives undertaken during the review period included:

- **Disciplinary Management**

The aim of the Credit Union especially as a unionized entity is to ensure proper administration of disciplinary and dismissal matters in accordance with the provisions of local legislation. This training primarily targeted staff at the supervisory and management levels as well as staff assigned to the Human Resource Department.

- **Leadership Development**

During the year, the Credit Union launched its Credit Union Leadership Development for Supervisors and Emerging Leaders Programme. This 12-week internal initiative was designed to strengthen supervisory leadership and support succession planning. The first cohort included 12 supervisors and focused on practical leadership skills, accountability, communication, financial awareness, compliance, member service, risk, audit readiness, and digital transformation. Participants also completed final projects addressing real opportunities within the Credit Union, with the strongest project selected for implementation.

- **Governance**

In keeping with fiduciary commitments, the Board and Committee members participated in numerous training activities with the aim of providing good and effective stewardship. Areas of learning included Corporate Governance, Understanding Artificial Intelligence and its Implications for Business Strategy, Risk Management – being able to recognize and mitigate imminent risks and Cybersecurity – Understanding how evolving cyber threats can impact individuals and the organisation. These training resources were developed internally or sourced from external providers.

- **Compliance**

Anti-Money Laundering (AML) training was provided to all staff members, including newly hired employees, to reinforce awareness of compliance obligations, regulatory requirements, and reporting responsibilities. The Department also commenced a series of specialist learning modules, beginning with training on the Barbados Identification Card (Trident ID Card), aimed at equipping staff with the knowledge needed to properly verify the card's security features, safety codes, and authentication protocols.

- **Risk**

To support the building of a risk-aware culture throughout the organization a series of targeted training initiatives were introduced to strengthen staff knowledge of risk and its critical importance to the credit union. Training sessions were conducted across all departments, equipping employees with a deeper understanding of risk identification, assessment, and mitigation, and reinforcing how sound risk management practices safeguard the credit union's members, assets, and long-term stability. Staff were engaged through interactive workshops, policy reviews, and awareness communications that emphasized individual accountability in managing day-to-day operational, compliance, and reputational risks.

- **Cybersecurity**

In recognition of October as Cybersecurity Awareness Month, a comprehensive cybersecurity training program for all staff was delivered through a collaboration between the Risk and MIS teams. This joint initiative covered critical topics including phishing awareness, password hygiene, data protection, and safe digital practices, underscoring the credit union's proactive approach to safeguarding sensitive member information and fortifying its defences against evolving cyber threats.

- **Data Analytics**

The quantity and speed at which data is transmitted can sometimes be intimidating, and the content and its usefulness, particularly in decision making can be overlooked. The key objectives of this learning experience included demonstrating how data confidence begins with people not platforms; and showing how adequate data analysis could result in accurate and transparent decision making that evokes trust.

- **Emotional Intelligence**

Operating successfully in a heavily customer service and people-centred environment make it necessary for our staff to be able to responsibly manage their responses and emotions in their day-to-day interactions with both colleagues and members. The main goal of this training was to address not only emotional intelligence but also emotional management along with identifying a few other key leadership traits.

Employee Engagement

Employee wellness and well-being took centre stage during the period under review. Significant effort was put into understanding employees' interests, needs, and teambuilding. A series of activities were successfully coordinated including



a competitive islandwide treasure hunt. AffinityPlus also experienced a significant increase in its overall Employee Engagement score.

Rewards and Recognition

Staff awardees for the period were as follows:

- **CEO's Award**
Mrs. Keisha Goddard, Branch Supervisor.
- **Manager of the Year**
Mrs. Valerie Hope, Marketing Manager.
- **Employee of the Year**
Ms. Lucretia Hall, Executive Secretary, CEO's Office.
- **Service Excellence**
Ms. Sadie-Ann Alleyne,
Telephone Operator
/Customer Service Representative
- **Most Improved Performance**
Ms. Marika Hinds, Relationship Officer
- **Teamwork**
Makaila Best, Human Resource Assistant,
Akilah Morgan, Finance Assistant
- **Perfect Attendance**
10 staff members were recognized.
- **Milestone Awards**
2 persons were awarded and both were
5-year awardees.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

WE CARE Outreach Programme

At AffinityPlus, our commitment to improving lives extends far beyond financial services. Through our We Care Outreach Programme, we continue to provide support to members, institutions, and community initiatives that contribute to national development and social well-being.

During the 2025/2026 financial year, the Credit Union received a total of 166 We Care Grant applications, of which 100 were approved, representing approximately 60% of all requests received. Through these approvals, the Credit Union provided over \$118,000 in financial assistance and community support initiatives.

A total of 39 members applied for assistance during the reporting period, with 23 grants approved. Support was primarily provided to members experiencing financial hardship due to emergencies such as hospitalization, bereavement, and home damage caused by fire. Assistance

was also extended towards utility expenses, essential household needs, home-related expenses, and overseas travel opportunities for members and/or their children representing Barbados and their respective sports teams internationally.

The Credit Union also continued its strong support of educational institutions and youth development initiatives. During the year, 29 schools received grants for graduation activities, overseas educational and immersive school trips, and the use of the Credit Union's branded tent and outreach resources for school Sports Days and other activities.

Youth empowerment remained the largest area of support under the We Care Programme, accounting for 41 grants issued during the year. Additional support was also provided across the areas of sports, culture and heritage, environmental initiatives, and community development projects within the catchment areas of our branches.

Through the We Care Programme, AffinityPlus continues to reinforce its role as a socially responsible and purpose-driven institution committed to uplifting communities, supporting members in times of need, and investing in initiatives that create s and lasting impact across Barbados

Another Corporate Social Responsibility highlight during the year was AffinityPlus Credit Union's participation in the Clean Up Barbados initiative for a second consecutive year, reinforcing its commitment to environmental sustainability and community outreach. Coordinated by the Staff Association Committee under the theme "Doing Our Part for a Cleaner, Better Barbados," members of Staff, Management, the Board, and various Committees came together to clean the environs of Oistins, while a recap of the initiative was also shared across social media platforms to promote awareness and community engagement.

Community Sponsorships & Partnerships

A major milestone for AffinityPlus during the year was our first-ever high-level involvement in the Crop Over Festival as Joint Title Sponsor of Junior Kadooment and Title Sponsor of the NCF Folk Concert. This significant investment represented a major brand-building opportunity for the Credit Union, elevating its visibility and positioning within the Barbadian public, while demonstrating its commitment to the preservation and promotion of Barbadian culture.

As the only financial institution located in Oistins, AffinityPlus also continued its strong support of the Oistins Fish Festival, with the Credit Union proudly assuming the title sponsorship of the Festival's 5K Run and Walk. Staff participation in the



event further reinforced the Credit Union's community-centred approach and commitment to the area served by its Oistins branch.

Community engagement efforts were also strengthened in the north of the island through sponsorship of the "Light Up Speightstown Fuh Christmas" initiative and support for the Northern Mas Kiddies Kadooment Band, both of which strengthened the Credit Union's connection with the Speightstown community.

Youth development and empowerment remained a major focus for the Credit Union during the year, led by our title sponsorship of the AffinityPlus Beacons of the North Calypso Competition hosted by Half Moon Fort Primary School. The initiative brought together 11 primary schools and provided young students with a platform to develop confidence, creativity, and cultural expression through calypso.

The Credit Union also once again partnered with PGDF Caribbean to support the Government's Community Summer Camp Programme. The partnership facilitated the donation of large art posters and colouring supplies to encourage creativity, self-expression, and positive youth activity.

AffinityPlus also deepened its investment in youth empowerment and financial literacy through the continued sponsorship of the Mr. Executive Interschool Competition. This year, a Savings Challenge component was introduced, to encourage and reward positive financial habits among participants, while helping to expand the Credit Union's youth membership base. Prizes were awarded for the Biggest Saver and Most Consistent Saver, and several challengers have become AffinityPlus members.

In addition to the challenge, the Credit Union supported a range of other youth, educational, and sporting initiatives across Barbados, including the Club United Volleyball Division One Men's Team, the Barbados Entrepreneurship Foundation's \$20 Challenge, the Agrofest School's Culinary competition, and formed educational partnerships with schools and community groups. Donations were also made to support the school band of the Milton Lynch School, and the refurbishment of the Wellness Centre at the Irving Wilson School in partnership with the Lions Club of Bridgetown.

As part of its community outreach efforts, AffinityPlus also donated the use of the Ashton Turney Boardroom to several youth-focused organizations during the year. Beneficiaries included the At-Risk Youth Foundation and the Optimist

Clubs of Barbados, which hosted its Annual Oratorical Contest at the facility in April. The competition, open to secondary school students under the age of 19, provided young people with an opportunity to develop their public speaking skills and compete for educational advancement opportunities. Barbados performed strongly, with Christ Church Foundation student Rekendra Sargeant going on to win the regional district competition in Jamaica after placing second locally.

Support for financial education initiatives was further demonstrated through sponsorship of the MyTwoCents Financial Education Seminar held in October 2025. The workshop was used to promote the Credit Union's Term Deposit product and Save It & Win It savings challenge, while creating opportunities to engage directly with participants on available products and services. The sponsorship also generated valuable brand exposure through multiple mentions on social media and during seminar presentations and reinforced the organization's commitment to encouraging sound financial habits and long-term financial wellness.

During the year, AffinityPlus also formed a strategic business partnership with Promotech Inc. through the "Tech the Halls" Christmas promotion. The collaboration provided members with exclusive discounts on electronics and tech accessories, alongside convenient holiday financing solutions through the Credit Union. The plan is to continue to build on this partnership to the mutual benefit of both organizations.

MARKETING & COMMUNICATIONS

Member Engagement & Communication

Membership engagement and communication remained a key priority throughout the year, with several initiatives implemented to strengthen relationships with members, improve access to information, and enhance the overall member experience.

The first anniversary since our successful rebrand to AffinityPlus was commemorated through a series of activities, including the distribution of branded tokens across branches, a thank-you anniversary video, as well as email message to members expressing appreciation for the continued support.

The Credit Union also celebrated its 42nd Anniversary in July with a branch wide Member Appreciation Day. The celebration featured member giveaways, including a chance to win tickets to major Crop Over events for members who made deposits on the day. To further honour the milestone and increase



online engagement, a “Riddle Me” trivia challenge was launched, which helped educate members and employees about the history, products, services, and achievements of the Credit Union in a fun and engaging way.

Another milestone marked was the 20th Anniversary of the Oistins Branch. As part of the celebrations, and in recognition of September as Prostate Cancer Awareness Month, the Credit Union also donated to the Barbados Cancer Society to support men’s health initiatives, including prostate cancer screening and awareness activities conducted during the Oistins promotion.

To further enhance communication and accessibility, improvements were made to the Credit Union’s website to strengthen Search Engine Optimization (SEO) and improve accessibility for persons with disabilities. These enhancements created a more user-friendly and inclusive online experience while increasing the visibility of the Credit Union’s digital presence.

