

75th

St. Martin's
CREDIT UNION



ANNUAL GENERAL MEETING

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Friday, June 12th 2026
Sacred Heart College Auditorium
5:00 PM

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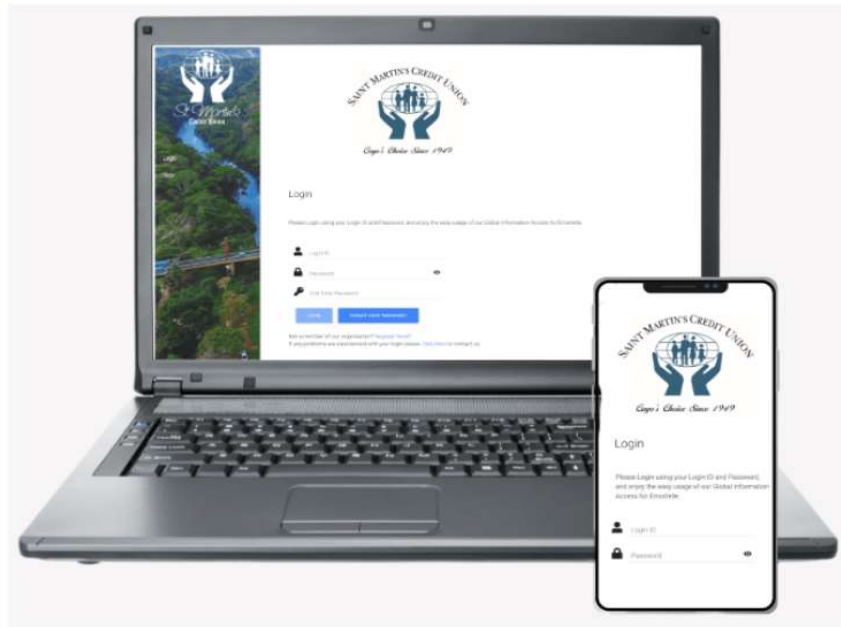
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75th ANNUAL GENERAL MEETING

AGENDA

Master of Ceremony (and translator): *Mr. Elmer Juarez*

1. Meeting called to order by *President, Mr. Abel Flores*
2. National Anthem: *Ms. Shalliney Oliva*
3. Opening Prayer: *Ms. Nelida Sabido*
4. Welcome Remarks: *Mr. Elmer Juarez*
5. Minutes of the 74th Annual General Meeting : (*Mr. Elmer Juarez, Secretary*)
 - a. Matters Arising
 - b. Confirmation of Minutes
6. Reports
 - a. Board of Directors *Mr. Abel Flores, President*
 - b. Credit Committee *Mrs. Santos Tesecum, Chairperson*
 - c. Supervisory Committee *Mr. Andy Bahadur, Chairperson*
 - d. Treasurer's Report *Ms. Nelida Sabido Treasurer*
7. Discussion and Acceptance of Reports (*Mr. Abel Flores, President*)
 - a. Declaration of Dividend
8. Resolutions (*General Manager*)
 - a. Change of External Auditors
 - b. New Operating Hours
9. Election of Officers
 - a. Board of Directors *No Vacancies*
 - b. Credit Committee *No Vacancies*
 - c. Supervisory Committee *No Vacancies*
10. Vote of Thanks
General Manager
Mr. Shaan Alpuche
11. Adjournment
12. Raffles
13. Refreshments

MINUTES

74TH ANNUAL GENERAL MEETING

St. Martin's Credit Union Ltd.

Friday, May 30, 2025

Sacred Heart College Auditorium, San Ignacio Town, Cayo District

Present:

Dr. John Morris - President, Board of Directors
Ms. Seidy García - Vice President, Board of Directors
Mr. Elmer Juárez - Secretary, Board of Directors
Mrs. Nelida Sabido - Education Director and Staff Liaison Officer
Mrs. Santos Tesecum - Chairperson, Credit Committee
Mr. Manuel Medina - Member, Credit Committee
Ms. Laura Sierra - Chairperson, Supervisory Committee
Mrs. Irma Sánchez - Member, Supervisory Committee
Mr. Andy Bahadur - Member, Supervisory Committee

Members Absent: Mr. Carlton McKoy, Treasurer, Board of Directors

Mr. Fabio Carballo, Member, Credit Committee (Resigned in May 2025)

Member-owners in attendance: 372 adults and 63 minor account holders

Master of Ceremony and translator: Mr. Matt Cobb, Member

Minute taker: Dr. Berta Cambranes

The MC extended warm greetings to everyone present for the 74th Annual General Meeting and invited the President to call the meeting to order.

1. **Meeting called to order**

The meeting was called to order at 6:20 p.m. by President, Dr. John Morris. He extended a warm welcome, in both English and Spanish, to everyone present and expressed his appreciation for their presence.

2. **The National Anthem**

Members were invited to stand while the national anthem was played.

3. **Opening Prayer**

Mrs. Nelida Sabido, Education Director and Staff Liaison Officer led the members in prayer. Members were invited to recite together the Credit Union Prayer.

4. **Welcome Remarks**

The welcome address was delivered by Mr. Elmer Juárez, Secretary, Board of Directors. He extended a warm welcome to the Board of Directors, the General Manager, the members of Staff, members of SMCU and all visitors. Mr. Juárez especially welcomed the representatives of the Belize Credit Union League, St. Francis Xavier Credit Union and HLB Company, the external auditors. He reminded members that, as they celebrate 74 years of SMCU, they must keep moving forward together and he invited everyone to participate in the AGM.

5. **Acceptance of the minutes of the 73rd Annual General Meeting of 2024**

Mr. Elmer Juárez, Secretary, Board of Directors, asked members to refer to the minutes of the previous meeting found in the booklet. Time was allotted to read the minutes and for corrections.

No corrections were made and the minutes were accepted by Mr. Ismael Maradiaga, member, and seconded by Ms. Elsa Mas, member.

6. **Reports**

a. **Board of Directors Report**

Dr. John Morris, President, Board of Directors, presented the report for the period April 1, 2024 to March 31, 2025.

Dr. Morris began by reiterating the theme for International Credit Union Day 2024 “*Together we thrive: Celebrating International Credit Union Day. Join us in uniting for a better world through cooperative finance. Together we empower communities, foster financial inclusion, and create a brighter future for all.*” He emphasized that Credit Unions and their memberships are considered one big family who together grow and succeed in creating a brighter future for the next generation of families and children.

Dr. Morris cited several challenges that SMCU faced during the year. These include the country’s environmental problems, inflation, and competition from banks, staff turnover, and the loss of jobs by members. However, he reassured members that SMCU persevered in maintaining a viable and efficient financial institution.

In 2025, Membership Shares are at \$28,512,106.00, a 5.29% increase over last year. The total assets are at \$41,424,433.00, a 5.8% increase over the previous year. Income grew by 17.05%, and the expenses grew by 8.2%, increasing the net income by \$923,118.00. Dr. Morris explained that these figures indicate that SMCU is growing slowly, but that there is the need for a more robust increase in membership, which this year only grew by 3.26%. Although SMCU’s membership currently stands at 11,181 members, Dr. Morris emphasized that the Cayo population has grown substantially, and more needs to be done to capture the young families. Despite the increase in shares, assets and loan receivables, the net income grew, but not to the level that had been projected. This was due to the lowering of interest rates, increased costs in administration, and the additional costs incurred to provide the necessary platform and protocols for new and emerging technologies associated with electronic banking, wire transfers and new payment platforms

initiated by the Government of Belize and the banking sector. Although these platforms are costly, they are necessary if SMCU is to embrace a twenty-first century where cash is becoming obsolete. He underscored that in this year's audited financial statements, SMCU has demonstrated that it has more than adequate liquidity base and that the institutional capital is way above the required 10% to safeguard members' funds. He applauded the hard work of the management, staff and members of SMCU for their hearty support this year.

Dr. Morris made reference to SMCU's vision and mission, explaining how the fundamental philosophy of "saving for a rainy day" has helped to improve the standard of living of all its members. He reported that the delinquency rate has remained stable and has not gone above 5%, being at 1.92% for this fiscal year. He also explained that the Central Bank has crafted a new Credit Union Bill that seeks to be legislated. This new bill takes away the autonomy of Credit Union members in deciding the fate of their credit union and grants the Central Bank Governor unlimited power to decide what, how, when and where credit unions can carry out business. He urged the Central Bank and other relevant authorities to consider credit unions when making decisions on operational and macro level policies to ensure that the poor and marginalized do not suffer from lack of access to funds and capital due to regressive policies.

The President noted that climate change and political decisions in other countries have affected our economy and limited investment opportunities. Nonetheless, this year SMCU reinvested in Spanish Lookout financial institution by over a million at 3.5% interest. A new project for agricultural loans is also within the loan programs. The Strategic Plan also highlights the need to increase membership, particularly in the Benque Branch, which is now in its sixth full year of operations and has reported a net cash flow of \$900,000.00 over the six years.

Dr. Morris underscored the fact that SMCU is a people's movement, integral to the community. It perseveres in building goodwill and credibility within the community by assisting high school children with financial aid and scholarships, as well as students of the University of Belize and Sacred Heart Junior College. The Back to School Bag Giveaway was a success, as over 300 kids received school supplies and other assistance. The Christmas Toy Drive brought joy to the less privileged members. SMCU also continues to donate to the feeding programs at various elementary schools in San Ignacio and Santa Elena, and plans to assist in sports programs for the youth this year.

Dr. Morris thanked the staff, especially those who assisted in the outreach programs and who gave of their time to ensure that SMCU is well marketed. On a final note, he thanked the Board Members, the Supervisory and Credit Committee Members, the General Manager, Mr. Raymond Tzul, the Assistant General Manager, and the staff, and especially Ms. Lizette Arana for taking on the responsibilities of the Financial Officer. He ended by thanking the members for their patience, loyalty and commitment to saving and paying their loans despite the hardships encountered.

b. Credit Committee Report

Mrs. Santos Tesecum, Chairperson of the Credit Committee, presented the report for 2024-2025.

Mrs. Tesecum began by extending a warm welcome on behalf of the outgoing Credit Committee. She highlighted that their three years of service to SMCU were rewarding, but challenging due to the competition from other banking institutions, the high cost of living, and the new lending strategies to attract more members. She mentioned that they had the opportunity to engage in professional development, as well as to serve in the Loans Recovery Committee, Finance and Audit Committee, and Loans Oversight Committee, in addition to the usual Credit Committee.

The Chairperson reported that the loans chart for this year reveals an increase in the number of loans approved. A total of \$12,073,727.50 was approved, which is \$2,552,835.06 more than last year. The three highest approved loan categories were: 701 Christmas loans worth \$2,443,755.00, vehicle loans amounting to \$2,010,974.50, and construction loans added to \$1,312,670.13. A total of \$1,268,715.00 was approved for building and construction, \$935,470.00 for personal, \$777,660.00 for education, \$660,465.00 for house purchase, \$542,370.00 for land purchase, \$501,485.00 for medical, \$459,125.00 for business, \$380,520.00 for vacation, \$228,150.00 for Easter. In addition, \$61,263.00 was approved for wedding, \$49,700.00 for farming, \$25,950.00 for household goods, \$16,400.00 for legal fees, \$16,000.00 for utility, and \$10,023.00 for funeral.

Mrs. Tesecum concluded by thanking the Management and Senior Loan Officer, along with the Loans Department and the Recovery Officer for working with the Credit Committee to ensure that they did their job. She also thanked the members for their patience and for believing in the Committee. She challenged whoever takes over to be committed and to serve for the betterment of SMCU.

c. Supervisory Committee Report

Ms. Laura Sierra, Chairperson of the Supervisory Committee, presented the report for 2024-2025.