In March, the Credit Union also launched a new website chat service aimed at improving member support and enhancing digital engagement. The platform provides members and prospective members with quicker access to information, assistance, and general enquiries in a more convenient and interactive way. The service also supports the Credit Union’s broader digital transformation and communication goals

Relationship management efforts were also expanded during the year with the coordination of the Credit Union’s first cocktail reception targeting current and prospective depositors. The event provided an opportunity to strengthen relationships and engage directly with valued members and prospects in a more personalized setting.

Public Relations (PR) & Promotions

Public Relations and promotional activity remained a major focus throughout the year as AffinityPlus Credit Union continued to strengthen brand visibility, deepen member engagement, and expand public awareness of its products, services, and community impact. Through an integrated marketing and communications approach, the Credit Union executed several successful campaigns and promotional initiatives designed to support business growth, encourage savings and borrowing activity, increase digital engagement, and reinforce member loyalty. Promotional campaigns such as Join, Save & Win and Summer Takeover generated strong member participation and engagement, while also supporting deposit growth, loan activity, and increased interaction with the Credit Union’s products and services.

A major highlight during the year was the launch of the Save It & Win It Member Challenge, officially introduced in October 2025 to encourage consistent saving habits among members.

The promotion generated strong interest and engagement from members, while also supporting the Credit Union’s broader financial wellness and deposit growth objectives.

Another significant promotional initiative was the Spend & Win Promotion, executed in partnership with Capita Financial Services Inc. and Mastercard. The promotion generated strong engagement and delivered positive results in both card activation, usage and member participation. Member Tyrone Harper was selected as the winner of the grand prize of a trip for two to Dubai.

Throughout the year, the Credit Union continued to receive significant media attention and public exposure, particularly its involvement in major national and community events. These partnerships generated widespread coverage across traditional media, digital news platforms, radio, television, and social media, significantly enhancing brand awareness and positioning AffinityPlus as an active and engaged corporate citizen.

Social media continued to serve as an important communication tool and the Credit Union strengthened its digital presence during the year, recording increased engagement and visibility across all social media platforms.

Youth Activities

As part of the strategic focus on growing youth membership and strengthening relationships with younger audiences, strong emphasis continued to be placed on youth development and engagement during the year.

A major highlight during the year was the launch of the Junior Jumpstart promotion, introduced for the first time to align with the Credit Union’s sponsorship of Junior Kadooment. The campaign received a strong market response, with all complimentary junior memberships allocated and the Credit Union recording higher-than-average growth in junior membership sign-ups during the promotional period.

In addition to financial products and promotions, the Credit Union also enhanced its value proposition for junior members through a range of experiential rewards and developmental opportunities. These included complimentary costume giveaways as well as complimentary access to



developmental summer camps These initiatives allowed AffinityPlus to provide value beyond traditional financial services while strengthening engagement with young members and their families.

Youth empowerment was further strengthened through sponsorship and support of several school and youth-focused initiatives some of which have been previously stated. The Credit Union also conducted financial literacy sessions with students and teachers from schools including Eden Lodge Primary, Great Kids Arete School , the St. Michael School, Lodge School, Half Moon Fort Primary, Milton Lynch Primary, and St. Luke-Brighton Primary. These engagements created opportunities to promote savings, entrepreneurship, leadership, internal audit and build AffinityPlus awareness among young people across Barbados.

The SMART Youth Leaders Club (SYLC), targeted at young people between the ages of 16 and 25, also remained a major pillar of the Credit Union’s youth engagement strategy during the year. The programme continued to provide opportunities for leadership development, personal growth, and discussion on issues affecting young people. Sessions hosted throughout the year focused on topics including financial literacy, personal branding, career development, entrepreneurship, communication skills, goal setting, and leadership development. The club also created opportunities for networking, teamwork, confidence building, and social engagement, while strengthening participants’ connection to the Credit Union and the cooperative movement.

Youth Awards

The Credit Union’s commitment to supporting youth excellence and rewarding the achievements of its junior members was exemplified through the hosting of a Youth Awards Ceremony. The event celebrated the accomplishments of outstanding young members while reinforcing AffinityPlus’s ongoing investment in education, youth empowerment, and financial support for families. During the ceremony, eight scholarship recipients were recognized across the Credit Union’s various scholarship categories.

While the Credit Union continues to actively promote its scholarship programme through social media, member email communications, and information available on our website, scholarship opportunities remain underutilized. Members are therefore encouraged to take greater advantage of these educational incentives designed to support academic

development and achievement.

The 2025 scholarship recipients were as follows:

- **Levere Richards Scholarship**
Woletta-Israel Yaicob, Tonika Griffith, and Nailah Browne
- **Casper Roett Scholarship**
Nicholas Scott, Isabelle Greaves, and LaShawn Padmore
- **Icilma Johnson Memorial Scholarship**
Taija Dottin-Hurley and Kyra Paul
- **Winfield Belle Scholarship**
Daren Miller

At the awards for the first time, 28 junior members who sat the 2025 Barbados Secondary School Entrance Examination were also specially recognized with a token from the Credit Union, and we also recognized our Junior Jumpstart grand prize and two bonus prize winners.

Member Education

Member education and financial empowerment remained an important focus for AffinityPlus Credit Union during the year, with several initiatives executed to help members improve their financial knowledge, decision-making, and long-term financial well-being.

The SMARTChoices Webinar Series continued to provide members and prospects with access to expert financial insights on a range of relevant topics. Sessions hosted during the year included “The Wealth Mindset: Habits of Highly Successful People”, “Love Your Credit” in partnership with EveryData, which focused on understanding credit scores and credit management; a webinar on Generational Wealth which explored strategies for building and protecting long-term family wealth; and a session on Managing Financial Risk. These webinars attracted strong participation and positive feedback from attendees, reinforcing growing interest in financial literacy and wealth-building education among members.

To further modernize our educational outreach and engage audiences in more practical and relatable ways, the Credit Union also launched the four-part SMARTFinance Vodcast Series across our social media platforms in partnership with popular vodcast platform Gems From Friends. The series featured AffinityPlus’s Chief Operations Officer alongside special guests discussing real-life financial topics and practical money management strategies.

The vodcast series was also featured on CBC TV’s Mind Your Business and received strong public engagement and



visibility online. The initiative helped position financial literacy content in a more accessible and engaging format while also attracting new audiences to the Credit Union's digital platforms and social media channels.

Additional efforts to improve member education and digital literacy included the creation of several "How-To" tutorial videos and guides aimed at helping members navigate the Credit Union's digital services more effectively. These resources were shared via email, social media, the Credit Union's website, and internally with staff to ensure members had access to practical guidance and support as digital adoption continues to increase.

Member Outreach

Throughout the year, AffinityPlus Credit Union continued to ion with members and prospective members through a series of outreach initiatives, financial fairs, community events, and educational engagements across Barbados. These activities provided opportunities to increase awareness of the Credit Union's products and services, facilitate new memberships, promotemavings and loan products, and strengthen relationships within the communities and organizations served.

The Credit Union participated in several major outreach and financial engagement events, where the team engaged attendees on financial wellness, savings products, memberships, and lending solutions. Across these engagements, the Credit

Union utilized branded activations, interactive activities, promotional giveaways, and direct member interaction to help exceed its membership targets, strengthen visibility, and build stronger community relationships.

International Credit Union Day

For International Credit Union (ICU) Day 2025, AffinityPlus celebrated under the theme of "Cooperation for a Prosperous World" with a series of engaging activities for both staff and members. Staff and Management participated in a social media video campaign sharing their perspectives on "What Prosperity Means to Me" while extending special ICU Day greetings. The occasion was further highlighted through a live radio segment and advertising placement in print media.

Celebratory activities also included a financial literacy session hosted for teachers at The Lodge School during Teachers' Appreciation Day, the launch of the Member Savings Challenge, and a special staff incentive draw promoting the use of Real Time Payments (RTP) services. To further commemorate the occasion and spread appreciation, branded treats were distributed to both staff and members across the Credit Union.

Member Incentives & Rewards

During the year, the Credit Union continued to promote and reward a strong culture of saving and financial discipline through the APlus Savers Club initiative. A total of 15 members were randomly selected and rewarded for





demonstrating positive saving behaviours, including maintaining savings balances of \$10,000 or more for three consecutive years, opening term deposits, or consistently making at least five deposits without withdrawals during the financial year.

Member Discount Programme

The AffinityPlus Member Discount Programme continued to expand during the year as part of the Credit Union's efforts to provide additional value and everyday savings opportunities for members while strengthening partnerships with local businesses. The programme allows members to access exclusive discounts and special offers from participating businesses by presenting their AffinityPlus Debit Mastercard, while also giving partner businesses increased visibility and access to the Credit Union's growing membership base.

Throughout the year, the Marketing Department actively pursued new partnership opportunities, with a total of 12 businesses officially joining the programme, significantly broadening the range of available member benefits.

Members are encouraged to visit the Credit Union's website to explore the growing list of participating partners and learn more about joining the programme.

PROGRESS TO COME

Looking ahead, AffinityPlus Credit Union remains focused on building on the momentum achieved during the year and continuing its journey of Progress with Purpose. The organization enters the new financial year with a clear strategic direction centred on strengthening operational resilience, deepening member relationships, enhancing digital capabilities, and positioning the Credit Union for sustainable long-term growth. Continued investments in

systems, technology, governance, brand awareness and people development will further support the organization's ability to evolve and meet the changing needs of members and communities.

A major priority for the year ahead will be the continued advancement of digital transformation and service accessibility. Planned initiatives include the rollout of BiMPAY, expansion of ATM services with enhanced deposit functionality, improvements to onboarding and loan origination systems, and increased automation across key operational areas to improve efficiency and member convenience.

The Credit Union will also continue strengthening cybersecurity, compliance frameworks, staff training, and internal systems to ensure a modern, responsive, and resilient organization capable of supporting future growth. In support of these efforts, focus will also be placed on enhancing data analytics for risk monitoring, expanding stress testing capabilities, and deepening technology risk management to further strengthen the organization's overall risk management framework and operational resilience, so that the long-term interests of members remain protected.

AffinityPlus also remains committed to expanding its impact beyond financial services by continuing to invest in member education, youth engagement, financial wellness initiatives, community partnerships, and outreach programmes. Strategic efforts to grow membership, strengthen employer relationships, encourage disciplined saving, and enhance member experience will remain central to the organization's plans. Through these initiatives, the Credit Union is well positioned to continue delivering value to members while advancing with confidence, purpose, and a strong commitment to sustainable progress.



OUR ESG SUMMARY

Environmental

- Installed motion sensor lighting at Head Office and upgraded all lighting at the Speightstown Branch to LED to improve energy efficiency and reduce operating costs.
- Developed plans for additional waste reduction and paperless initiatives, including e-fillable forms and electronic document management systems.
- Began integrating climate risk considerations into the Enterprise Risk Management Framework.
- Promoted sustainable living through Green Plus and EcoWheels Loan products supporting environmentally friendly investments by members.
- Maintained partnerships with renewable energy providers to provide members with wider access to sustainable resources.

Social

- Continued investment in youth development, education, financial literacy, wellness, and community outreach initiatives.
- Supported youth empowerment through programmes such as the Youth Awards & Scholarship Programme, SMARTYouth Leaders Club, and Junior Jumpstart promotion.
- Maintained strong community visibility through sponsorship of major national and community events.
- Delivered financial education through webinars, vodcasts, school engagements, tutorials, and outreach initiatives.
- Promoted staff wellbeing, professional development, inclusion, and accessibility.

Governance

- Board of Directors maintained oversight of strategic direction, policy approval, and governance through standing committees.
- Directors continue to satisfy the fit and proper requirements established by the Financial Services Commission.
- Approved amendments to the By-Laws at the 2025 AGM to strengthen governance standards and accountability.
- Maintained a Board-approved Risk Management Framework supported by a dedicated Risk Committee.
- Continued strengthening governance, compliance, and ethical business practices through policy development and review.

Attendees at the 2025 AffinityPlus Youth Awards





MANAGEMENT ANALYSIS

The 2025–2026 financial year (April 2025 to March 2026) was another successful period for AffinityPlus, building on the strong growth achieved in recent years. The Credit Union continued to record positive performance across key indicators, including loans, deposits, membership, and total assets, while maintaining a low level of delinquency and a strong commitment to prudent financial management.

A landmark achievement for the year was being added to the Real Time Payments (RTP) platform which enabled members to send and receive funds instantly. In the last quarter of the financial year, AffinityPlus commenced intense development work to become an inaugural participant in BiMPay, the new National Instant Payment System, operated by the Central Bank of Barbados. These efforts were rewarded by the issuance of the license to be part of the launch on June 12, 2026. These investments in technology were necessary to position AffinityPlus for the future demands of the financial services sector. Although RTP and BiMPay took center stage, work to operationalize the ATMs has continued, albeit, at a slower pace, but is anticipated to be completed by the end of 2026.

Cash and Financial Investments

Total cash and investments increased by \$8.6 million, reflecting the Credit Union’s strategic focus on reducing its loans-to-deposits ratio. Our cash resources rose by 3% to \$34.5 million, resulting in a liquidity ratio of 13.2%, well above the 8% benchmark. The Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) were 218% and 143%, respectively, both well above the required benchmark of 100%. These ratios indicate strong liquidity and funding positions, with the LCR measuring short-term resilience and the NSFR assessing longer-term funding stability.

AffinityPlus employed targeted efforts to grow the investment portfolio in this financial year and an increase of 27.2% or \$7.5 million was achieved, compared to a modest contraction of 4.2% or \$2.0 million in March 2025.



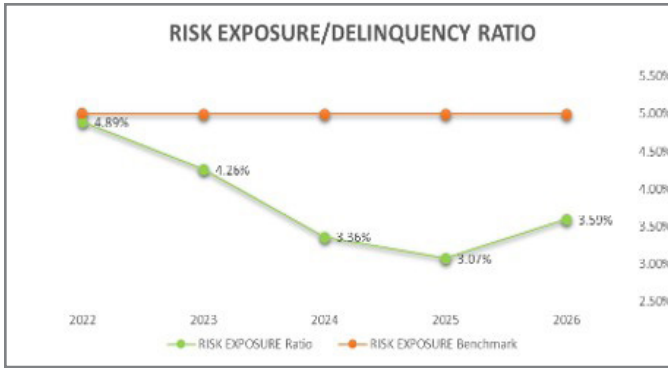
Loans and Mortgages to Members and Credit Risk

The loan portfolio has performed commendably with year-on-year growth in loans and mortgages to members, registering a substantial increase of 12.1% during the year and 76% over the last five years. The total loan portfolio has now exceeded the \$200 million threshold, ending the year at \$216.9 million. Personal loans remained the driver of growth with an increase of \$9.7 million (14.1 million in 2025). Real estate loans grew by \$7.1 million (4.4 million in 2025). Line of credit loans increased by \$6.9 million, compared to \$4.7 million in 2025. This growth in lending activities reflects a pivot in providing more financing to meet our members’ needs.



AffinityPlus recorded a small increase in the delinquency ratio of 0.52% from the previous year’s record low of 3.07% to 3.59%. The collection efforts have kept the rate well below the benchmark of 5%. This achievement reflects our continued commitment to fostering strong relationships with our members and providing comprehensive support throughout their financial journeys. The proactive member engagement and personalized financial guidance have undoubtedly influenced this favourable outcome.

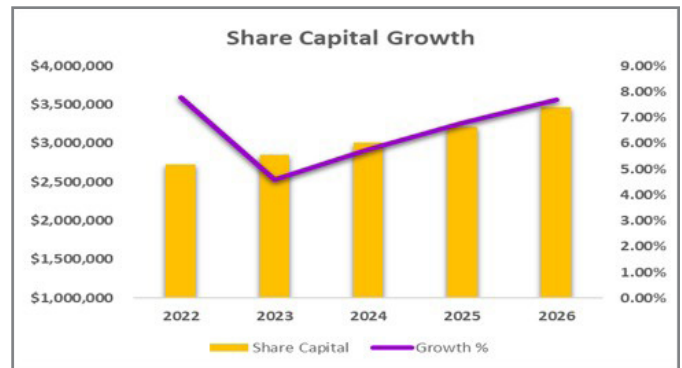
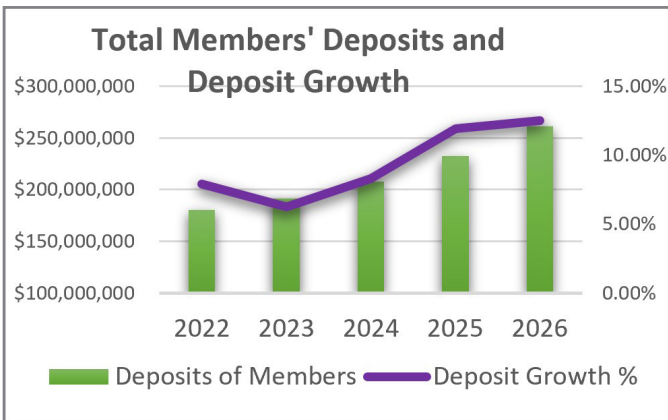




Members' Deposits

Deposit growth reached a record 12.5% this year, surpassing the previous high of 11.9% achieved last year and bringing total deposits to \$261.3 million.. This growth can be attributed to efforts to promote the Credit Union as an attractive destination for investable funds. This intensive approach meant that the cost of funds increased from 0.74% to 1.03%. The major growth products were \$8.6 million in Membership Prime deposits, \$7.8 million in Corporate deposits, \$5.93 million in Term deposits, and \$2.9 million in SMARTAccumulator deposits.

While our capital ratio of 9.55% falls slightly compared to the mark of 9.63% for March 2025, and just below the static benchmark of 10%. However, on a risk adjusted basis, the Capital Adequacy Ratio of 13% was achieved surpassing the 8% threshold. The objective is to continue grow the equity position and consequential enhance the financial resilience and long-term sustainability of the credit union.

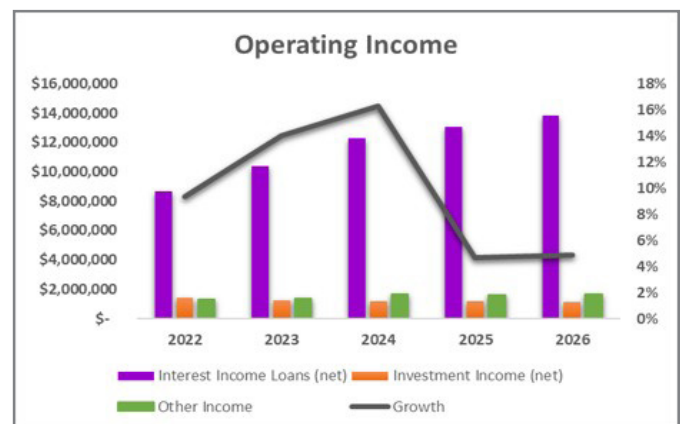


Equity

Equity has reached \$28.0 million, with a \$2.9 million increase over the previous year, due to the growth in Net Surplus. The membership base expanded to 36,165 (33,579 March 2025) with share capital increasing by 7.7% over the last financial year. This increase brings the total share capital to \$3.46 million. Our continued success in attracting and serving new members underscores the strength of the AffinityPlus brand in the marketplace.

Operating Income

Our Total Operating Income increased by 5% or \$0.8 million, at the same rate as for March 2025. The growth was driven by a 5.7% increase (6.4% in March 2025) in Net Loan Interest Income, due to the expansion of the loan portfolio. The loan yield improved by the slightest margin from 7.9% to 8.0%. There was a slight decrease in Investment Income (net) of \$0.03 million while Other Income increased by \$0.06 million.





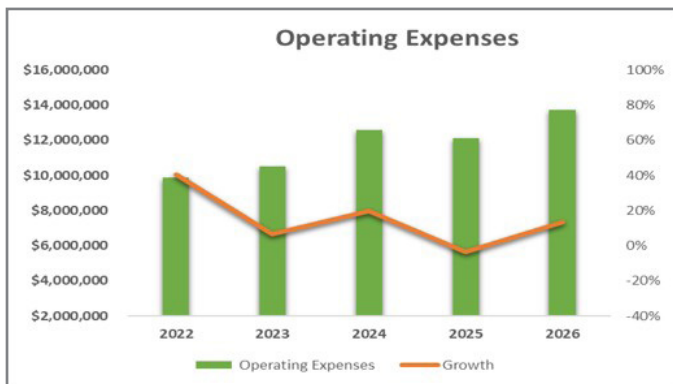
Operating Expenses

As anticipated, the expenses rose by 13% compared to the last financial year. In dollar terms, this was an increase of \$1.6 million. The main increases were for Card Expenses - \$521 thousand, Employee Costs - \$375 thousand and Information Systems - \$218 thousand.

Card Expenses rose because certain costs rose year on year such as license fees, cost of reports, issuer decision, and management services. Additionally, new costs this year were incurred to purge inactive cards, purchase materials for the cards and PIC enhancements.

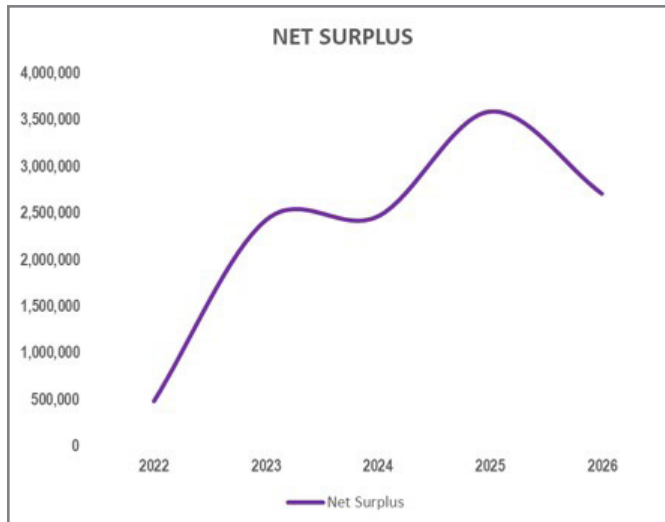
Employee costs increased primarily due to higher salary expenses of \$184 thousand associated with increased headcount, as well as additional investments in employee training of \$51 thousand. Overtime costs rose by \$47 thousand, while incentive pay increased by \$37 thousand..

Information Systems costs increased primarily due to the implementation of technology solutions to support Internal Audit activities (\$75 thousand), higher telephone expenses (\$78 thousand), and increased costs associated with existing software subscriptions and services.