Ms. Sierra began by greeting the directors, staff, member-owners and invited guests. She expressed her gratitude to Mrs. Karen Pérez on behalf of the SMCU Board, Management and Staff for her steadfast dedication to the organization's growth during her tenure. Following the resignation of Mrs. Pérez, in accordance with the Credit Union Act Section 28(2) and the Central Bank's approval, Mr. Andy Bahadur was appointed to fill the vacancy during the second quarter and served out the remainder of the term.

The Committee participated in the Budget Exercise 2025-2026 and the revision of the Credit Policy. The also worked diligently with the Human Resources Officer to hire an assistant internal auditor. With the assistance of the Internal Auditor, they ensured that the audits were completed. Despite the challenges faced with the absence of the assistant internal auditor, they prioritized audits based on urgency and regulatory requirement. They also continued to advise the Board and Management on ways to strengthen procedures and internal controls. Audits conducted throughout the year included:

- Annual cash count of ATM, vault petty cash and tellers for both the Benque and the San Ignacio Branches
- Site visit and inspection of Benque Branch lock combination and surveillance camera
- Review of the financial reports on a quarterly basis
- Review of the monthly budget expenses
- Review of new accounts
- Review of payroll
- Special audits
- Review and perusal of Board minutes
- ATM cards procedure
- Other audits as per annual plan

Ms. Sierra reiterated that SMCU continues to be closely monitored. They met with the Central Bank and committed to completing the outstanding corrective measures within a three-month period. They will also be available for the next three months to facilitate the transition to the new officers.

Ms. Sierra ended by encouraging those who are willing to donate their time to the growth of SMCU to seek election. She also expressed her gratitude to Mr. Wilson Vargas, Mr. Andy Bahadur and Mrs. Irma Sánchez, as well as to the SMCU Board, management and staff for giving the time to discuss issues and for providing the information requested.

d. Treasurer's Report

Ms. Seidy García, Vice President, presented the report for 2024-2025 on behalf of the Treasurer, Mr. Carlton McKoy. She began by greeting everyone present, then she proceeded to present a summary of the financial affairs of SMCU for the year ending March 31, 2025.

Balance Sheet

The Credit Union continues to grow, as Total Assets for year ending March 31, 2025, grew by 5.8% or \$2.2M. Total Assets increased from \$39.2M to \$41.4M. SMCU remains committed to work towards reaching pre COVID growth rates of 10% or higher.

There was a growth in member shares of 5.29% or \$1.4M. Loan Receivables grew by 12.52% or \$3.1M and is now \$28.3M. This is a direct result of the Credit Union's creativity and innovation in packaging loans to meet the needs of the membership.

SMCU was also able to maintain its delinquency rate below the accepted standard of 5%, closing the year at 1.92%.

The investments in the bank continue to yield very little interest rate. The Board of Directors, management and staff continue to look for sound investment opportunities that will yield higher returns on the shares of the members.

Statement of Earnings

Income for the year 2025 increased by 17.05% or \$521,250.00. Interests from loans remain the main source of income and main income contributor. Expenses increased by \$201,253.00 or 8.2%. The Credit Union made a profit of \$923,118.00, a 53.06% growth rate over the previous year.

Fiscal Management

At the end of the fiscal year 2025, SMCU met and surpassed the Net Institutional Requirement of 10% and Education Fund of 5% of Net Income was allocated.

Ms. García emphasized that the credit union is undergoing enhanced supervision and scrutiny to correct critical weaknesses. Nonetheless, she affirmed members that the SMCU remains financially sound, but needs to implement changes. She concluded by thanking the Joint Officers, management and staff, as well as the 11,000 members of SMCU for their support during the past years.

7. Discussion and Acceptance of Reports

Dr. John Morris, President, and Ms. Seidy García, Vice President, led the discussion and acceptance of reports. They opened the floor for questions and comments from the membership.

Mr. Rodolfo Juan, member, expressed appreciation for the improvement in income. However, he asked for details on the plan to increase membership and to curtail expenses, which have grown by over 25%. Dr. Morris explained that to see a growth in membership, SMCU needs to increase marketing to the younger population, primarily on social media, as well as to encourage parents to set up accounts for children. As it relates to expenses, Dr. Morris explained that SMCU underwent a period of great investments to enter into the 21st century banking. Internet banking requires expensive programs. There was also the need for an Internal Auditor, combined with other administrative costs of doing business. However, he explained that SMCU is at a point where it has invested enough in these areas.

Mrs. Maureen Mahmud-Reyes, member, began by asking Dr. Morris how long he has served SMCU. She also asked the Board to explain why SMCU is at a critical point, so all members can understand. Ms. Seidy García, Vice President, clarified that enhanced supervision may come as a result of numerous issues, such as financial distress, non-compliance and outdated policies, among others. Dr. Morris expounded by adding money laundering and risk assessment to the list. He added that SMCU is trying to comply but they need specialized staff. Thus, they have requested an extension of time and they hope to have everything in order by the end of August. He also noted that the letter was received after the reports were written, thus the reason why it is not mentioned in the reports. Regarding Mrs. Reyes' question about his length of service, Dr. Morris responded that he has served SMCU from the age of 10, when he became a member.

Mrs. Trecia Mai, member, expressed her appreciation for their service, but maintained that there is a need for change. She questioned the rejection of loan applications for building and construction, education and land, asking if SMCU is really working for its members. Dr. Morris explained that they must be careful when approving loans to avoid delinquency. Mrs. Tesecum, Chairperson of the Credit Committee, interjected, explaining that the reasons for rejection vary, including existing loans at other financial institutions, which may lead to delinquency, and missing documents. She also explained that members need to establish credit history and that the Committee cannot give away the members' money without responsibly ensuring that the borrowers can repay. She urged members who have questions about the rejection of their application to go to the Credit Union for an explanation. Mrs. Irma Sánchez, member of the Supervisory Committee, added that all credit unions are facing the same challenges with the regulators because they need to comply. She stressed that SMCU cannot lose its cooperative principles, but it also cannot be free for all. The Committee has to ensure that persons qualify for the loan. Dr. Morris also added that the regulators look carefully at why the loan is approved.

Ms. Kay Bonner, member, expressed that she wants SMCU to go back to the times when Mr. Hulse was manager because he listened to and assisted the members. She explained that she has shares and deposits, but somehow money is missing because it appears that the system automatically takes out money. She stressed that this looks bad on SMCU. She also expressed her frustration with communication and said that she is still waiting to be called in by the administrative officer since her calls have not been returned. She went on to detail her experience.

She took \$3,000 for deposit and \$3,000 for shares. The teller had her waiting and made her feel like her money was dirty. She suggested that if the teller could not address her concerns, they needed to find someone who knows what to do.

She also said that when she applies for a loan, it is always below her shares. She emphasized that they are not customers; they are members, and they need to feel valued. Dr. Morris apologized to her and said that the administrative officer should have called already.

He went on to encourage all members to voice their concerns. He also explained that the Central Bank requires that everyone who deposits over \$5,000 declares the source of funds. If SMCU does not ask for the source of funds, the Central Bank will say they are not doing their job. He acknowledged that this makes it difficult for some members to conduct business. Thus, he urged everyone to become aware of the proposed new legislations and how it will affect them.

Mrs. Daisy Martinez, member, detailed her experience. She applied for a loan, which was denied. She has assets; she is a teacher; she was asked for the land paper; they investigated; yet it was denied. She asked what she needs to qualify. She also questioned why so many loans are approved for Christmas and not for construction. Mrs. Tesecum explained that not all loans are referred to the committee. She added that when members are denied a loan, they should get a letter with the reason. If members do not get a letter, they have the right to go to the office to inquire. Mrs. Martinez also expressed her disappointment in having to make an appointment over the phone while being physically present at the Credit Union. Mrs. Tesecum explained that about 90% of the members do not want to go to the Credit Union, so they are trying to cater to all. However, Dr. Morris stated that members do not have to take a call. They can go in to the credit union. He urged members to inform them if here is any staff member that forces them to make a call.

Ms. Sheryl Canto also questioned the number of business loans and farming loans approved, as opposed to Christmas loans. She asked why SMCU is not tapping into the productive sector. She also complained about the staff not being willing to help. She mentioned that a business plan is a requirement. She argued that, whereas some farmers make more money than person with a bachelor's degree, they cannot write a business plan and the staff is not willing to help. She also questioned why there was an empty AGM and suggested that members are not present because they don't feel the love. She said that members do not understand half of what is going on and she urged the Board to train the Credit Union members. In response, Dr. Morris explained that agricultural loans are part of the Belize Rural Agricultural Program (BRAP) which concluded this year and that SMCU is going to embark on a new program with GOB in September. He added that the books show that 400 to 500 farmers are in the program. He also clarified that SMCU asks business people for business plan, but it is not a requirement for farmers.

Mrs. Carla Juan, member, inquired if there is the possibility of allowing members to do transactions without an ID. She suggested having a photo in the member's file. Dr. Morris explained that they cannot put a social security card on file because they do not want to open a window for fraud; thus, they ask for the ID.

Mrs. Maureen Mahmud-Reyes noted that between 2022 and now, there has been a high turn-over of staff. Dr. Morris replied that it is the normal dynamics of the work force for people to work for different companies and leave.

Mrs. Hipolita Medina, member, shared that she went in last month for an Easter loan. When they looked at her file, she was surprised to see that her beneficiaries were two teenagers who are unfamiliar to her. She stressed that she did not give any consent to change beneficiaries and emphasized that this is very

serious. She requested that the correction be made immediately. She requested a copy and it was denied, but she was allowed to take a picture. Dr. Morris assured her that it was an error. He encouraged everyone to check their beneficiaries.

Having no more points for discussion, Dr. Morris called for the acceptance of reports. Ms. Karen Smith, member, moved that the reports be accepted, and Mrs. Doreen Nuñez, member, seconded the motion to accept the reports.

a. **Declaration of Dividends**

On behalf of the Board of Directors, Dr. John Morris, President, and Ms. Seidy García, Vice President, declared dividends for the fiscal year ending March 2025 at 3.4%.

Part of the membership was dissatisfied with the amount declared and requested at least 5%. Dr. Morris explained that they can give 4% on the first \$8,000.00 and 2% on any amount thereafter. After some discussion and a show of hands from the membership in agreement, 3.4% was accepted by Ms. Karen Smith and seconded by Mr. Phillip Peters.

8. **Corrigendum by General Manager**

Mr. Raymond Tzul, General Manager, made a correction to the chart on page 67 for 2024. He explained that the error was on the line shown on the chart, which did not include Interest Expense and Provisions for Losses. The corrected chart is shown on the same page.

The second correction was made to the loans receivable on page 22. The labels of the chart columns were switched and do not match. However, the figures are correct.

9. **Resolutions**

Mr. Raymond Tzul, General Manager, called for the re-appointment of HLB Belize as external auditors. Mr. René Torres, member, moved to accept the motion and Ms. Ruby Obando, member, seconded the motion.

10. **Election of Officers**

This year was an election year. Mr. Gamael Babb from the Belize Credit Union League presided over the elections. He explained the process and the criteria for nominating members for election. He then dissolved the Board of Directors, the Credit Committee and the Supervisory Committee.

Board of Directors

The following persons were nominated by the Nomination Committee to contest the elections for Board of Directors:

1. Dr. John Morris
2. Mrs. Nelida Sabido
3. Mr. Elmer Juárez
4. Ms. Seidy García
5. Mrs. Patricia Lopez, who declined the nomination.

The following persons were nominated by the membership.

6. Mr. Christian Tun, nominated by Mrs. Patricia Flores, member.
7. Mr. Rodolfo Juan, nominated by Mrs. Carla Juan, member.
8. Mr. Abel Flores, nominated by Mrs. Maureen Mahmud-Reyes, member.
9. Ms. Camile Cal, who declined nomination.