Conclusion

AffinityPlus had another successful year, with assets exceeding \$293.5 million. The Net Surplus was reduced from March 2025, in line with the anticipated increases in expenses, and was \$2.7 million as of March 31, 2026. Still reflecting an upward trend over the last five years.



To enhance the member experience and to position the Credit for the future, the Call Center has been established and over \$2.9 million has been invested thus far in the RTP, BiMPay and ATM projects.

AffinityPlus remains committed to the path of further digitization as this will be the expectation of the membership going forward. Nevertheless, we remain steadfast in the service of those who need human interaction and assistance. The Credit Union remains vigilant in detecting instances of fraud and has employed 24-hour monitoring services to protect members' funds.

During the financial year, AffinityPlus through the We Care Fund has offered support to members in need of assistance and to the communities in which we operate. The Credit Union also lent its support to National events, particularly the Crop Over and Oistins Fish Festivals.

At AffinityPlus, great emphasis is placed on sound governance and growing in a financially prudent and sustainable manner to build on a solid foundation. The outlook for the 2027 financial year is one of confidence and optimism as AffinityPlus Credit Union continues its journey of growth and transformation. We remain focused on reaching new milestones, enhancing the member experience, and strengthening our position as the credit union of choice, one that inspires trust, earns public confidence, and is readily recommended to family, friends, and colleagues.

Together, in partnership with our members, we will confidently navigate any challenges that lie ahead, seize new opportunities, and continue building a stronger, more resilient AffinityPlus for generations to come.





AffinityPlus
CREDIT UNION



AffinityPlus
CREDIT UNION

Financial STATEMENTS

For the year ended
March 31st, 2026

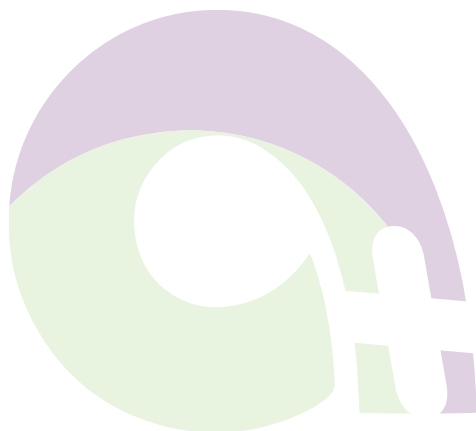


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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AFFINITYPLUS CREDIT UNION LIMITED**

Opinion

We have audited the financial statements of **AffinityPlus Credit Union Limited** (the "Credit Union"), which comprise the statement of financial position as at March 31, 2026, statements of changes in equity, comprehensive income, and cash flows for the year then ended, and notes, to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at March 31, 2026 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' (IESBA) and International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. 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 comprises the Board of Directors' Report, Treasurer's Report and Supplementary information in the Annual Report 2025 - 2026 but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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 appears to be materially misstated.

When we read the Annual Report 2025 - 2026, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFINITYPLUS CREDIT UNION LIMITED (continued)

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

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

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

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

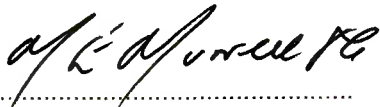
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Other Matter

This report is made solely to the Credit Union's members, in accordance with Sections 109 and 123 of the Co-operatives Societies Act of Barbados. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, for our audit work, for this report, or for the opinion we have formed.



.....
M. E. Murrell & Co.
Chartered Accountants

BARBADOS
June 10, 2026

AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31ST, 2026
 With comparative figures for 2025
 (Expressed in Barbados dollars)

	<u>Notes</u>	<u>2026</u> \$	<u>2025</u> \$
ASSETS			
Cash resources	5	34,548,187	33,456,179
Interest receivable	6	606,291	506,056
<i>Financial investments:</i>			
Amortized cost	8	27,443,254	21,685,699
FVOCI	8	7,252,437	5,524,815
FVTPL	8	22,120	22,120
Loans and mortgages	4(a) & 9	<u>213,195,181</u>	<u>190,528,980</u>
		<u>283,067,470</u>	<u>251,723,849</u>
OTHER ASSETS			
Accounts receivable - net	10	1,423,949	859,374
Prepaid expenses		773,021	391,322
Right of Use Asset	11	507,255	358,324
Property and equipment	11	<u>7,708,544</u>	<u>6,889,719</u>
Total Other Assets		<u>10,412,769</u>	<u>8,498,739</u>
Total Assets		<u>293,480,239</u>	<u>260,222,588</u>
LIABILITIES AND MEMBERS' EQUITY			
Liability to Non-members			
Accounts payable and accrued expenses	12	3,515,048	2,431,276
Lease Liability	13	<u>563,555</u>	<u>423,159</u>
		<u>4,078,603</u>	<u>2,854,435</u>
Liabilities to Members			
Deposits	14	<u>261,360,718</u>	<u>232,301,261</u>
		<u>261,360,718</u>	<u>232,301,261</u>
Members' Equity			
Share capital	15	3,465,300	3,218,000
Statutory reserve	16	14,283,217	12,815,816
Revaluation reserve	11	459,703	459,703
Other reserves	17	328,177	327,930
Unrealised gain on investments		2,922,971	2,910,922
Undivided earnings		<u>6,581,551</u>	<u>5,334,521</u>
Total Members' Equity		<u>28,040,918</u>	<u>25,066,892</u>
Total Liabilities and Members' Equity		<u>293,480,239</u>	<u>260,222,588</u>

See accompanying notes to the financial statements.

Approved by the Board of Directors on June 10, 2026 by:

Director: 

Director: 

AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31ST, 2026
 With comparative figures for 2025
 (Expressed in Barbados dollars)

	<u>Notes</u>	<u>2026</u> \$	<u>2025</u> \$
OPERATING INCOME			
Interest on loans	20	10,982,732	9,540,013
Interest on mortgages	20	<u>5,350,685</u>	<u>5,137,896</u>
Total Loan Interest Income		16,333,417	14,677,909
Less: Interest on deposits			
Interest expense	20	<u>(2,536,714)</u>	<u>(1,625,451)</u>
Net Interest Income		<u>13,796,703</u>	<u>13,052,458</u>
INVESTMENT INCOME			
Interest on savings account	20	-	978
Dividend income	20	119,611	120,487
Interest on investments	20	1,047,676	1,074,830
Gain on sale of investments		<u>-</u>	<u>-</u>
Total Investment Income		1,167,287	1,196,295
Less investment fees and charges		<u>(18,258)</u>	<u>(16,394)</u>
Net Investment Income		<u>1,149,029</u>	<u>1,179,901</u>
OTHER INCOME			
Other operating income		1,648,549	1,588,796
Rental income		<u>30,000</u>	<u>30,000</u>
Total Other Income		<u>1,678,549</u>	<u>1,618,796</u>
Total Operating Income		<u>16,624,281</u>	<u>15,851,155</u>

MEM M. E. Murrell & Co.

See accompanying notes to the financial statements.



AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED MARCH 31ST, 2026

With comparative figures for 2025
 (Expressed in Barbados dollars)

	<u>Notes</u>	<u>2026</u> \$	<u>2025,</u> \$
OPERATING EXPENSES			
Employee costs		5,087,465	4,712,455
Card services		1,831,022	1,309,897
Expected credit losses	7	1,549,609	1,468,742
Information systems expense		1,295,556	1,077,323
Membership protection and governance	19	1,201,803	1,117,493
Depreciation	11	908,645	821,972
Occupancy costs	19	761,368	695,758
Marketing costs		538,405	480,751
General and administrative expenses	19	413,446	364,961
Building Remediation		145,046	76,117
Penalty and interest/ overages		<u>(1,398)</u>	<u>(3,100)</u>
Total Operating Expenses		<u>13,730,967</u>	<u>12,122,369</u>
Profit before Interest for the year		2,893,314	3,728,786
Interest expense	13	<u>(30,036)</u>	<u>(24,461)</u>
Net profit for the year after interest and before disbursements to funds		2,863,278	3,704,325
Disbursement to funds:			
Common good fund	17	(10,000)	(5,000)
We care fund	17	(118,601)	(84,821)
Education Fund	17	<u>(20,000)</u>	<u>(20,000)</u>
		<u>(148,601)</u>	<u>(109,821)</u>
Net Income for the year		<u>2,714,677</u>	<u>3,594,504</u>
OTHER COMPREHENSIVE INCOME			
Revaluation of building		-	459,703
Unrealised gain/(loss) on investments for the year	8	<u>12,049</u>	<u>(323,137)</u>
Total other comprehensive income		<u>12,049</u>	<u>136,566</u>
Total Comprehensive Income for the year		<u><u>2,726,726</u></u>	<u><u>3,731,070</u></u>

See accompanying notes to the financial statements.



AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31ST, 2026
 With comparative figures for 2025
 (Expressed in Barbados dollars)

	<u>2026</u>	<u>2025</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	2,714,677	3,594,504
<i>Adjustments for:</i>		
Depreciation	908,645	821,972
Expected credit loss	1,548,777	1,468,742
Dividend income	(119,611)	(120,487)
Interest income	(17,381,092)	(15,753,717)
Net (loss) on sale of assets	(45)	(2,966)
Interest expense	<u>2,536,714</u>	<u>1,649,912</u>
Operating loss before working capital changes	(9,791,935)	(8,342,040)
Increase)/(decrease)in accounts payable	307,992	(954,078)
(Increase) in prepaid expenses	(381,698)	(96,430)
Decrease/(increase) in accounts receivable	(564,575)	1,544,523
Increase in loans to members	(24,241,526)	(17,475,461)
Increase in regulatory capital	<u>247,300</u>	<u>204,550</u>
Net Cash used in Operations	(34,424,442)	(25,118,936)
Interest received – loans	16,233,181	14,687,123
Interest paid	<u>(1,781,043)</u>	<u>(1,365,126)</u>
Net Cash used in Operating Activities	(19,972,304)	(11,796,939)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(1,526,106)	(947,507)
Interest received on investments	981,664	1,083,834
Net Proceeds from sale of assets	-	23,187
Dividends received	119,611	120,487
(Increase)/decrease in investments - net	<u>(7,360,370)</u>	<u>1,739,455</u>
Net Cash (used in)/from Investing Activities	(7,785,201)	2,019,456
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits	29,059,457	24,741,724
Payment of lease liability	(209,944)	(162,015)
Patronage Rebate	-	-
Net Cash from Financing Activities	28,849,513	24,579,709
Increase in cash resources during year	1,092,008	14,802,226
Cash resources, beginning of year	<u>33,456,179</u>	<u>18,653,953</u>
Cash resources, end of year	<u>34,548,187</u>	<u>33,456,179</u>

See accompanying notes to the financial statements.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

1. Reporting Entity

The **AffinityPlus Credit Union Limited** (Credit Union) was registered on July 8, 1983, under the Co-operative Societies Act, Cap 378 and was continued under the Co-operative Societies Act 1990-23 as evidenced by a Certificate of Continuance dated July 14th, 1994. Its principal objectives include:

- (a) the promotion of thrift among its members by providing means whereby savings can be affected and shares in the society can be acquired, and
- (b) the creation out of savings of its members of a source of credit available to its members on reasonable terms and conditions.

On March 20, 2024, the Financial Services Commission approved the name change of the Credit Union from The Barbados Workers' Union Co-Operative Credit Union Limited to AffinityPlus Credit Union Limited. The Credit Union was officially rebranded on April 1, 2024.

The Credit Union's registered office is located at the corner of Fairchild & Nelson Streets, Bridgetown, Barbados.

These financial statements were authorised for issue by the Directors on June 10, 2026.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance IFRS Accounting Standards and their interpretations as adopted by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and investments measured at fair value.

(b) The Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets, and contingent liabilities at the reporting date and income and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

2. Basis of Preparation (cont'd)

(b) The Use of Estimates and Judgments(cont'd)

Key sources of estimation and uncertainty

Classification of financial assets:

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

Expected credit losses (ECL):

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

Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information. (See Note 3 (j) for further information).

Measurement of fair values:

A number of the Credit Union's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Credit Union uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as disclosed in Note 3(k).

3. Material Accounting Policies

(a) Functional and Presentation Currency

The financial statements are presented in Barbados dollars, which is the Credit Union's functional and presentation currency. All financial information presented in Barbados dollars has been rounded to the nearest dollar.

(b) Revenue Recognition

Interest:

Interest income is recognised in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(b) Revenue Recognition (cont'd)

Dividend:

Dividend income is recorded by the Credit Union when the rights to receive income are established.

Rent:

Rental income is recognised in statement of comprehensive income on a straight-line basis Over the term of the lease.

(c) Foreign Currency

Transactions in foreign currencies are translated to Barbados dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Barbados dollars at the exchange rate ruling at that date and the resulting gain or loss is included in the statement of comprehensive income.

(d) Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses, except for the building which is stated at valuation less subsequent depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised 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 other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is recognised in the statement of comprehensive income on the straight-line and reducing balance bases at rates designed to write off the cost of the assets over the periods of their estimated useful lives. Land is not depreciated. No depreciation is charged on buildings in the year of valuation.

The following annual rates apply:

Computer equipment	-	10% to 20%
Other furniture and equipment	-	10%
Motor vehicle	-	20% (reducing balance method)
Building	-	2%
Leasehold improvements	-	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(d) Property and Equipment (cont'd)

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.

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

(e) Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

(f) Taxation

Income Tax - The Credit Union is exempt from the payment of income tax under Section 9(1)(g) of the Income Tax Act, Cap. 73.

(g) Impairment of Non-Financial Assets

At each reporting date, the Credit Union reviews the carrying amounts of its property and equipment and other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Provisions

A provision is recognised if, as a result of a past event, the Credit Union has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected cash flows at a rate that reflects current market assessments and, where appropriate, the risks specific to the liability.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Leases

Credit Union acting as a lessee:

At commencement or on modification of a contract that contains a lease component, the Credit Union allocates consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Credit Union recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Credit Union's incremental borrowing rate. Generally, the Credit Union uses its incremental borrowing rate as the discount rate.

The Credit Union determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Credit Union is reasonably certain to exercise, lease payments in an optional renewal period if the Credit Union is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Credit Union is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Credit Union's estimate of the amount expected to be payable under a residual value guarantee, if the Credit Union changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Leases (cont'd)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero. The Credit Union presents right-of-use assets and the lease liability as a separate component on the statement of financial position.

Short-term leases and leases of low-value assets

The Credit Union has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Credit Union recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right of Use Assets

IFRS 16 replaced leases guidance IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the previous standard – i.e. lessors continue to classify leases as finance or operating leases.

Definition of a lease:

Previously, the Credit Union determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Credit Union now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3(i).

As a lessee:

As a lessee, the Credit Union leases branches and office premises. The Credit Union previously classified these leases as operating leases under IAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Credit Union. Under IFRS 16, the Credit Union recognises right-of-use assets and lease liabilities for leases of branches and office premises.

At commencement or on modification of a contract that contains a lease component, the Credit Union allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of branches and office premises the Credit Union has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Leases (cont'd)

Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Credit Union's incremental borrowing rate at the date of initial application.

The Credit Union used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Credit Union:

- relied on its assessment of whether leases are onerous under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review;
- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low-value assets (i.e. IT equipment);
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(j) Financial instruments

Non-derivative financial assets and liabilities:

The Credit Union initially recognises cash resources, financial investments, loans and advances, accounts receivable, other assets, deposits, regulatory capital shares and other liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date, which is the date that the Credit Union becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Non-derivative financial assets – Classification and subsequent measurement:

The Credit Union classified its financial assets into one of the following categories:

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through the profit or loss (FVTPL)



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Financial instruments (cont'd)

Financial assets measured at amortized cost:

The Credit Union's non-derivative financial assets measured at amortized cost comprise cash and cash equivalents, term deposits, sovereign debt securities, loan and advances and accounts receivable. The Credit Union measures these assets at amortized cost as its business model is to hold them to collect contractual cash flows. Its contractual terms also give rise to the receipt of principal and interest on specified dates. These financial assets are not reclassified subsequent to their initial recognition unless the Credit Union changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of comprehensive income. Any gain or loss on derecognition is recognised in statement of comprehensive income.

Financial assets measured at FVOCI:

The Credit Union's non-derivative financial assets measured at FVOCI comprise equity securities. The Credit Union measures these assets at FVOCI as these equity investments are not held for trading and the Credit Union has irrevocably elected to present subsequent changes in the investments' fair value in OCI. These assets are measured at fair value. Dividends are recognised as income in statement of comprehensive income unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of comprehensive income.

Financial assets measured at FVTPL:

The Credit Union's non-derivative financial assets measured at FVTPL comprise equity securities which are held for trading. These assets are measured at fair value. Net gains and losses, including dividend income are recognised in the statement of comprehensive income.

Reclassifications:

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Credit Union changes its business model for managing financial assets.

Non-derivative financial liabilities – Classification and subsequent measurement

Financial liabilities are classified and measured at amortized cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of comprehensive income. These financial liabilities comprised deposits, regulatory capital and accounts payable and accrued expenses.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Business model assessment

The Credit Union makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Credit Union's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

In assessing whether the contractual cash flows are SPPI, the Credit Union considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Credit Union considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Credit Union's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2026
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Derecognition

Financial assets:

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

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVOCI is not recognised in the statement of comprehensive income on derecognition of such securities but transferred to undivided earnings.

The Credit Union enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

In certain transactions, the Credit Union retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria.

Financial liabilities

The Credit Union derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Credit Union also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of comprehensive income.

Modifications of Financial Assets and Liabilities

Financial assets:

If the terms of a financial asset are modified, then the Credit Union evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.



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3. Material Accounting Policies (cont'd)

(i) Financial instruments (cont'd)

Modifications of Financial Assets and Liabilities (cont'd)

Financial assets: (cont'd)

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Credit Union plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Credit Union first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in the statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Credit Union currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Expected Credit Losses and Impairment

The Credit Union recognises loss allowance for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- loan commitments issued

No impairment loss is recognised on equity investments

The credit union measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

The Credit Union considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Credit Union does not apply the low credit risk exemption to any other financial instruments.



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3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Expand Credit Losses and Impairment (cont'd)

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments.

Measurement of ECL

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

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

Restructured Financial Assets

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

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flows from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.



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3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Credit-impaired financial assets:

At each reporting date, the Credit Union assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Credit Union considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes as assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.



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3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Restructured Financial Assets (cont'd)

Presentation of allowance for ECL in the statement of financial position

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

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally as a provision;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of statement of comprehensive income and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Credit Union's procedures for recovery of amounts due.

(k) Fair Value

Determination of fair value and fair value hierarchy

The Credit Union uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Credit Union is the current bid price. These instruments are included in Level 1.



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3. Material Accounting Policies (cont'd)

(k) Fair Value (cont'd)

Determination of fair value and fair value hierarchy (cont'd)

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2. The valuation technique used was the median value generated from a number of generally accepted valuation models including; Dividend Discount model, Discounted Cash flow Model, Multiple of Book Value, Multiple of Earnings, Multiple of EBITDA, Multiple of Revenues.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

(l) Cash Resources

Cash resources include notes, coins, stamps held on hand, balances held with banks and highly liquid financial assets with original maturities of less than three months.

(m) Deposits

Deposits are the Credit Union's sources of debt funding and are initially measured at fair value plus transaction costs and subsequently at their amortized cost using the effective interest method.

(n) Comprehensive Income

Comprehensive income includes all changes in equity during the reporting period from transactions and events other than those arising from investments by and distributions to the shareholders. Other Comprehensive Income comprises revenues, expenses, gains and losses that are recognised in Comprehensive Income but excluded from Net Income. Other Comprehensive Income during 2024 - 2025 comprises revaluation reserve and unrealized loss on investments (2023 - 2024 comprised unrealized gain on investments).

(o) New standards, interpretations and amendments to extensive standards mandatory for the first time for the financial year

A number of new standards, amendments to standards and interpretations became effective during the current period but these did not have a material effect on the Credit Union's financial statements.



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3. Material Accounting Policies (cont'd)

(p) Standards in issue but not yet effective

New standards, interpretations and amendments to extensive standards that are not yet effective and have not been early adopted by the Credit Union are as follows:

- Amendments to IFRS S2 – Climate-related disclosures- effective January 1, 2027.
- New standard IFRS 18 – Presentation and disclosure in financial statements – effective January 1, 2027
- New standard IFRS 19 –Subsidiaries without public accountability – effective January 1, 2027

The Credit Union has not yet assessed the impact of the adoption of these standards on its financial statements.

4. Financial Risk Management

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

- credit risk
- liquidity risk
- market risks
- operational risks

This note presents information about the Credit Union's exposure to each of the above risks, the Credit Union's objectives, policies and processes for measuring and managing risk, and the Credit Union's management of capital.

Financial assets of the Credit Union include cash resources, accounts receivable, investments, loans and mortgages and interest receivable. Financial liabilities include deposits, regulatory capital and accounts payable and accrued expenses.



AFFINITYPLUS CREDIT UNION LIMITED
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4. Financial Risk Management

(a) Credit Risk

Credit risk is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Credit Union's cash resources, loans and advances to customers and investment securities.

(i) *Cash resources*

The Credit Union deposits its funds with registered Banks which are subject to regulations.

(ii) *Loans and mortgages*

Credit risk on loans to members is managed using the Total Debt servicing ratio as well as detailed background checks on members in the approval process and stringent debt collection procedures. Three officers are assigned with the task of monitoring the delinquency portfolio on a daily basis. Management has documented a process to be followed for the collection of outstanding debt. The Credit Committee is responsible for advising the Board on Policy based on market trends. The Board and management revise policy periodically to reduce overall credit risk.

In measuring the credit risk of loans and mortgages, the Credit Union considers the probability of default, by the client and the likely recovery ratio on the defaulted obligations (the 'loss given default'). The Credit Union assesses individual customers' default probability using internal delinquency reports showing loan in arrears and ECL models developed by independent service providers to determine the ECL allowance.