A total of 235 ballots were cast, and a total of 10 ballots were spoiled. The results were as follows:

1. Dr. John Morris - 127 votes
2. Mrs. Nelida Sabido - 184 votes
3. Mr. Elmer Juarez - 179 votes
4. Ms. Seidy García - 189 votes
5. Mr. Christian Tun - 175 votes
6. Mr. Rodolfo Juan - 163 votes
7. Mr. Abel Flores - 170 votes

The newly elected Board of Directors is constituted by Mrs. Nelida Sabido, Mr. Elmer Juárez, Ms. Seidy García, Mr. Christian Tun and Mr. Abel Flores.

Credit Committee

The following persons were nominated by the Nomination Committee to contest the elections for the Credit Committee:

1. Mrs. Santos Tesecum
2. Mr. Manuel Medina
3. Ms. Camile Cal, who declined nomination.

The following persons were nominated by the membership:

4. Ms. Nelita Zetina, nominated by Mrs. Maureen Mahmud-Reyes, member.
5. Ms. Minerva Salazar, nominated by Ms. Christina Leal, member.
6. Ms. Cindy Richards, nominated by Mrs. Doreen Nuñez. Ms. Richards declined

A total of 169 ballots were cast, and 6 ballots were spoiled. The results were as follows:

1. Mrs. Santos Tesecum - 152 votes
2. Mr. Manuel Medina - 106 votes
3. Ms. Nelita Zetina - 131 votes
4. Ms. Minerva Salazar - 121 votes

The newly elected Credit Committee is constituted by Mrs. Santos Tesecum, Ms. Nelita Zetina and Ms. Minerva Salazar.

Supervisory Committee

The following persons were nominated by the Nomination Committee to contest the elections for the Supervisory Committee:

1. Mrs. Irma Sánchez
2. Ms. Laura Sierra
3. Mr. Andy Bahadur

The following persons were nominated by the membership:

4. Mr. Rodolfo Juan, nominated by Mr. Abel Flores, member.
5. Mrs. Maureen Mahmud-Reyes, nominated by Mrs. Trecia Mai, member.
6. Ms. Ruby Obando, nominated by Ms. Minerva Salazar, member.
7. Mrs. Patricia López, nominated by Mrs. Patricia Flores, member.

A total of 154 ballots were cast, and 3 ballots were spoilt. The results were as follows:

1. Mrs. Irma Sánchez	-	59 votes
2. Ms. Laura Sierra	-	74 votes
3. Mr. Andy Bahadur	-	89 votes
4. Mr. Rodolfo Juan	-	62 votes
5. Mrs. Maureen Mahmud-Reyes	-	60 votes
6. Ms. Ruby Obando	-	64 votes
7. Mrs. Patricia López	-	54 votes

The newly elected Supervisory Committee is constituted by Ms. Laura Sierra, Mr. Andy Bahadur and Ms. Ruby Obando.

Having completed the election process, Mr. Babb called for elections to be closed. Mrs. Hipolita Medina, member, moved that elections be closed. Mr. Timoteo Romero, member, seconded the motion. Mr. Babb thanked everyone for participating, especially the staff of SMCU who assisted with the counting of ballots.

11. Vote of Thanks

Mr. Raymond Michael Tzul, General Manager, delivered the vote of thanks. He expressed gratitude to all SMCU members for being present and making their voices heard. He especially thanked the Belize Credit Union League for overseeing the elections. He also thanked the staff and all the invited guests.

12. Adjournment

It was requested that the meeting be adjourned. Mrs. Maureen Mahmud-Reyes, member, moved that the meeting be adjourned. This was seconded by Mr. Abel Flores, member. The meeting was adjourned at 11:10 p.m.

13. **Raffles**

The raffle winners are as follows:

Name of Winner	Prize	Ticket Number
Augustine Rosado	Early Bird \$150 cash	204414
Antonio Teck	Early bird \$150 cash	204395
Perla Thaweesarn	Cart	385270
Cristina Canul	Baking Pans	385302
Teresa García	Stand Mixer	385299
Teresita Lara	Tool Kit	385286
Donicia López	Speaker	385036
Mark Juan	Cooler/Ice Box	385274
Oralia Rosado	Microwave	385040
Kiara Choto	Bicycle	385216
Ernesto Gill	40" Flat Screen TV	385230
Renato Frutos	Stove	385212

BOARD OF DIRECTOR'S REPORT
75th ANNUAL GENERAL MEETING
JUNE 12th, 2026

A Good evening, Members, Directors, Committee Members, Management, Staff, and Distinguished Guests. On behalf of the Board of Directors, it is my privilege to present the Board Report for the financial year ended March 31, 2026.

I would like to begin by expressing our sincere gratitude to the membership for the confidence placed in the newly elected Board of Directors. Following more than twenty-five years of leadership under the previous administration, members entrusted a new Board and President with the responsibility of guiding this institution into its next chapter. We extend our appreciation to Dr. John Morris, his team, and all past officers for their dedicated service and contributions to the development of St. Martin's Credit Union Limited.

At last year's Annual General Meeting, members were informed that the Credit Union had been placed under Enhanced Supervision by the Central Bank of Belize. Since assuming office, the Board has gained a deeper understanding of the significance of this designation and the work required to address it.

Enhanced Supervision was implemented due to regulatory compliance deficiencies that required immediate corrective action. To address these matters, the Credit Union was required to strengthen its governance, credit administration, compliance framework, and operational processes. These measures are intended to safeguard members' assets, strengthen institutional stability, and to build a more resilient Credit Union for the future. As part of this process, St. Martin's Credit Union has been required to submit regular reports, undergo regulatory reviews, and operate under heightened supervisory oversight. I am pleased to report that approximately 65% of the required corrective actions have been completed. This progress would not have been possible without the commitment and dedication of the Board of Directors, Joint Officers, Management, and Staff, who have invested countless hours toward achieving these objectives.

Recognizing the need to improve efficiency and service delivery, the Board undertook a review of the Credit Union's organizational structure. Strategic staffing adjustments were made within the Credit, Administration, and Finance Departments to better support operational effectiveness and member service. One of the most significant achievements during the year was the appointment of our new General Manager, Mr. Shaan Alpuche. With extensive experience and knowledge of the financial sector, Mr. Alpuche has already played a key role in strengthening operations and guiding the institution toward its strategic goals.

The Board remains committed to making the decisions necessary to ensure that St. Martin's Credit Union is removed from Enhanced Supervision and positioned for long-term success.

In keeping with our commitment to modernization and convenience, we continue to encourage members to utilize our digital services, including ATM and online payment platforms. These services provide greater accessibility, convenience, and control over financial transactions. Additionally, the decision to discontinue Saturday operations was made after careful consideration and forms part of our strategy to improve staff well-being, reduce burnout, and enhance overall service quality. Well-supported employees are better equipped to provide efficient and responsive service to our members.

The Board has also prioritized staff development through ongoing training and cross-functional learning opportunities. These initiatives are designed to strengthen staff capacity, improve service delivery, and support employee retention.

Throughout the year, Board members participated in governance and leadership training as required by regulatory authorities. These educational opportunities, have strengthened our understanding of best practices in governance,

risk management, and strategic planning. Enabling us to better serve the membership and support the sustainable growth of the Credit Union.

This year's International Credit Union Day theme, "**Cooperation for a Prosperous World,**" highlights the vital role credit unions play in promoting financial inclusion, economic opportunity, and community development. This theme aligns closely with our mission and reflects our commitment to working together as members, staff, management, and directors to create a strong, sustainable, and member-focused financial institution.

As of March 31, 2026, St. Martin's Credit Union proudly served **11,964 members**. The continued growth of our membership reflects the confidence that members place in this institution and inspires us to continually improve the services we provide.

We also recognize the economic challenges facing many families today. Rising inflation and increases in the cost of living continue to place pressure on household budgets. In these challenging times, the importance of disciplined saving, responsible borrowing, and sound financial planning cannot be overstated.

As a member-owned financial cooperative, we strongly encourage members to maintain regular savings habits. Savings provide financial security during difficult times, help members achieve personal goals, and contribute to the overall strength and liquidity of the Credit Union.

Similarly, borrowing should always be approached responsibly. Loans should be taken within one's repayment capacity and used for productive and meaningful purposes. Responsible borrowing and timely repayments not only protect individual members but also strengthen the entire Credit Union.

Financially, the Credit Union continued to demonstrate stability and growth during the year. Total assets increased by approximately \$1.62 million, or 3.9%, rising from \$41.42 million in 2025 to \$43.05 million in 2026. The loan portfolio grew by \$373,705, or 1.3%, increasing from \$28.30 million to \$28.68 million, reflecting continued member demand for credit services. Net operating income increased by 6.6%, from \$3.58 million to \$3.81 million, while the Credit Union generated a surplus of \$942,655, representing an increase of 2.1% over the previous year. Members' equity also strengthened, growing by approximately \$1.25 million, or 3.5%, from \$35.22 million to \$36.47 million. While these results are encouraging, the Credit Union experienced an increase in its expected credit loss provision from \$896,795 to \$1.19 million, an increase of approximately 33.2%. This increase reflects higher levels of delinquent and higher-risk loans within the portfolio. As a prudent financial institution, we are required to set aside additional funds to cover potential loan losses.

As Member-owners we must understand that delinquent loans directly impact the Credit Union's profitability. Funds that could otherwise be used to strengthen reserves, improve services, and increase dividend payments must instead be allocated to cover potential losses. Simply put, when loan repayments are not made on time, the entire membership is affected. For this reason, we encourage all members to borrow wisely and make loan payments promptly and consistently. Timely repayment strengthens the Credit Union, improves profitability, and increases our ability to return value to members through dividends and other benefits. By working together and meeting our financial commitments, we can ensure the continued growth, stability, and success of our Credit Union.

As we look ahead, the Board remains committed to strengthening governance, improving operational efficiency, expanding member services, and promoting financial education. Together, we will continue building a stronger, more resilient institution that serves the best interests of all members.

On behalf of the Board of Directors, I extend sincere appreciation to the Supervisory Committee, Credit Committee, Management, and Staff for their dedication and hard work throughout the year. Your commitment has been instrumental in advancing the Credit Union's mission and supporting our members.

Finally, to our members, thank you for your trust, patience, and continued support. Your confidence in St. Martin's Credit Union inspires us to work diligently on your behalf. Together, we will continue to build a stronger financial future for ourselves, our families, and our communities.

Respectfully submitted,

The Board of Directors

Mr. Abel Flores	President
Ms. Seidy García,	Vice-President
Mrs. Nelida Sabido	Treasurer
Mr. Elmer Juárez	Secretary
Mr. Christian Tun	Education Director/Staff Liaison Officer

CREDIT COMMITTEE REPORT
75th ANNUAL GENERAL MEETING
JUNE 12th, 2026

Greetings on behalf of the credit committee! It has been a privilege and an honor to have served you over the past year. As a newly established committee, we have worked diligently to uphold transparency, fairness and consistency in our loan approval process. Our decisions have been guided by each member's demonstrated capacity and commitment to repay, ensuring that loans are granted responsibly and in the best interest of both our members and the credit union.

A review of the loan portfolio indicates a decline in loan demand during the current fiscal year which contributed to a reduction in loan approvals compared to the previous year. This year the loans requested by members decreased by \$2,280,110.73.

Loan approvals for the current fiscal year amounted to \$9,638,796.85, representing a decrease of \$2,434,930.65 compared to 2024-2025 in which \$12,073,727.50 was approved. This reduction in approved loans may have negatively impacted the Credit Union's potential revenue generation, as lower loan volumes typically result in reduced interest income. Further analysis may be warranted to identify the factors contributing to the decline in loan applications and approvals. Understanding the underlying causes could provide valuable insights for developing strategies to stimulate loan growth and improve future lending performance.