(iii) *Financial Investments*

The Credit Union limits its exposure to credit risk by investing only in entities with high credit ratings and Government Securities. The Credit Union has a documented policy that guides the management of the credit risk on investment. The Credit Union exposure and the credit rating of its debtors are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved entities.



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4. Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Expected credit loss (ECL) allowance

Set out below is an analysis of the gross and net loans and advances to members.

Loans and mortgages

2026

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	\$	\$	\$	\$
Current	185,055,485			185,055,485
Pass due < 30 days	13,348,525			13,348,525
Pass due 30 to 59 days		8,843,368		8,843,368
Pass due 60 to 89 days		1,979,723		1,979,723
Pass due > 89 days	-	-	7,689,550	7,689,550
Total loans	198,404,010	10,823,091	7,689,550	216,916,651

Expected Credit Loss

April 1, 2025	(391,622)	(207,313)	(2,313,825)	(2,912,760)
Transfer to Stage 1	(17,013)	-	-	(17,013)
Transfer to Stage 2	-	(130,199)	-	(130,199)
Transfer to Stage 3	-	-	(2,017,847)	(2,017,847)
Net remeasurement	(113,385)	129,539	574,965	591,119
Write-offs	-	-	765,230	765,230
March 31 2026	(522,020)	(207,973)	(2,991,477)	(3,721,470)

Net loans	197,881,990	10,615,118	4,698,073	213,195,181
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Loans and mortgages

2025

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	\$	\$	\$	\$
Current	176,786,077	-	-	176,786,077
Pass due < 30 days	91,135	-	-	91,135
Pass due 30 to 59 days	-	8,720,170	-	8,720,170
Pass due 60 to 89 days	-	1,771,247	-	1,771,247
Pass due > 89 days	-	-	6,073,111	6,073,111
Total loans	176,877,212	10,491,417	6,073,111	193,441,740

Expected Credit Loss

April 1, 2024	(229,301)	(256,718)	(2,051,574)	(2,537,593)
Transfer to Stage 1	(3,093)	-	-	(3,093)
Transfer to Stage 2	-	(29,472)	-	(29,472)
Transfer to Stage 3	-	-	(1,337,059)	(1,337,059)
Net remeasurement	(159,228)	78,877	(390,179)	(470,530)
Write-offs	-	-	1,464,987	1,464,987
March 31 2025	(391,622)	(207,313)	(2,313,825)	(2,912,760)

Net loans	176,485,590	10,284,104	3,759,286	190,528,980
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MEM M. & C. Murrell & Co.



AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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4. Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Collateral

The Credit Union holds as collateral on loans, mortgages on property and land, bills of sale on vehicles, cash surrender values on life insurance policies, securities held with government or privately listed companies, cash, guarantors and mutual funds. Unsecured loans are granted based on credit risk up to \$40,000. The value of security of loans > 90 days is approximately \$6.6million dollars.

Risk limit control and mitigation policies

The Credit Union manages limits and controls concentrations of credit risk wherever they are identified.

The Credit Union employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Credit Union implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Bills of sale over vehicles and equipment;
- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as cash, debt securities and equities.
- Hypothecation of deposit balances

Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans. With respect to credit risk on commitments to extend credit, the Credit Union is potentially exposed to loss in an amount equal to the total unused commitments.



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4. Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Credit Union monitors the term to maturity of credit commitments because longer-term commitments generally have a greater credit risk than shorter-term commitments.

Credit risk		Carrying amount	
Exposure to credit risk	<u>Notes</u>	<u>2026</u>	<u>2025</u>
		\$	\$
Interest receivable	6	606,291	506,056
<i>Financial investments:</i>			
Amortized cost	8	27,443,254	21,685,699
FVOCI	8	7,252,437	5,524,815
FVTPL	8	22,120	22,120
Loans and mortgages	9	213,195,181	190,528,980
Cash resources	5	<u>34,548,187</u>	<u>33,456,179</u>
Total		<u>283,067,470</u>	<u>251,723,849</u>

(b) Liquidity risks

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting obligations from its financial liabilities as they become due.

Liquidity risks arise from the mismatch in cash flows. The Board manages its liquidity risk by matching its cash inflows to its cash outflows. Short to medium term loans have been introduced to ensure that timing of cash inflows is matched to loan disbursements. The cash balances are monitored on a daily basis.

MEM M. E. Murrell & Co.



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4. Financial Risk Management (cont'd)

(b) Liquidity Risks (cont'd)

The maturity schedule of the undiscounted cash flows of deposits and loans is detailed below:

March 31, 2026

	Total	Less than 3	3 months to	1 year to	5 years
	\$	months	1 year	5 years	and over
		\$	\$	\$	\$
<i>Deposits by Type:</i>					
Term deposits & RRRP	59,647,789	58,494,543	23,989	380,885	748,372
Other Savings	24,711,725	21,945,293	30,969	559,578	2,175,885
Special Savings	10,482,639	9,761,639	37,249	162,062	521,689
Junior Savings	2,694,199	2,694,199	-	-	-
Membership Prime Deposit	110,003,360	92,849,389	610,782	5,808,910	10,734,279
Smart Builder	53,281,006	49,942,541	118,109	1,351,520	2,408,836
Total	<u>261,360,718</u>	<u>235,687,604</u>	<u>821,098</u>	<u>8,262,955</u>	<u>16,589,061</u>
<i>Loan by Type:</i>					
Consumer Loans	78,539,330	150,936	831,189	17,871,009	59,686,196
Business Loans	794,432	60,726	34,387	227,712	471,607
Real Estate Loans	109,664,273	287,876	298,474	1,719,645	107,358,278
Revolving Loan	27,839,886	2,622,898	1,900,027	22,154,529	1,162,432
Reclassified Loans	78,730	48,265	5,229	25,236	-
Total	<u>216,916,651</u>	<u>3,170,701</u>	<u>3,069,306</u>	<u>41,998,131</u>	<u>168,678,513</u>
Liquidity Gap	<u>44,444,067</u>	<u>232,516,903</u>	<u>(2,248,208)</u>	<u>(33,735,176)</u>	<u>(152,089,452)</u>





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4. Financial Risk Management (cont'd)

(b) Liquidity Risks (cont'd)

The maturity schedule of the undiscounted cash flows of deposits and loans is detailed below:

March 31, 2025

	Total \$	Less than 3 months \$	3 months to 1 year \$	1 year to 5 years \$	5 years and over \$
<i>Deposits by Type:</i>					
Term deposits & RRSP	45,947,066	45,061,877	31,426	245,318	608,445
Other Savings	18,838,661	16,111,339	35,003	569,897	2,122,422
Special Savings	9,721,017	9,116,281	22,763	214,647	367,326
Junior Savings	2,500,475	2,500,475	-	-	-
Membership Prime Deposit	101,391,603	85,200,562	451,686	5,375,186	10,364,169
Smart Builder	<u>53,902,439</u>	<u>49,987,790</u>	<u>54,740</u>	<u>1,056,813</u>	<u>2,803,096</u>
Total	<u>232,301,261</u>	<u>207,978,324</u>	<u>595,618</u>	<u>7,461,861</u>	<u>16,265,458</u>
<i>Loan by Type:</i>					
Consumer Loans	68,843,203	151,679	839,612	16,409,148	51,442,764
Business Loans	867,374	54,411	-	93,229	719,734
Real Estate Loans	102,526,708	274,107	63,368	1,256,655	100,932,578
Revolving Loan	20,902,719	1,958,996	16,495,646	1,191,240	1,256,837
Reclassified Loans	<u>301,736</u>	<u>139,454</u>	<u>5,160</u>	<u>157,122</u>	-
Total	<u>193,441,740</u>	<u>2,578,647</u>	<u>17,403,786</u>	<u>19,107,394</u>	<u>154,351,913</u>
Liquidity Gap	<u>38,859,521</u>	<u>205,399,677</u>	<u>(16,808,168)</u>	<u>(11,645,533)</u>	<u>(138,086,455)</u>



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4. Financial Risk Management (cont'd)

(c) Market Risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads 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 optimising the return.

The Credit Union may be exposed to market risk as changes in market interest rates affect its income. Periodically, the Board and management review and approve the rates set to ensure they are well priced to control these risks.

Interest Rate Risk

Profile:

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	Carrying amount	
	2026	2025
	\$	\$
<i>Fixed Rate Instruments</i>		
Financial Assets	94,114,265	79,657,237
Financial Liabilities	(58,218,631)	(44,551,412)
Net Fixed Rate Instruments	35,895,634	35,105,825
<i>Variable Rate Instruments</i>		
Financial Assets	137,502,182	123,429,426
Financial Liabilities	(203,142,087)	(187,749,849)
Net Variable Rate Instruments	(65,639,905)	(64,320,423)

(d) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Credit Union's operations.

The Credit Union's objective is to manage operational risk by developing and implementing controls within the operation that would mitigate this risk. That responsibility is assigned to the Board and Management. There is a policy manual for the staff and volunteers of the Credit Union. The policy manual addressed in detail every functional area of the Credit Union and provided for some of the more critical function; primarily Loans and Operations, procedures to carry out such functions.

Compliance with the Credit Union's policies is supported by a programme of periodic reviews undertaken by the Internal Auditor. The results of Internal Audit reviews are discussed with management, the Supervisory Committee and the Board of Directors.



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4. Financial Risk Management (cont'd)

(e) Capital Management

The Co-operative Societies (Amendment) Act 2008-39, stipulates that an amount equalling or greater than 10% of total assets must be held as capital. The Board of Directors continues to review the capital structure. The capital to assets ratio is now 9.56% (2025 – 9.63%). The Financial Services Commission issued a letter to the sector, indicating that they would give regulatory forbearance for a period of 5 years, ending 2024 to return the capital ratio to 10%. The Credit Union has not achieved the desired 10% but is making progress in doing so and no indication has been received from the Financial Services Commission that the period of forbearance has not been extended. Additionally, in 2020 the Financial Services Commission informed Credit Unions of its intention to transition to a risk-based approach for capital calculations. Using this more progressive approach, the Credit Union has met both the Tier1, 4% and the Tier 1 and 2, 8% benchmarks.

The Financial Services Commission (FSC) defines “capital” of a Credit Union as Qualifying Shares, Statutory and other Reserves.

The Credit Union objective, when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to its members and benefits for other stakeholders and to maintain a strong capital base to support the development of its business. (See note 15)

(f) Fair Value

Fair value represents the amounts at which a financial instrument could be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted marked price, if one exists.

Financial assets and liabilities are carried at amounts, which approximate to their fair value at the reporting date. Fair values estimates are made at a specific point in time based on market conditions and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions can significantly affect the estimates.

The fair values of cash resources, accounts receivable, interest receivable, accounts payable, accrued expenses, deposits payable and regulatory capital are not materially different from their carrying amounts.