Loan approvals for the year 2025-2026 are encapsulated under three main sectors which are Personal Loans at \$8,286,241.35, Building and Construction at \$1,115,173.50 and Business loans at \$237,382.50 as represented in the pie chart. These three main sectors are further distributed among 19 categories, which reflect a diverse range of financing needs among our members.

Under Personal loans, the highest loan approval category was Christmas loans totaling \$1,950,190.00. This was followed by vehicle loans which amounted to \$1,429,990.00, construction loans at \$1,225,701.87, personal loans at \$677,810.00, Easter loans at \$684,949.00, education at \$603,088.00, house goods at \$561,481.50, medical at \$469,850.00, land purchase loans at \$322,030.98, travel loans at \$177,650.00, wedding loans at \$48,700.00, farming loans at \$46,000.00, house purchase loans at \$37,000.00, legal fee loans at \$30,500.00, utility loans at \$12,000.00, funeral loans at \$8,000.00, and insurance loans at \$1,300.00. The second sector of loan approval was Building and Construction at \$1,115,173.50 and the third sector was Business loans at \$237,382.00

Overall, the loans approved (\$9,638,796.85) reflects a strong concentration in consumer, housing and vehicle related financing, while the smaller amount of loans approved were for farming, legal fees, utilities, funeral expenses and insurance. The broad distribution of loan approvals highlights the St. Martin Credit Union's commitment to meeting the varied financial needs of its members throughout the fiscal year 2025-2026.

As we move forward to 2026-2027, we are hopeful that with new strategies, improved policies and support from all parties involved, we will be able to see an increase in our loans portfolio.

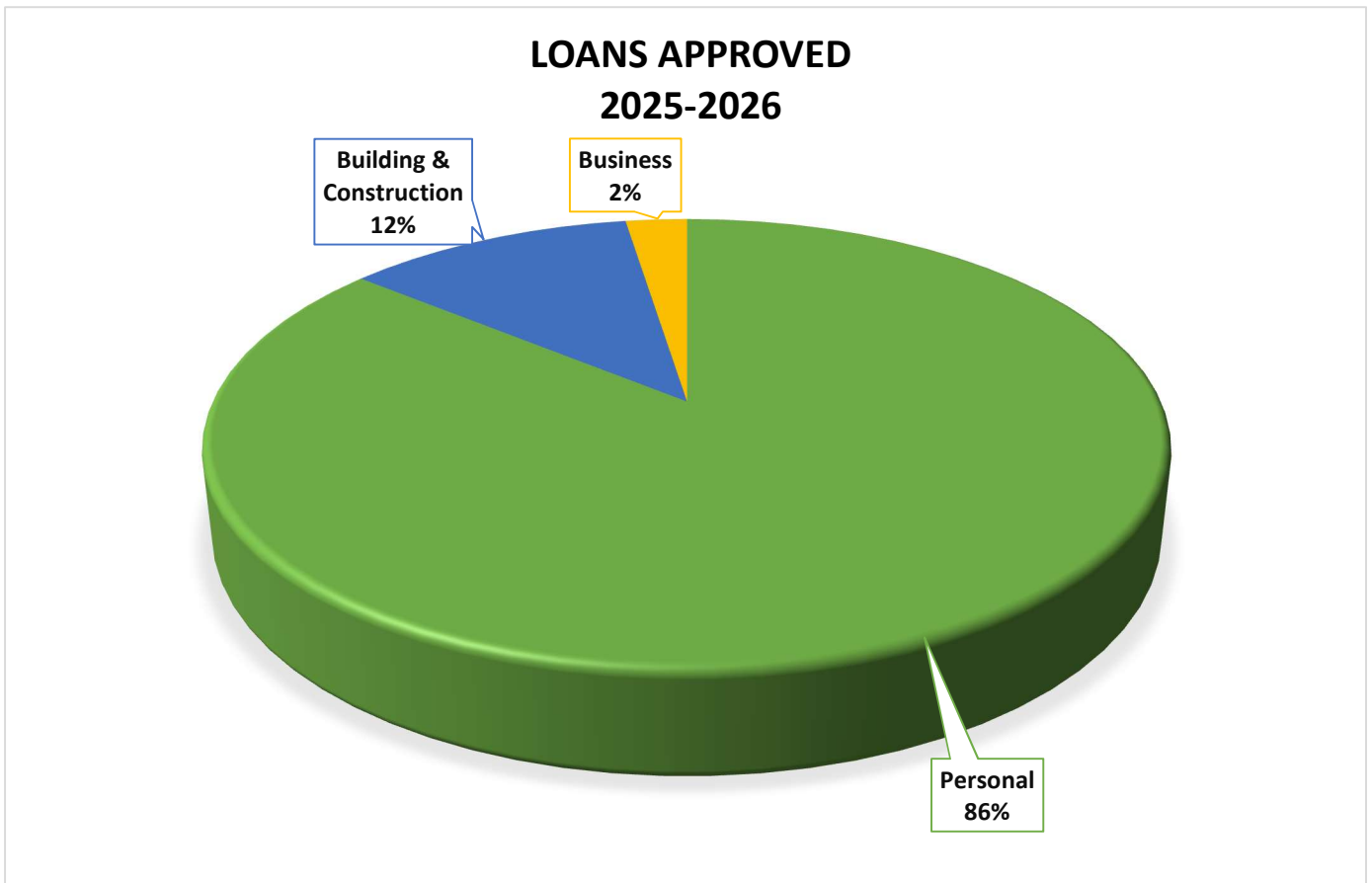
We are all aware of tough economic situations presently facing our country. However, SMCU will do its utmost best to try and facilitate its membership. We would also like to encourage our members with delinquent loan facilities to come into our offices and talk to our staff. Let us work along with you and try to get you back on track with your loan payments. Remember delinquent loans affect the entire Credit Union along with its membership. The more delinquency we have the less profit is made, and the fewer dividends is given to its members.

We all must make the effort to do better.

In closing, we want to thank you all for sticking with us through the good years and the bad years. We sincerely appreciate your trust, cooperation and support as we continue striving to serve you with integrity and accountability. Together we can make a difference, together we can build a stronger Credit Union.

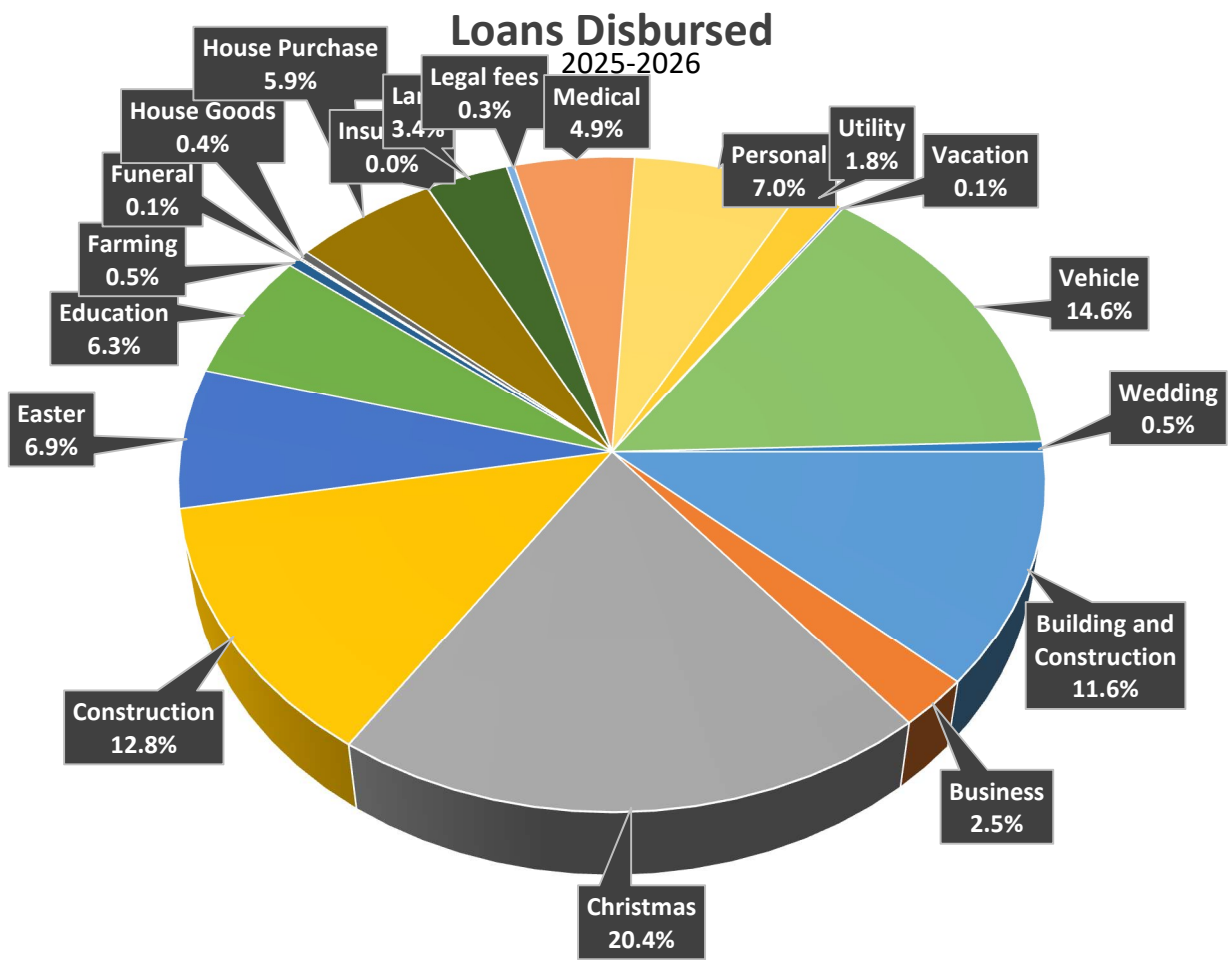
Submitted by:

Santos Tesecum (Chairperson)
Minerva Salazar (Secretary)
Nelita Zetina (Member)



**SAINT MARTIN'S CREDIT UNION
LOAN APPLICATIONS TO CREDIT COMMITTEE
2025-2026**

Description	No of Loans Requested	No of Loans Approved	Amount of Loans Requested *	Amount of Loans Approved	No of Loans Disbursed	Amount of Loans Disbursed	% Disbursed
Building and Construction	208	150	\$ 2,111,375.44	\$ 1,115,173.50	143	\$ 1,102,988.50	11.6%
Business	64	39	\$ 643,694.07	\$ 237,382.00	39	\$ 237,382.00	2.5%
Christmas	535	457	\$ 2,887,827.70	\$ 1,950,190.00	457	\$ 1,950,190.00	20.4%
Construction	174	106	\$ 2,603,639.81	\$ 1,225,701.87	104	\$ 1,219,981.87	12.8%
Easter	273	199	\$ 1,445,476.23	\$ 684,949.00	195	\$ 659,749.00	6.9%
Education	254	168	\$ 1,413,133.86	\$ 603,088.00	168	\$ 603,088.00	6.3%
Farming	13	9	\$ 85,932.55	\$ 46,000.00	9	\$ 46,000.00	0.5%
Funeral	2	2	\$ 8,000.00	\$ 8,000.00	2	\$ 8,000.00	0.1%
House Goods	11	3	\$ 372,579.76	\$ 37,000.00	3	\$ 37,000.00	0.4%
House Purchase	126	88	\$ 1,019,949.67	\$ 561,481.50	88	\$ 561,481.50	5.9%
Insurance	1	1	\$ 1,300.00	\$ 1,300.00	1	\$ 1,300.00	0.0%
Land	46	20	\$ 1,074,513.54	\$ 322,030.98	20	\$ 322,030.98	3.4%
Legal fees	9	6	\$ 48,426.33	\$ 30,500.00	6	\$ 30,500.00	0.3%
Medical	157	117	\$ 1,007,582.65	\$ 469,850.00	117	\$ 469,850.00	4.9%
Personal	257	218	\$ 1,171,997.31	\$ 677,810.00	216	\$ 666,310.00	7.0%
Utility	54	38	\$ 357,969.59	\$ 177,650.00	37	\$ 174,650.00	1.8%
Vacation	3	2	\$ 33,000.00	\$ 12,000.00	2	\$ 12,000.00	0.1%
Vehicle	263	156	\$ 3,179,436.20	\$ 1,429,990.00	153	\$ 1,397,990.00	14.6%
Wedding	8	7	\$ 74,055.93	\$ 48,700.00	7	\$ 48,700.00	0.5%
Total	2458	1786	19,539,890.64	9,638,796.85	1767	9,549,191.85	



SUPERVISORY COMMITTEE REPORT
75th ANNUAL GENERAL MEETING
JUNE 12th, 2026

A pleasant Good Evening: Directors, Officers, Management and Staff, Members-Owners of St Martin's Credit Union, and Invited Guests.