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4. Financial Risk Management (cont'd)

(f) Fair Value (cont'd)

The estimated fair values of the financial assets and liabilities, together with their carrying amounts shown in the statement of financial position are as follows:

	<u>2026</u>		<u>2025</u>	
	<u>Carrying Amounts</u>	<u>Fair Value</u>	<u>Carrying Amounts</u>	<u>Fair Value</u>
	\$	\$	\$	\$
Cash resources	34,548,187	34,548,187	33,456,179	33,456,179
Accounts receivable	1,423,949	1,423,949	859,374	859,374
Interest receivable	606,291	606,291	506,056	506,056
Financial investments (note 8)				
Amortized cost	27,443,254	N/A	21,685,699	N/A
FVOCI	7,252,437	5,538,541	5,524,815	5,524,815
FVTPL	22,120	22,120	22,120	22,120
Loans and mortgages (net)	213,195,181	213,195,181	190,528,980	190,528,980
Deposits of members	(261,360,718)	(261,360,718)	(232,301,261)	(232,301,261)
Accounts payable	(3,515,048)	(3,515,048)	(2,431,276)	(2,431,276)

(g) Loans and Mortgages Receivable

The nature of the Credit Union is such that loans can only be made to members of the Credit Union or similar societies. As a result of this, a market rate for these loans is not readily determinable and hence it is impracticable to estimate the fair value of these loans.

Investments

The Investment Portfolio comprises of assets stated at amortized cost and fair value.

(h) Real Property Management

The Co-operative Societies (Amendment) Act 2007-39, sec. 196A states that a Credit Union may not acquire or hold real property where the market value of the property to be acquired would cause the aggregate value of the property to exceed 6% of the stated assets of the Credit Union. At March 31st, 2026, the Credit Union held 1.19% (2025 – 1.46%) in real property.



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5. Cash Resources

This balance consists of:

	<u>2026</u>	<u>2025</u>
	\$	\$
Cash equivalents	268,122	268,122
Cash on hand	1,037,911	794,870
Cash at bank	<u>33,242,154</u>	<u>32,393,187</u>
	<u>34,548,187</u>	<u>33,456,179</u>

6. Interest Receivable

	<u>2026</u>	<u>2025</u>
	\$	\$
Loan interest receivable	<u>606,291</u>	<u>506,056</u>

This interest relates to interest accrued on loans and mortgages in good standing at March 31, for the respective years.

7. Expected Credit Losses

	<u>2026</u>	<u>2025</u>
	\$	\$
Loans and mortgages	1,575,325	1,464,987
Financial investments	(26,548)	(30,761)
Accounts receivable	<u>832</u>	<u>34,516</u>
	<u>1,549,609</u>	<u>1,468,742</u>

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8. Financial Investments

(a) Financial Investments Comprise

	<u>2026</u>	<u>2025</u>
	\$	\$
<i>Debt securities</i>		
Term deposits	14,431,674	9,376,802
Sovereign and Corporate bonds	<u>13,135,720</u>	<u>12,459,585</u>
	27,567,394	21,836,387
Less expected credit allowance	<u>(124,140)</u>	<u>(150,688)</u>
	27,443,254	21,685,699
<i>Equity securities</i>		
FVOCI		
Corporate equity	7,252,437	5,524,815
FVTPL		
Corporate equity	<u>22,120</u>	<u>22,120</u>
Total financial investments	<u>34,717,811</u>	<u>27,232,634</u>
Expected Credit Allowance:		
Balance at beginning of year	150,688	181,449
Expected credit loss on investments	<u>(26,548)</u>	<u>(30,761)</u>
Balance at end of year	<u>124,140</u>	<u>150,688</u>



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8. Financial Investments (cont'd)

(b) Investment of Funds

Section 34(A) (1) of the Co-Operatives Society Act Cap 378A sets out in detail the profile of institutions and securities in which the Credit Union can invest the funds of the Society including its reserves.

Section 34(A) (2) limits investments in equities of companies incorporated in Barbados or in a member state of the Caribbean community and listed on a stock exchange of these states. These companies must have paid dividends on its shares in the preceding five consecutive years. Alternatively, they can invest in securities issued by a credit union that is registered in a member state of the Caribbean community. Such investments shall not exceed 10% of capital or 25% of investments.

The Financial Services Commission can also exercise discretion in allowing other investments except as defined in section 34(A) (2)

(c) Fair Value Hierarchy

2026	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Investment Securities</i>				
Equity securities:				
FVOCI - QUOTED	1,068,053	-	-	1,068,053
FVOCI-UNQUOTED	-	6,184,384	-	6,184,384
	<u>1,068,053</u>	<u>6,184,384</u>		<u>7,252,437</u>
Equity securities:				
FVTPL			22,120	22,120
			<u>22,120</u>	<u>22,120</u>
2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Investment Securities</i>				
Equity securities:				
FVOCI - QUOTED	1,054,327	-	-	1,054,327
FVOCI - UNQUOTED	-	4,470,488	-	4,470,488
	<u>1,054,327</u>	<u>4,470,488</u>		<u>5,524,815</u>
Equity securities:				
FVTPL	-	-	22,120	22,120
			<u>22,120</u>	<u>22,120</u>

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8. Financial Investments (cont'd)

(c) Fair Value Hierarchy (cont'd)

The following table shows a reconciliation of all movements in the fair value of financial investments.

Level 1

	<u>2026</u>	<u>2025</u>
	\$	\$
Beginning Balance	1,054,327	995,483
Purchased	-	-
Sold	-	-
Unrealised gain	<u>13,726</u>	<u>58,844</u>
Ending Balance	<u><u>1,068,053</u></u>	<u><u>1,054,327</u></u>

Level 2

	<u>2026</u>	<u>2025</u>
	\$	\$
Beginning Balance	4,470,488	4,852,469
Purchased	1,715,573	-
Sold	-	-
Unrealised (loss)	<u>(1,677)</u>	<u>(381,981)</u>
Ending Balance	<u><u>6,184,384</u></u>	<u><u>4,470,488</u></u>

Level 3

	<u>2026</u>	<u>2025</u>
	\$	\$
Beginning Balance	22,120	22,120
Write off	<u>-</u>	<u>-</u>
Ending Balance	<u><u>22,120</u></u>	<u><u>22,120</u></u>



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9. Loans and Mortgages

Loans and mortgages comprise:

2026

	<u>Consumer</u> \$	<u>Line of Credit</u> \$	<u>Business</u> \$	<u>Mortgage</u> \$	<u>Total</u> \$
Total Loans	78,618,060	27,839,885	794,433	109,664,273	216,916,651
Expected credit loss	(2,020,364)	(1,568,921)	(49,286)	(82,899)	(3,721,470)
Net loans	<u>76,597,696</u>	<u>26,270,964</u>	<u>745,147</u>	<u>109,581,374</u>	<u>213,195,181</u>

2026

	<u>Stage 1</u> \$	<u>Stage 2</u> \$	<u>Stage 3</u> \$	<u>Total</u> \$
Consumer	70,624,920	4,229,070	3,764,070	78,618,060
Line of credit	24,453,534	1,723,343	1,663,008	27,839,885
Business	378,632	248,088	167,713	794,433
Mortgage	102,946,924	4,622,590	2,094,759	109,664,273
Total loans	198,404,010	10,823,091	7,689,550	216,916,651
Expected credit loss	(522,020)	(207,973)	(2,991,477)	(3,721,470)
Net Loans	<u>197,881,990</u>	<u>10,615,118</u>	<u>4,698,073</u>	<u>213,195,181</u>

2025

	<u>Consumer</u> \$	<u>Line of Credit</u> \$	<u>Business</u> \$	<u>Mortgage</u> \$	<u>Total</u> \$
Total Loans	69,142,921	20,904,737	867,374	102,526,708	193,441,740
Expected credit loss	(1,617,418)	(1,115,291)	(72,503)	(107,548)	(2,912,760)
Net loans	<u>67,525,503</u>	<u>19,789,446</u>	<u>794,871</u>	<u>102,419,160</u>	<u>190,528,980</u>

2025

	<u>Stage 1</u> \$	<u>Stage 2</u> \$	<u>Stage 3</u> \$	<u>Total</u> \$
Consumer	62,232,545	3,767,195	3,143,181	69,142,921
Line of credit	18,153,297	1,613,201	1,138,239	20,904,737
Business	401,757	310,118	155,499	867,374
Mortgage	96,089,613	4,800,903	1,636,192	102,526,708
Total loans	176,877,212	10,491,417	6,073,111	193,441,740
Expected credit loss	(391,622)	(207,313)	(2,313,825)	(2,912,760)
Net Loans	<u>176,485,590</u>	<u>10,284,104</u>	<u>3,759,286</u>	<u>190,528,980</u>

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9. Loans and Mortgages (cont'd)

Loans are classified as consumer, business, line of credit and other loans. Consumer business and line of credit loans bear interest at a rate of 4% to 18% per annum, unsecured loans and revolving line of credit at 5%-18% and other loans at 8% to 18% per annum on the reducing balance. All loans are repayable to the Credit Union in monthly blended principal and interest instalments over a maximum period of thirty-five years.

Mortgages usually bear a floating interest rate of 4.50% per annum on the reducing balance. As of March 2026 mortgages are being offered at a variable rate of 3.5% to 6.0% (2025 – 3.5% to 6.0%) per annum on the reducing balance. Mortgages are repayable to the Credit Union in monthly blended principal and interest instalments over a maximum period of thirty-five years.

Expected Credit Allowance:

	<u>2026</u>	<u>2025</u>
	\$	\$
Opening balance	(2,912,760)	(2,537,593)
Expected credit loss	(1,575,325)	(1,464,987)
Write offs	<u>766,615</u>	<u>1,089,820</u>
Ending balance	<u>(3,721,470)</u>	<u>(2,912,760)</u>

10. Accounts Receivable

	<u>2026</u>	<u>2025</u>
	\$	\$
Accounts receivable	1,073,396	574,832
Other receivable	270,896	270,897
Interest receivable – Investments	<u>79,657</u>	<u>13,645</u>
	<u>1,423,949</u>	<u>859,374</u>

Accounts receivable mainly represent amounts receivable from cash replenishment, surepay receivable and payroll holding.

Other Receivable represents security deposits related to the debit Master Card.



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11. Property and Equipment

2026

	Equipment and Computer Software	Motor vehicle	Land and Buildings	Leasehold Improvement	Total	Right of Use Asset
<i>Cost/Valuation</i>	\$	\$	\$	\$	\$	\$
Beginning of year	8,209,024	203,845	3,800,000	1,150,674	13,363,543	1,040,998
Additions	1,501,691	3,703	-	20,712	1,526,106	350,340
Revaluation	-	-	-	-	-	-
Disposals	(2,661)	-	-	-	(2,661)	-
End of year	9,708,054	207,548	3,800,000	1,171,386	14,886,988	1,391,338
<i>Accumulated depreciation</i>						
Beginning of year	5,456,122	64,785	-	952,917	6,473,824	682,674
Charge for year	569,390	39,806	58,516	39,524	707,236	201,409
Disposals	(2,616)	-	-	-	(2,616)	-
End of year	6,022,896	104,591	58,516	992,441	7,178,444	884,083
Net book value	3,685,158	102,957	3,741,484	178,945	7,708,544	507,255

2025

	Equipment and Computer Software	Motor vehicle	Land and Buildings	Leasehold Improvement	Total	Right of Use Asset
<i>Cost/Valuation</i>	\$	\$	\$	\$	\$	\$
Beginning of year	8,144,874	280,739	3,500,000	1,100,044	13,025,657	911,399
Additions	896,877	-	-	50,630	947,507	232,059
Revaluation	-	-	300,000	-	300,000	-
Disposals	(832,727)	(76,894)	-	-	(909,621)	(102,460)
End of year	8,209,024	203,845	3,800,000	1,150,674	13,363,543	1,040,998
<i>Accumulated depreciation</i>						
Beginning of year	5,766,034	89,783	107,188	898,185	6,861,190	550,074
Charge for year	513,655	40,835	52,515	54,732	661,737	160,235
Disposals	(823,567)	(65,833)	(159,703)	-	(1,049,103)	(27,635)
End of year	5,456,122	64,785	-	952,917	6,473,824	682,674
Net book value	2,752,902	139,060	3,800,000	197,757	6,889,719	358,324

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11. Property and Equipment (cont'd)

Valuation of Building

The next valuation is scheduled for the 2027 - 2028 financial year.