The Supervisory Committee is pleased to present its report for the 75th Annual General Meeting of St. Martin's Credit Union for the financial year 2025-2026.

Mr. Andy Bahadur and Ms. Laura Sierra were re-elected at last year's AGM, and Ms. Ruby Obando joined the committee. We would like to thank all members who participated in the election process and continue to participate in the development of the Credit Union movement.

The addition of the Internal Auditor Assistant has been beneficial to the department. The Supervisory Committee continues to provide regular reports, hold meetings, and make recommendations to strengthen the Credit Union's internal controls and processes in order to safeguard the assets of the Credit Union and protect the interests of the membership.

Audits conducted this year were:

- Surprise and Annual cash count of the ATM, Vault, petty cash and tellers for Benque Branch and San Ignacio.
- Quarterly site visits and inspections of Benque Branch
- Review of Financial Reports
- Review of Board Minutes
- Audit of Inactive Accounts
- Delinquency Reports
- Review of SMCU Vehicle use
- Loans underwriting Procedures
- Other audits as per the Annual IA Plan
- Special Audits

As was mentioned last year, SMCU is still closely monitored by the Central Bank and continues to operate under enhanced supervision. The Supervisory Committee continues to work closely with the Board, Management, and the Internal Auditor to ensure that all required reports, corrective measures, and regulatory obligations are addressed in a timely manner. The Central Bank and SMCU continue to have a close relationship, ensuring prompt follow-ups when needed.

Change is inevitable, and during this fiscal year, SMCU experienced changes at several levels within the organization. While staff turnover continues to present challenges, the addition of new officers and staff also creates opportunities to improve processes and strengthen internal controls.

The Committee expresses its gratitude to Mr. Raymond Tzul for his time, service, and contribution to the Credit Union. We also welcome the new General Manager, Mr. Shaan Alpuche, and look forward to providing our continued guidance and support.

We encourage all members to remain vigilant with their accounts and to promptly raise any concerns or queries with the Credit Union. SMCU members are also encouraged to reach out to officers whenever necessary, so that we can follow up on any concerns.

The Committee would like to thank Mr. Wilson Vargas, Ms. Laura Sierra, and Ms. Ruby Obando for their commitment, dedication, and contribution toward strengthening the operations and governance of SMCU.

Thank you once again for the trust and confidence placed in us as we continue working to protect the interests and assets of the membership.

SMCU Supervisory Committee

Mr. Andy Bahadur – Chairperson

Ms. Laura Sierra – Secretary

Ms. Ruby Obando – Member

TREASURER'S REPORT
75th ANNUAL GENERAL MEETING
JUNE 12th , 2026

A pleasant good evening to our representatives from the Central Bank, the Belize Credit Union League, and representatives from our different other sister Credit Unions, invited guests and a special pleasant evening to all our member-owners of St. Martin's Credit Union. As the treasurer of the Board of Directors, I humbly present to you a summary of the financial affairs of St. Martin's Credit Union Limited for the year ending March 31, 2026.

The credit union remains in a strong financial position with continued profitability, growth in members' equity, solid liquidity and compliance with regulatory requirements.

BALANCE SHEET

St. Martin's Credit Union continues on a steady growth path. **Total Assets** for the year ending March 31, 2026, grew by **3.9%** over the previous financial year, increasing by \$1.62 million from \$41.42 million to **\$43.05 million**. While this growth rate is slightly below our pre-COVID aspirations, it reflects a deliberate focus on asset quality and prudent risk management in a challenging economic environment.

Member shares (mandatory and voluntary combined) increased by **4.2%** or \$1.21 million, reaching \$29.72 million. This steady rise demonstrates that our members continue to place high confidence and trust in St. Martin's Credit Union as a safe haven for their savings.

Loan receivables (gross) grew by **1.3%** or \$0.37 million to \$28.68 million. The moderation in loan growth compared to the previous year (12.5%) was a conscious decision by the Board and management to tighten credit standards in response to rising economic challenges. Despite this, we remain committed to offering innovative and affordable loan products that meet the diverse needs of our membership.

I am pleased to report that the Credit Union continues to manage credit risk diligently and remains focused on strengthening the quality of its loan portfolio. The **expected credit loss (ECL) provision** now stands at \$1.19 million or 4.17% of the gross loan portfolio, up from 3.17% in 2025. This increase reflects a prudent, forward-looking approach to credit risk management. Additionally, our **Non-Performing Loan (NPL) Ratio** stands at **6.37%**, which remains well below the regulatory threshold of **15%**. The Credit Union continues to implement stringent measures aimed at reducing delinquency, improving collections, and supporting members in meeting their financial obligations. Write-offs also decreased significantly from \$690k to \$224k year-on-year, further reflecting the continued efforts to manage credit risk responsibly.

On the investments side, your Board and management have actively sought higher yields. **Debt instruments** (treasury notes, municipal bonds, and term deposits) grew by **22.1%** to **\$5.78 million**, and interest income from this portfolio surged by 25.7%. We will continue to explore sound investment opportunities so that your shares generate better returns without taking excessive risks.

STATEMENT OF EARNINGS

Total operating income for the year increased by **6.6%** to \$3.81 million. Interest income from members' loans – our main source of revenue – rose by 6.9%, driven by the quality of our loan portfolio. Fee and commission income remained stable at \$0.57 million.

Net interest revenue (interest earned minus interest paid on deposits) improved by 7.7% to **\$3.10 million**, reflecting our disciplined spread management.

Expenses (General and Administration) increased by only **3.5%** to \$2.35 million – well below the rate of asset growth and inflation, thanks to the hard work of management and staff in controlling costs.

After accounting for a larger provision for expected credit losses (\$522,593, compared to \$386,546 in 2025), our Credit Union achieved a net profit of \$942,655. This represents a 2.1% growth over the previous year's profit of \$923,118. In a period of rising global uncertainty, this is a solid and consistent performance.

FISCAL MANAGEMENT

Your Credit Union continues to work closely with the regulators to ensure full compliance with the Credit Unions Act and International Financial Reporting Standards (IFRS). We believe that sound financial management, active membership participation, and strict compliance are the pillars of a strong and sustainable Credit Union.

At the end of the financial year 2026:

- The **Statutory Reserve** reached **\$4.34 million**, which now exceeds the regulatory requirement of 10% of total assets.
- The **Education Fund** received \$47,133, and the Development Fund received \$9,427, in line with our by-laws.
- **Net Surplus declared** total = **\$779,164 after statutory allocations.**

CONCLUSION

As your Credit Union continues to compete with local banks and other financial institutions, we also face external challenges: persistent inflation, elevated cost of living, and international economic effects. These pressures affect both our members' disposable income and the Credit Union's operating environment.

Nevertheless, St. Martin's Credit Union has once again proven its resilience. We have grown prudently, protected member savings, maintained strong liquidity, and delivered a solid profit – all while keeping our delinquency rate under control. Our membership now stands at **11,620 strong** (up from 11,181 last year), and we are growing.

I would like to thank management, staff and my fellow Joint Officers for their patience and support in bringing SMCU to a profitable year despite the many challenges encountered. A special thank you to the Board of Directors who sacrificed their time, not monthly but during the many weekly meetings they were summoned, working diligently hand in hand to make urgent decisions.

To you faithful members who know the true meaning of Credit Unionism, who Save regularly, borrow wisely and pay promptly, my sincere thank you. We look forward to working for you and with you for a more profitable 2026/2027 Fiscal year.

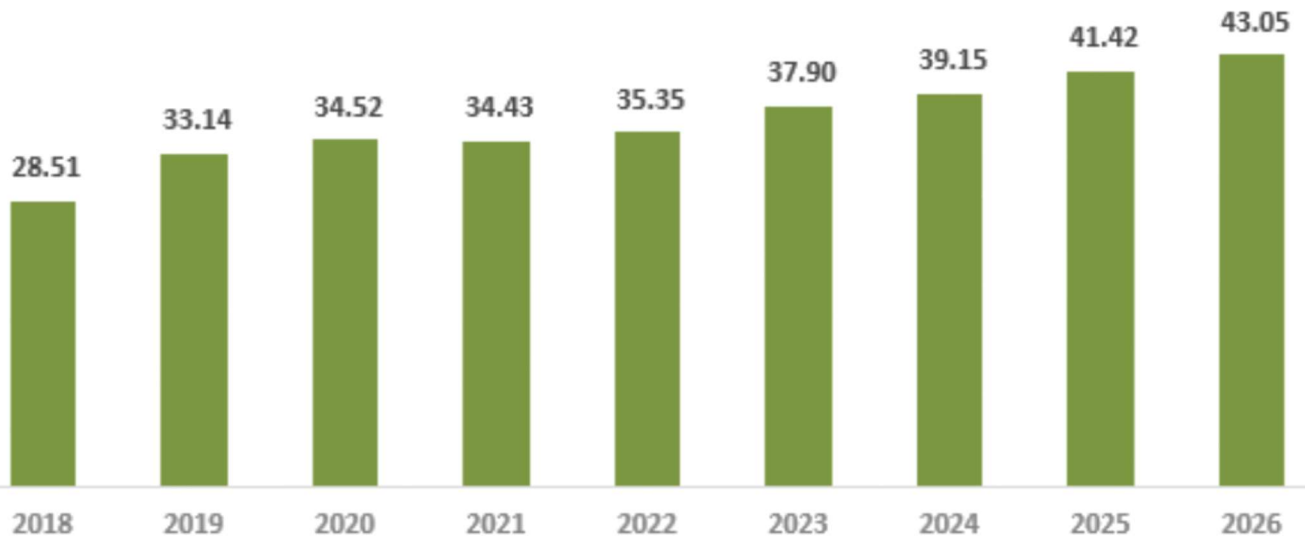
THANK YOU

Nelida Sabido

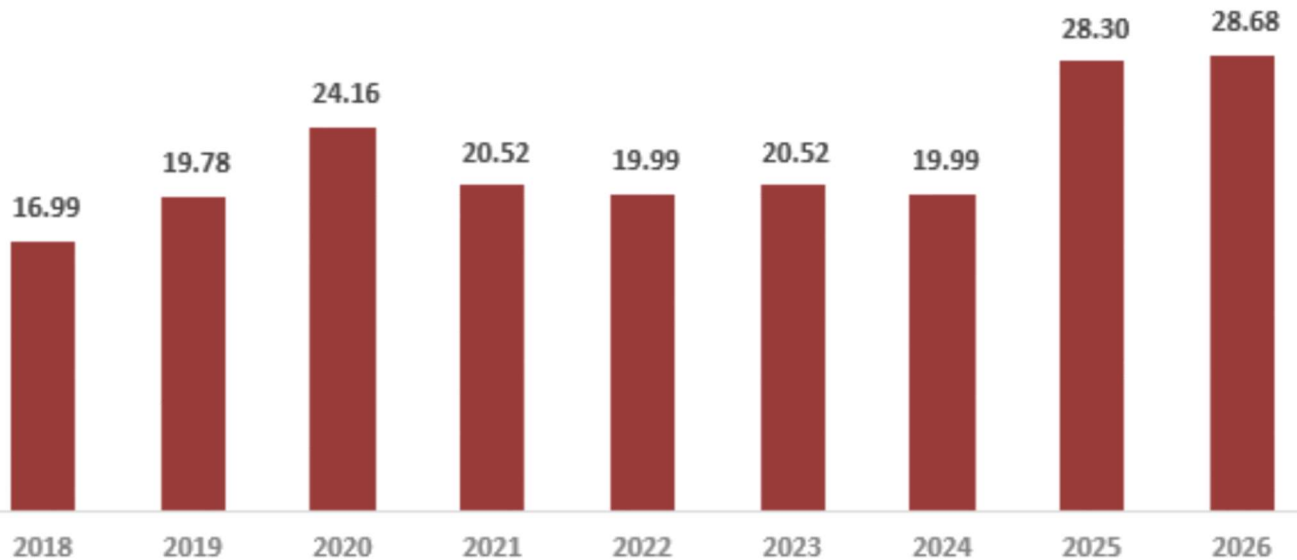
Treasurer

St. Martin's Credit Union

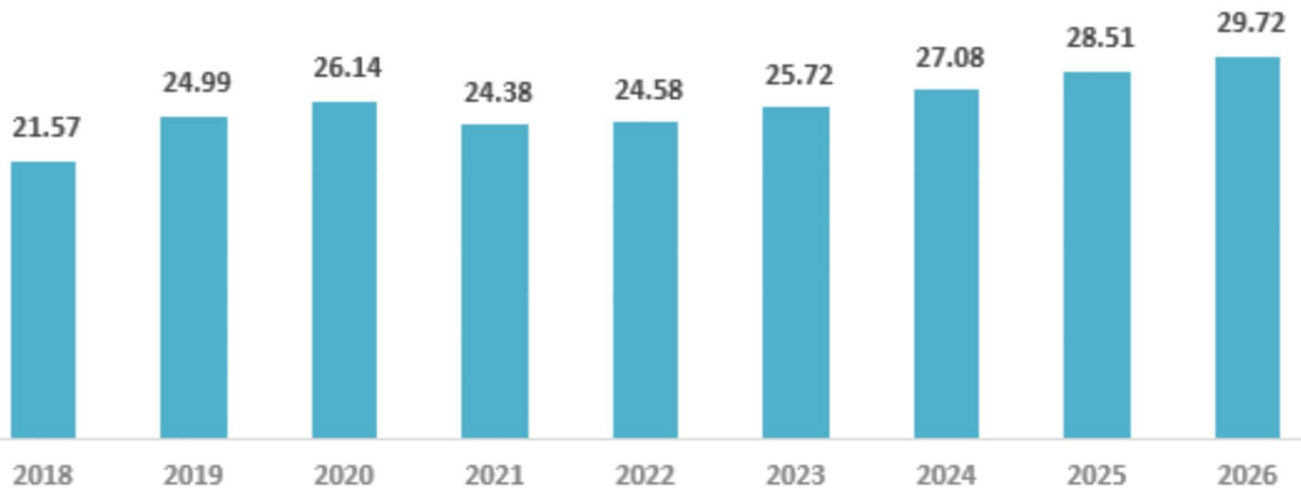
Total Assets (Millions) 2018 - 2026



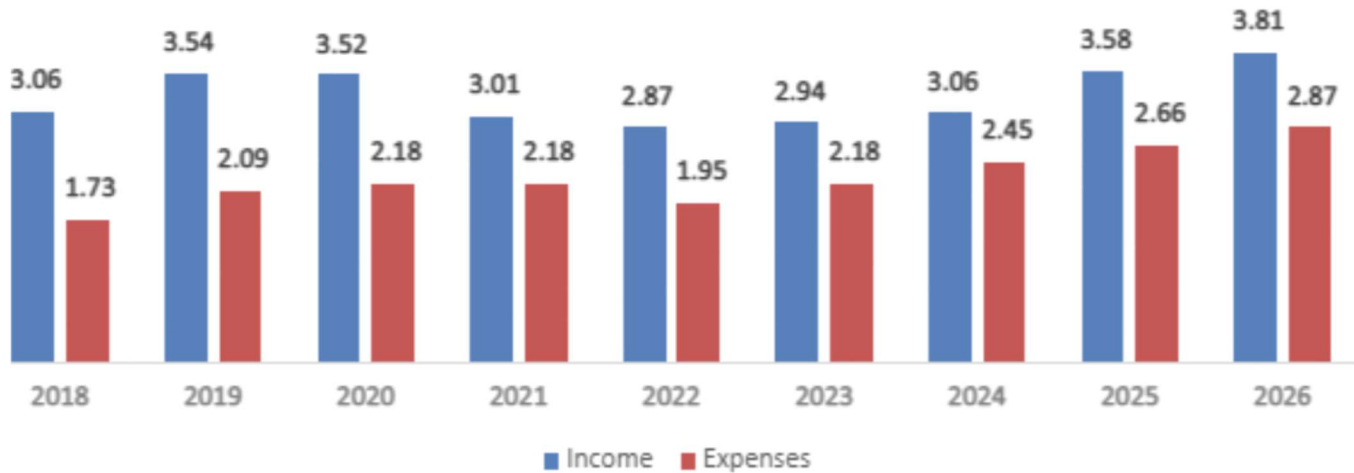
Loans Receivable (Millions) 2018 - 2026

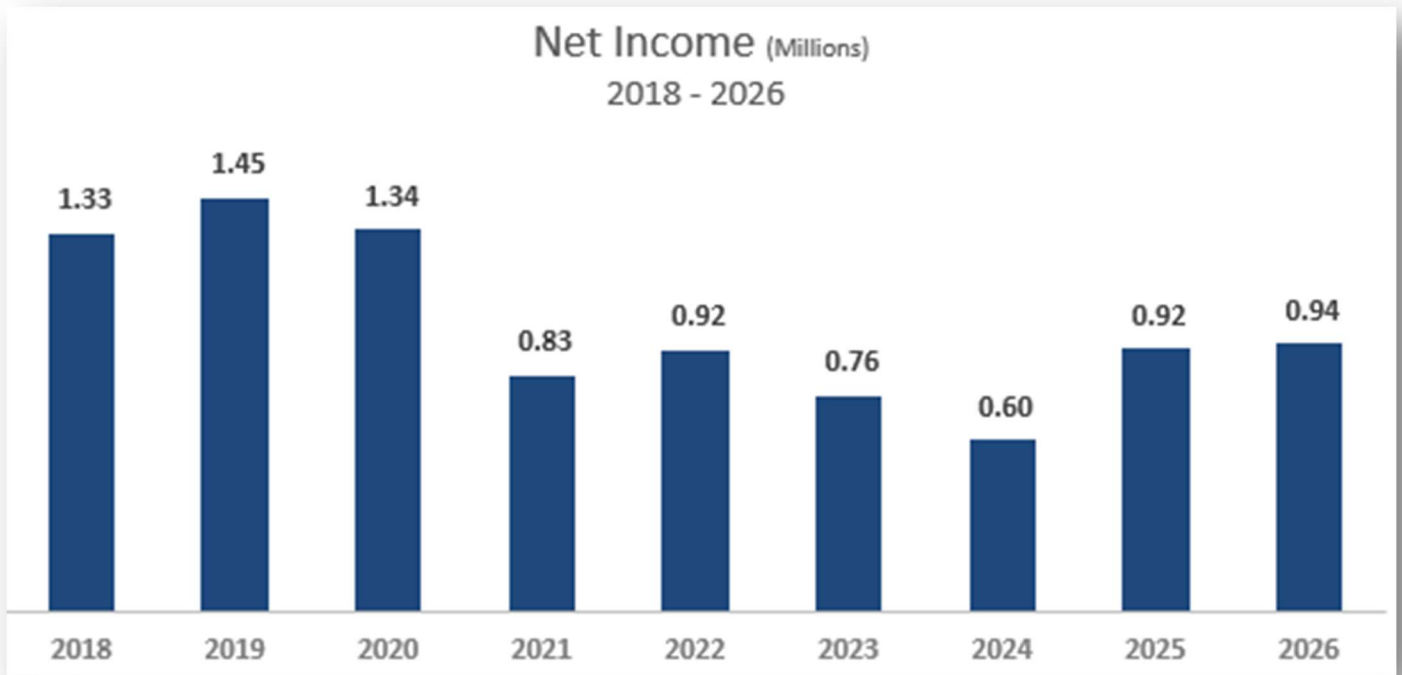


Membership Share (Millions) 2018 - 2026



Income and Expense (Millions) 2018 - 2026

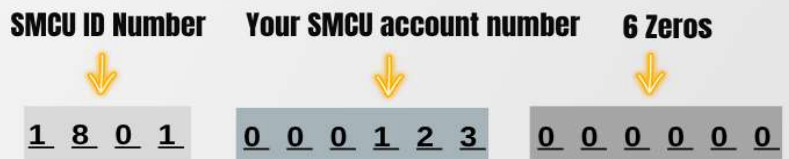




Your New Credit Union Account Number (CUAN)

SMCU was integrated into the National Payment System, which facilitated automatic transfers in and out of your credit union account via our 24-hour online banking service!

Your new Credit Union Account Number (CUAN) is made of the following:



- Send and receive funds directly into your account, 24 hours a day, 7 days a week.
- Salaried workers and recipients of GOB benefits will have payments deposited by the sender directly to their Credit Union account.
- Make automatic transfers directly to other financial institutions as well!



HOME MORTGAGE LOANS

6.99%

Apply Today!



PURCHASE LAND

★★★★★



CONSTRUCTION

★★★★★



PURCHASE PROPERTY

★★★★★

CONTACT US

671-5799

info@smcubelize.com

www.smcubelize.com



Please note our new business hours
Effective **April 1st 2026**

Opening Hours

Monday: 8 am - 3pm

Tuesday: 8 am - 3pm

Wednesday: 8 am - 3pm

Thursday: 8 am - 3pm

Friday: 8 am - 3pm

Saturday: CLOSED

Sunday: CLOSED



St. Martin's
CREDIT UNION

Serving the Cayo District since 1949.