12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses comprise:

	<u>2026</u>	<u>2025</u>
	\$	\$
Interest payable on deposits	1,387,470	611,689
Professional fees	104,302	42,530
Other payables	<u>2,023,275</u>	<u>1,777,057</u>
	<u><u>3,515,047</u></u>	<u><u>2,431,276</u></u>

Interest payables on deposits represent the accrued amounts that are outstanding but unpaid to members for their deposits and saving accounts.

Other payables represent staff payables (P.A.Y.E, N.I.S), member payroll payable, MasterCard settlement and miscellaneous trade payables.

13. Lease Liability

Maturity Analysis - Lease Liability

The Credit Union leases branch facilities under operating leases. Payments made under these leases are amortized over the term of the lease as a reduction to its lease liability for the principal portion and an interest expense for the associated finance cost. The future minimum rental payments related to these commitments are as follows:



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13. Lease Liability (cont'd)

	<u>2026</u>	<u>2025</u>
	\$	\$
Current	250,365	127,212
1 to 5 years	<u>313,190</u>	<u>295,947</u>
Total	<u>563,555</u>	<u>423,159</u>

During the year ended March 31st, 2026, \$30,038 (2025 - \$24,461) was recognised as interest expense on the lease liability in the statement of comprehensive income.

14. Deposits

Deposits comprise the following:

	<u>2026</u>	<u>2025</u>
	\$	\$
Term deposits	28,217,995	22,347,812
Other deposits	122,086,338	107,480,503
Prime deposits	110,003,359	101,391,603
Registered Retirement Savings Plan	<u>1,053,026</u>	<u>1,081,343</u>
	<u>261,360,718</u>	<u>232,301,261</u>

Term deposits are fixed-term interest-bearing deposits which attract a rate of interest of 2.25% to 4.0% (2025- 2.25% to 3.0%).

Other deposits represent interest bearing deposits that may be withdrawn on demand. These deposits attract interest at a rate of 0.20% - 2.25% (2025 - 0.20% - 2.25%).

Prime Deposits, previously known as Members' Shares, is an interest-bearing deposit account which has attracted an average rate of 0.25% (2025 – 0.25%) during the financial year.

Registered Retirement Savings Plan is a retirement account registered with the Barbados Revenue Authority; withdrawals incur a withholding tax. This plan attracted an interest rate of 1.00% (2025– 1.00%)

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15. Share Capital

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at April 1 st	3,218,000	3,013,450
Contributions for the year	378,600	402,100
Redemptions for the year	<u>(131,300)</u>	<u>(197,550)</u>
Balance at March 31 st	<u><u>3,465,300</u></u>	<u><u>3,218,000</u></u>

The Co-operative Societies (Amendment) Act, 2007-39, mandate that each member hold the number of qualifying shares as prescribed by the Credit Union's by-laws.

The share capital represents the amount that has been paid up by members. Each regular member has twenty shares at a value of \$5.00 per share. Each junior member has ten shares at \$5.00 per share. There is no limit to the number of shares the Credit Union is authorized to issue.

These shares in the co-operative entitle each member to one vote in the conduct of the affairs of the co-operative at general meetings. Shares may only be withdrawn when the member wishes to end their membership with the Credit Union, after settlement of any amounts owed. No dividend has been declared for the year. A patronage refund of \$NIL (2025 - \$NIL) was declared for the current year.

16. Statutory Reserves

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at April 1 st	12,815,816	11,514,703
Transfer to statutory reserves	<u>1,467,401</u>	<u>1,301,113</u>
Balance at March 31 st	<u><u>14,283,217</u></u>	<u><u>12,815,816</u></u>

The statutory reserve is established pursuant to Section 197 (2) of the Co-operative Societies Act Cap 378A

The Credit Union is required under governing legislation to transfer an amount equivalent to the greater of one half of one percent (0.5%) of total assets or twenty-five percent (25%) of Net Income (before dividends) to the statutory reserve annually until the capital ratio equals ten percent (10%). At March 31st, 2026 capital ratio was 9.56% (2025–9.63%).



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17. Other Reserves

Education Fund

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at April 1 st	20,700	20,700
Transfer to Education Fund	20,000	20,000
Disbursements	<u>(20,000)</u>	<u>(20,000)</u>
Balance at March 31 st	<u><u>20,700</u></u>	<u><u>20,700</u></u>

The Registrar of Co-operatives has advised that 3% of the net income capped at \$20,000 be transferred to an education reserve. This reserve is periodically paid to the Barbados Co-Operative Credit Union League.

Common Good Fund

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at April 1 st	136,545	104,502
Transfer to Common Good Fund	28,633	37,043
Disbursements	<u>(10,000)</u>	<u>(5,000)</u>
Balance at March 31 st	<u><u>155,178</u></u>	<u><u>136,545</u></u>

The Common Good Fund was established by the Credit Union and represents amounts allocated to facilitate donations to benevolent causes. The amount transferred is 1% of net income.

We Care Fund

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at April 1 st	170,685	125,854
Transfer to We Care Fund	100,215	129,652
Disbursements	<u>(118,601)</u>	<u>(84,821)</u>
Balance at March 31 st	<u><u>152,299</u></u>	<u><u>170,685</u></u>

The We Care Fund was established by the Credit Union and represents amounts allocated to facilitate assistance to members in need and worthy causes. The amount transferred is 3.5% (2025 - 3.5%) of net income and any additional amounts approved by the membership at the annual general meeting.



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18. Mutual Benefits Plan

This amount represents contributions to the Mutual Benefits Plan, which is administered by Co-operators General Insurance Company Limited. The plan provides loan protection to the Credit Union.

19. Major Operating Expenses

These comprise.

	<u>2026</u>	<u>2025</u>
<i>General and Administrative Expenses</i>	\$	\$
Audit fees	129,186	123,590
Professional fees	112,936	94,331
Stationery office supplies	78,731	74,015
Supplies	45,796	32,086
Motor vehicle expense	22,118	11,658
Postage	11,134	12,495
Equipment maintenance	5,229	5,835
Motor vehicle insurance	5,080	8,210
Subscriptions	<u>3,236</u>	<u>2,741</u>
	<u>413,446</u>	<u>364,961</u>
<i>Occupancy Costs</i>		
Security	216,146	181,028
Utilities	173,461	174,227
Maintenance	108,367	103,161
Property insurance	99,563	99,331
Rental expense	71,645	49,578
A/C equipment maintenance	66,342	65,381
Land tax	20,979	20,979
Other property expenses	<u>4,865</u>	<u>2,074</u>
	<u>761,368</u>	<u>695,759</u>



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19. Major Operating Expenses (cont'd)

Membership Protection and Governance Expenses

	<u>2026</u>	<u>2025</u>
	\$	\$
MBP premiums	521,175	447,711
Reimbursable expenses	162,875	124,900
Regulatory fees	153,969	136,562
Committee meetings	80,122	61,028
League dues	75,000	75,000
Volunteer – Training and Development	63,856	113,110
Annual meeting	53,455	46,236
Archiving management	32,101	31,448
National development fund	28,490	25,224
Committee activities	11,460	29,413
Fidelity insurance – Directors	9,625	9,625
Committee expenses	7,475	2,263
Loan commission	2,200	2,000
Other meetings	-	12,973
	<u>1,201,803</u>	<u>1,117,493</u>

During the year ended March 31st, 2026, \$71,645 (2024 - \$49,578) was recognised as rental expense in the statement of comprehensive income, which includes lease payments on short-term leases and other short-term rentals.

20. Interest and Dividend Income

Recognised in the statement of comprehensive income

	<u>2026</u>	<u>2025</u>
	\$	\$
Interest on loans	10,982,732	9,540,013
Interest on mortgages	5,350,685	5,137,896
Interest income on investments	1,047,676	1,074,830
Interest on deposits	-	978
Dividend income	<u>119,611</u>	<u>120,487</u>
Interest and dividend income - gross	17,500,704	15,874,204
Interest expense on financial liabilities measured at amortized cost	<u>(2,536,714)</u>	<u>(1,625,451)</u>
Net interest, realised gain and dividend income recognised in statement of comprehensive income	<u>14,963,990</u>	<u>14,248,753</u>
Recognised directly in equity Net unrealized gain/(loss) on investments for the year	<u>12,049</u>	<u>(323,137)</u>



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21. Related Parties

(a) Identity of Related Parties

The Credit Union has a related party relationship with its directors, committee members and key management personnel.

(b) Related Party Balances

These represent loans outstanding, shares and deposits held by related parties as identified in (a) above.

	<u>Loans Balance</u>	<u>Deposits</u>	<u>Qualifying Shares</u>
	\$	\$	\$
As at March 31 st , 2026	3,299,496	1,283,855	3,000
As at March 31 st , 2025	2,879,332	1,252,777	2,200

(c) Key Management Personnel Compensation

	<u>2026</u>	<u>2025</u>
	\$	\$
Short-term employee benefits	1,512,363	1,350,980
National Insurance	89,199	78,631
Pensions	24,548	16,326
Health and Life Insurance	14,716	9,432

22. Commitments

Loan commitments

Loan commitments in respect of undisbursed loans as at March 31st, 2026, amounted to \$14,484,687 (2025 - \$15,850,559).

23. Contingencies

At March 31, 2026, there were certain legal proceedings initiated by the Credit Union, in the ordinary course of business and one against the Credit Union. In view of the inherent difficulty of predicting the outcome of such matters, the Credit Union cannot state what the eventual outcome of such matters will be; however, based on current knowledge, the Credit Union does not believe that liabilities, if any, arising from the pending litigation will have a material adverse effect on its financial position or results of operations.





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Member Experience Department | memberexperience@affinityplusbb.com

Marketing | marketing@affinityplusbb.com

Sponsorships | wecare@affinityplusbb.com

Human Resources | hr@affinityplusbb.com

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Fax: (246) 430-9229

Monday-Friday
8:30 a.m. - 4:30 p.m.

Saturdays
Open every last Saturday
of the month

SPEIGHTSTOWN

Northern Business Centre
Queens Street
Speightstown, St. Peter

Fax: (246) 419-3133

Monday - Friday
8:30 a.m. - 4:30 p.m.

Saturdays
CLOSED

OISTINS

Southern Plaza Complex
Oistins
Christ Church.

Tel: (246) 629-4176
Fax: (246) 622-4042

Monday-Friday
8:30 a.m. - 4:30 p.m.

Saturdays
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