BEL Agent

Bill Pay
Service



Development Fund Community Outreach Program



School Bag Drive



Toy Drive

ST. MARTIN'S CREDIT UNION LIMITED

Financial Statements for the Years Ended
March 31, 2026 and 2025 and Independent
Auditors' Report



ST. MARTIN'S CREDIT UNION LIMITED

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors and Members of:
St. Martin's Credit Union Limited**

Opinion

We have audited the financial statements of St. Martin's Credit Union Limited which comprise the statements of financial position as at March 31, 2026 and 2025 and the statements of comprehensive income, statements of changes in members' equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of St. Martin's Credit Union Limited as at March 31, 2026 and 2025 and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of St. Martin's Credit Union Limited ("the Credit Union") in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other 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.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

hlb.bz

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TEL: +501 227 3020 **EMAIL:** info@hlab.bz

HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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; to design and perform audit procedures responsive to those risks; and to 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 the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

HLB, Belize, LLP

Chartered Accountants

Belize City, Belize

June 9, 2026

ST. MARTIN'S CREDIT UNION LIMITED

Statements of financial position

As at March 31, 2026 and 2025 (in Belize Dollars)

	<u>Notes</u>	<u>2026</u>	Reclassified <u>2025</u>
<u>Assets</u>			
Cash and cash equivalents - unrestricted	4e. 4f. 6.	\$ 6,579,281	\$ 6,063,346
Cash and cash equivalents - restricted	4e. 4f. 7.	400,000	400,000
Debt instruments	4e. 8.	5,776,344	4,730,088
Equity instruments	4e. 9.	164,718	164,718
Members' loans receivable	4e. 10.	28,678,377	28,304,672
Less: expected credit loss on members' loans receivable	4e. 5. 10.	(1,194,912)	(896,795)
Other receivables	4e. 4g. 11.	152,130	124,498
Prepayments		107,759	52,562
Property and equipment	4h. 4j. 12.	2,305,805	2,384,065
Intangible assets	4i. 4j. 13.	77,016	97,279
Total assets		<u>43,046,518</u>	<u>41,424,433</u>
<u>Liabilities</u>			
Members' deposits	4e. 14.	5,003,466	4,726,573
Accounts payable and accruals	4e. 15.	486,956	501,715
Funeral benefit plan	4k. 16.	1,047,108	929,396
Severance payable	4l. 17.	37,862	45,780
Total liabilities		<u>6,575,392</u>	<u>6,203,464</u>
Net assets		<u>\$ 36,471,126</u>	<u>\$ 35,220,969</u>
<u>Members' equity</u>			
Members' shares - mandatory	4m.	\$ 581,000	\$ 559,050
Members' shares - voluntary	4m.	29,137,997	27,953,056
Revaluation reserve	4h.	1,545,917	1,545,917
Statutory reserve	4n.	4,339,521	4,245,255
Education fund	4o.	67,469	30,156
Development fund	4p.	20,058	10,631
Undistributed surplus	4q.	779,164	876,904
Total members' equity		<u>\$ 36,471,126</u>	<u>\$ 35,220,969</u>

The financial statements on pages 4 to 8 were approved and authorized for issue by the Board of Directors on June 9, 2026 and are signed on its behalf by:







See Note 27 for details of reclassification.

The above financial statements should be read in conjunction with the accompanying notes.

ST. MARTIN'S CREDIT UNION LIMITED

Statements of comprehensive income

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

	<u>Notes</u>	<u>2026</u>	<u>2025</u>
	4r.		
Net interest revenues	18.	\$ 3,095,757	\$ 2,873,354
Fee and commission income	20.	573,812	573,009
Dividend income		31,079	18,718
Other operating income	19.	<u>113,329</u>	<u>113,511</u>
Operating income		3,813,977	3,578,592
Net remeasurement of expected credit loss	10.	(522,593)	(386,546)
General and administration expenses	21.	<u>(2,348,729)</u>	<u>(2,268,928)</u>
Profit for the year		942,655	923,118
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>\$ 942,655</u>	<u>\$ 923,118</u>

The above financial statements should be read in conjunction with the accompanying notes.

ST. MARTIN'S CREDIT UNION LIMITED

Statements of changes in members' equity

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

	Members' shares - mandatory	Members' shares - voluntary	Revaluation reserve	Statutory reserve	Education fund	Development fund	Undistributed surplus	Total
Balance at April 1, 2025	\$ 559,050	\$27,953,056	\$ 1,545,917	\$4,245,255	\$ 30,156	\$ 10,631	\$ 876,904	\$35,220,969
Comprehensive income for the year:								
Surplus distribution	-	-	-	94,266	47,133	9,427	791,829	942,655
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	94,266	47,133	9,427	791,829	942,655
Members' contributions and distributions:								
Net change in shares	21,950	1,184,941	-	-	-	-	-	1,206,891
Dividends declared (Note 4q)	-	-	-	-	-	-	(889,569)	(889,569)
	21,950	1,184,941	-	-	-	-	(889,569)	317,322
Distributions and transfers:								
Expenditures	-	-	-	-	(9,820)	-	-	(9,820)
	-	-	-	-	(9,820)	-	-	(9,820)
Balance at March 31, 2026	\$ 581,000	\$29,137,997	\$ 1,545,917	\$4,339,521	\$ 67,469	\$ 20,058	\$ 779,164	\$36,471,126

The above financial statements should be read in conjunction with the accompanying notes.

Continued on page 7.

ST. MARTIN'S CREDIT UNION LIMITED

Statements of changes in members' equity (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

	Members' shares - mandatory	Members' shares - voluntary	Revaluation reserve	Statutory reserve	Education fund	Development fund	Undistributed surplus	Total
Balance at April 1, 2024	\$ 541,400	\$26,538,223	\$ 1,545,917	\$4,245,255	\$ 30,156	\$ 23,579	\$ 743,599	\$33,668,129
Comprehensive income for the year:								
Surplus distribution	-	-	-	-	-	-	923,118	923,118
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	923,118	923,118
Members' contributions and distributions:								
Net change in shares	17,650	1,414,833	-	-	-	-	-	1,432,483
Dividends declared (Note 4q)	-	-	-	-	-	-	(799,437)	(799,437)
	17,650	1,414,833	-	-	-	-	(799,437)	633,046
Distributions and transfers:								
Expenditures	-	-	-	-	-	(3,324)	-	(3,324)
Reversal of allocation	-	-	-	-	-	(9,624)	9,624	-
	-	-	-	-	-	(12,948)	9,624	(3,324)
Balance at March 31, 2025	\$ 559,050	\$27,953,056	\$ 1,545,917	\$4,245,255	\$ 30,156	\$ 10,631	\$ 876,904	\$35,220,969

The above financial statements should be read in conjunction with the accompanying notes.

ST. MARTIN'S CREDIT UNION LIMITED

Statements of cash flows

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

	<u>2026</u>	<u>2025</u>
Operating activities		
Profit for the year	\$ 942,655	\$ 923,118
Adjustments for non-cash items:		
Depreciation and amortization expense	153,262	165,424
Gain on disposal of intangible assets	-	(24,218)
Loss on disposal of assets	528	-
Remeasurement of expected credit loss	522,593	386,546
Severance expense	3,696	4,000
Operating profit before working capital changes	<u>1,622,734</u>	<u>1,454,870</u>
Changes in operating assets and liabilities:		
Members' loans receivable	(598,181)	(3,838,665)
Other receivables	(27,632)	44,921
Prepayments	(55,197)	16,526
Members' deposits	276,893	713,844
Accounts payable and accruals	(14,759)	(44,769)
Funeral benefit plan	117,712	70,640
Cash provided by (used in) operating activities	<u>1,321,570</u>	<u>(1,582,633)</u>
Severance paid	<u>(11,614)</u>	<u>(25,476)</u>
Net cash provided by (used in) operating activities	<u>1,309,956</u>	<u>(1,608,109)</u>
Investing activities		
Net change in debt instruments	(1,046,256)	(52,574)
Disposal of equity instruments	-	5,000
Acquisition of equity instruments	-	(5)
Acquisition of intangible assets	(9,657)	(28,146)
Purchase of property and equipment	(45,610)	(81,815)
Net cash used in investing activities	<u>(1,101,523)</u>	<u>(157,540)</u>
Financing activities		
Net change in members' shares - mandatory	21,950	17,650
Net change in members' shares - voluntary	1,184,941	1,414,833
Payments from development fund	-	(3,324)
Payments from education fund	(9,820)	-
Dividends paid	(889,569)	(799,437)
Net cash provided by financing activities	<u>307,502</u>	<u>629,722</u>
Net change in cash and cash equivalents	<u>515,935</u>	<u>(1,135,927)</u>
Cash and cash equivalents - restricted	-	-
Cash and cash equivalents unrestricted, beginning of the year	<u>6,063,346</u>	<u>7,199,273</u>
Cash and cash equivalents unrestricted, end of the year	<u>\$ 6,579,281</u>	<u>\$ 6,063,346</u>

The above financial statements should be read in conjunction with the accompanying notes.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

1. General information

St. Martin's Credit Union Limited (the "Credit Union") was incorporated in 1949 under the Credit Union Act. The Credit Union is currently governed by the Credit Unions Act Chapter 314 Revised Edition 2020. Its main objective is to promote savings, enterprise, and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

The Credit Union operates from its principal office situated at Corner Eve and Church Street, San Ignacio Town, Cayo District.

As at March 31, 2026, the Credit Union had 11,620 members (2025:11,181).

2. Statement of compliance with IFRS and going concern

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements have also been prepared in accordance with the Credit Unions Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2020. The Credit Union has departed from the Act in one respect: under Section 47(12), unpaid interest on loans shall not be included in interest income; however, the Credit Union recognizes interest income on member loans on an accrual basis, which includes interest accrued but not yet received.

The financial statements are prepared on a going concern basis, as management is satisfied the Credit Union has adequate resources to continue as a going concern for the foreseeable future. In making this assessment management has considered a wide range of information including profitability projections, regulatory requirements, and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, liquidity, and sustainability of the Credit Union.

3. New or revised standards or interpretations

The accounting policies adopted are consistent with those used in the previous financial year.

Standards and amendments that are not yet effective and have not been adopted early by the Credit Union include:

- IFRS 18 Presentation and Disclosures in Financial Statements
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

3. New or revised standards or interpretations (continued)

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Credit Union and no Interpretations have been issued that are applicable and need to be taken into consideration by the Credit Union at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Credit Union's financial statements.

4. Material accounting policies

a. Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of non-current financial instruments and properties. The principal accounting policies are set out below.

b. Functional and presentation currency

The financial statements are presented in Belize dollars, which is the Credit Union's functional currency.

c. Foreign currency transactions and translations

Transactions in foreign currencies during the period are converted into Belize dollars at the rates ruling on the dates of the transactions.

d. Significant accounting judgments and estimates

Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates.

e. Financial instruments

Recognition and initial measurement

The Credit Union initially recognizes loans and advances, deposits and debt securities issued on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Credit Union becomes a party to the contractual provisions of the instrument.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

e. Financial instruments (continued)

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

Classification

Financial asset

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Credit Union may irrevocably elect to present subsequent changes in fair value in Other comprehensive income (OCI). This election is made on an investment-by-investment basis.

The Credit Union's financial assets by category is listed in Note 25.

Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Credit Union designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The Credit Union classifies its financial liabilities as other financial liabilities at amortised cost.

The Credit Union's financial liabilities that fall into this category listed in Note 25.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

e. Financial instruments (continued)

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 realizing 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;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Credit Union's stated objective for managing the financial assets is achieved and how cash flows are realized.

The Credit Union's investments comprises primarily loans to members that are held for collecting contractual cash flows. The loans comprise mortgages, overdrafts, and unsecured personal lending facilities. Sales of loans from these portfolios are very rare.

Certain debt securities are held by the Credit Union for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Credit Union considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin.

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.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

e. Financial instruments (continued)

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.

Reclassification of financial assets

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.

Derecognition

Derecognition of financial assets

The Credit Union derecognizes 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 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Derecognition of financial liabilities

The Credit Union derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Modification of 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 financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

e. Financial instruments (continued)

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.

This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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 recognizes the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Modification of financial liabilities

The Credit Union derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

e. Financial instruments (continued)

Offsetting of financial instruments

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 realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions.

Impairment of financial assets

When assessing impairment on debt instruments, such as government treasury notes, management primarily considers third party information such as external ratings and comparable sales.

ECL Calculation methodology

The Credit Union employs the probability of default approach in estimating its expected credit losses (ECL).

This approach uses the exposure at default (EAD), probability of default (PD) along with probability of attrition (PA), and loss given default (LGD) to determine the estimated credit losses. Probability of attrition (PA) is added to the PD to provide a competing risk approach for accurate long-range forecasting.

- Default - means that scheduled repayment, which includes principal and/or interest, of any facility is due and remains unpaid for 90 days or more.
- Exposure at Default (EAD) - is the predicted amount of loss the Credit Union may incur in the event of, and at the time of, the borrower's default.
- Probability of Default (PD) - is the likelihood, as a percentage of the total exposure, that the borrower will not be able to make scheduled payments over a 12-month period.
- Probability of Attrition/Pay-off (PA) – is the likelihood, expressed as a percentage of the total exposure, that the borrower will pay-off the facility before its maturity date.
- Loss Given Default (LGD) – is the percentage of the amount at risk that would be lost if default is certain.

ECL Model Credit Impairment

Expected credit losses are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)
For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

e. Financial instruments (continued)

Stage 1

For financial assets initially recognised and which continue to perform in accordance with contractual terms and condition, an allowance equivalent to 12 months ECL is recognised. Stage 1 financial assets also include facilities for which the credit risk has improved and has been reclassified from stage 2.

Stage 2

For financial assets exhibiting significant increase in credit risk since origination, a lifetime ECL is recognised. If loan has fully matured, ECL is loan outstanding balance. Stage 2 financial assets also include facilities for which the credit risk has improved and has been reclassified from stage 3.

Stage 3

Where financial assets present objective evidence of impairment, a lifetime ECL is recognised.

Write-off:

Loans and the related loan loss reserve are written off, either partially or in full, when there is no realistic prospect of recovery. Write-offs are reduced by recoveries on property secured on the loan.

Recoveries of amounts previously written off are recognized when cash is received and are included in 'other operating income' in the statement of comprehensive income.

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.

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term, highly liquid investments with original maturities of 90 days or less.

g. Other receivables

Other receivable comprises of interest receivable from member loans, and miscellaneous receivables from employees and members.

h. Property and equipment

Property and equipment are carried at cost and valuation; and except for land, are depreciated down to their estimated residual values on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	40 years
Motor vehicles	5 years
Office and IT equipment	5 years
Furniture, fixtures and equipment	5 and 10 years

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

h. Property and equipment (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing items and restoring the site on which they are located. The cost of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Maintenance, repairs and renewals are charged against revenue in the year the expenditure is incurred; major renewals and improvements are capitalized.

An item of property and equipment and any significant part recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and other comprehensive income when the asset is derecognized.

Assets held under revaluation model

Assets held under the revaluation model are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

The cost and accumulated depreciation accounts are restated proportionately with the revaluation. Any increase arising on the revaluation of such asset is recognised as a transfer in equity under the heading of revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such asset is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to undistributed surplus. No transfer is made from the revaluation reserve to undistributed surplus except when an asset is derecognised.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

i. Intangible assets

Intangible assets for the Credit Union comprise of purchased software for their in-house system and the ATM. All intangible assets in the Credit Union have a finite life, meaning it has a limited period of benefit to the entity. After initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal.

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the software systems is 5 years.

j. Impairment of non-financial assets

The Credit Union assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

An impairment loss is recognised immediately in statement of income and expenses, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

k. Funeral benefit plan

The Credit Union initiated a Funeral Benefit Plan for members of the Credit Union whereby members make a yearly contribution of \$24 every October. To qualify, account holders must maintain a minimum account balance of \$200 and must not be over 70 years old. Beneficiaries are given a one time funeral benefit of \$4,000 or \$2,000 dependent on the account holder's age. Exclusion to the benefit do apply with regards to the cause of death.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

l. Severance payable

Severance obligations are recognized at the point of not being able to withdraw from provision of the benefit to qualifying employees. The Credit Union recognizes these obligations in accordance with the Labor Act, Chapter 297 of the Substantive Laws of Belize Revised Edition 2020.

m. Members' shares

As per the Credit Unions Act, members' shares in the Credit Union represent members' capital and are presented as mandatory and voluntary shares.

Mandatory shares are \$50 per member and are the minimum shares required for a person to be a member of the Credit Union.

Voluntary shares are any shares deposited beyond the minimum mandatory share. These can be withdrawn at any time and may be used as collateral for loans by members.

n. Statutory reserve

The statutory reserve is a reserve mandated by the Credit Union Act where at least 10% of the yearly net earnings of the Credit Union is to be accumulated until it reaches 10% of total assets and should not be used for any other purpose except upon liquidation of the Credit Union. The statutory reserve cannot be distributed to members.

o. Education fund

The Education Fund was established by the Board of Directors. Under the Credit Union Act, the Board of Directors may, after making provision for the reserve fund and declaring a dividend, set aside an amount not exceeding 5% of the net earnings to be used for educational purposes as the Board may determine and cannot be distributed to members.

p. Development fund

The Development fund was established by the Board of Directors. The purpose of the Fund is to finance any capital development that the Credit Union deems necessary with approval from the Board; per the by-laws of the Credit Union, the amount transferred should not exceed 1% of the net earnings.

q. Dividends

Dividends not exceeding 8% are declared and paid annually on member shares/deposit balances. Dividends are calculated based on the average of the lowest share balance during each quarter of the financial year.

These dividends are credited to the members' shares/deposit accounts along with interest rebates given to members who qualify. Dividends and rebates are recommended by the Board of Directors and approved at the Credit Union's Annual General Meeting.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

4. Material accounting policies (continued)

r. Income and expense recognition

Interest income:

Interest income on loans receivable is recognized in the statement of comprehensive income at the time of collection and adjusted at year end under the accrual basis. Interest income on term deposit investments is recorded using the effective interest rate method.

Service charge fees:

Loan application/processing and review fees on loans have been recognized as income when received. These fees are non-refundable. They are fully earned by the Credit Union at the time of loan application and at the time of review.

Expenses are recognized when incurred. Interest on term deposits and personal checking accounts are paid quarterly and monthly, respectively. The interest rates paid on member accounts are determined by the Board of Directors.

5. Financial risk management

By its nature the Credit Union's activities are principally related to the use of financial instruments. The Credit Union accepts cash as deposits and purchase of shares from members and seeks to earn above average interest margins by investing these funds in high quality assets. The Credit Union seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher interest rates whilst maintaining sufficient liquidity to meet all claims that may fall due.

The Credit Union is also exposed to fraud risks, market risks, liquidity risks, and interest rate risks. The Credit Union's risk management program seeks to minimize potential adverse effects on the overall financial performance. Risk management is executed through policies approved by the Board of Directors and are executed by management who identify and evaluate risks and establish procedures to minimize risks.

Credit risk:

The Credit Union takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Management structures its credit risk by placing limits on the amount of credit extended in relation to one borrower or group. This is monitored on a revolving basis and subject to annual review. These limits are also regulated by the Credit Union Act.

The Credit Union's risk management policies are designed to achieve a balance between risk and return and minimize potential adverse effects of its financial performance. The Credit Union therefore identifies and analyses these risks, designs internal controls to set appropriate limits, and to monitor these limits through reliable and up to date information systems and reports.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

5. Financial risk management (continued)

Exposure to credit risk is managed through regular analysis of the borrower's ability to repay, current exposure to individual members and the likelihood of default and the recovery ratio on any defaulted obligation. Exposure is also managed in part by obtaining marketable collateral, personal guarantees and authority for salary deductions for instalment payments.

Amounts arising from ECL

For inputs, assumptions and techniques used for estimating impairment see policy Note 4e.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis; based on the Credit Union's historical experience, expert credit assessment and forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime Probability of default (PD) as at reporting date with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure.

Credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Credit Union's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgement and relevant historical experiences.

Default

For definition of default see policy Note 4e.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, member retention and other factors not related to a current or potential credit deterioration of the member. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan in accordance with recognition policies set forth in Note 4e.

When the terms of a financial asset are modified and the modification does not result in recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of the remaining lifetime PD at the reporting date based on the modified terms with the remaining lifetime PD estimated based on data on initial recognition and the original contractual term.

Loss allowance

The following tables shows the reconciliation from the opening to the closing balance of the loss allowance by type of financial instrument.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

5. Financial risk management (continued)

The movements in the loan loss provision for the year are as follows:

	<u>2026</u>	<u>2025</u>
Balance, beginning of the year	\$ 896,795	\$ 1,199,896
Net remeasurement of loss allowance	522,593	386,546
Write-off	<u>(224,476)</u>	<u>(689,647)</u>
Balance, end of the year	<u>\$ 1,194,912</u>	<u>\$ 896,795</u>

The following table show details of ECL by Stages as at the reporting date

	<u>2026</u>	<u>2025</u>
Loan portfolio	\$ 28,678,377	\$ 28,304,672
Stage 1	89,779	64,944
Stage 2	79,725	63,954
Stage 3	<u>1,025,408</u>	<u>767,897</u>
Total	<u>\$ 1,194,912</u>	<u>\$ 896,795</u>
Rate	4.17%	3.17%

Market risk/interest rate risk:

The Credit Union is exposed to market risk, which is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in the market prices. Market risk for the Credit Union arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Credit Union's Board of Directors sets limits on the amount of risk that may be accepted, which is monitored on a daily basis and reviewed by the Board monthly.

The Credit Union takes on interest rate risk in that it pays interest on deposits and that fluctuations in interest rates may affect its capacity to on-lend at competitive rates.

The Credit Union manages this risk by maintaining an adequate interest rate spread between interest paid and interest received.

Liquidity risk:

Liquidity risk is the risk that the Credit Union is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The Credit Union manages this risk by closely monitoring member payments, setting credit limits and by obtaining credit facilities from other sources to ensure cash availability. The Credit Union also maintains highly liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

5. Financial risk management (continued)

The Credit Union is required to maintain total liquid assets of at least 10% of shares, deposits and current borrowings in accordance with the Credit Unions Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2020. As of March 31, 2026 and 2025, the Credit Union has fully complied with these requirements.

	<u>2026</u>	<u>2025</u>
Total liquid assets	\$ 11,436,625	\$ 9,733,434
Liabilities	<u>34,722,463</u>	<u>33,238,679</u>
	<u>32.94%</u>	<u>29.28%</u>

Fraud risk:

The Credit Union is exposed to fraud risks from members as well as employees. The Credit Union seeks to minimize these risks by internal controls, authorizations for payments, checks and balances as well as requiring valid identification documents.

6. Cash and cash equivalents - unrestricted

	<u>2026</u>	Reclassified <u>2025</u>
Cash on hand	\$ 759,984	\$ 477,884
Cash at bank	<u>5,819,297</u>	<u>5,585,462</u>
	<u>\$ 6,579,281</u>	<u>\$ 6,063,346</u>

See Note 27 for details of reclassification.

7. Cash and cash equivalents - restricted

Restricted funds for sending and receiving payments directly to and from participating credit unions, and other financial institutions held at Shared Service Network Ltd (SSN). The SSN is licensed as a payment system operator for credit unions with direct participation in the Central Bank of Belize's Automated Payment and Securities Settlement System (APSSS).

8. Debt instruments

	<u>2026</u>	<u>2025</u>
Central Bank of Belize Treasury Notes	\$ 919,000	\$ 919,000
Belize City Council Municipal Bonds	1,000,000	1,000,000
St. John's Credit Union Limited Term Deposits	387,960	380,352
Spanish Lookout Credit Union Limited Term Deposits	1,554,359	535,613
Belize Bank Limited Term Deposits	<u>1,915,025</u>	<u>1,895,123</u>
	<u>\$ 5,776,344</u>	<u>\$ 4,730,088</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

8. Debt instruments (continued)

The maturity distribution of debt instruments is as follows:

	<u>2026</u>	<u>2025</u>
Less than 1 year	\$ 4,857,344	\$ 2,811,088
More than 1 year	919,000	1,919,000
	<u>\$ 5,776,344</u>	<u>\$ 4,730,088</u>

Details of investments by institution

Central Bank of Belize Treasury Notes

		<u>2026</u>	<u>2025</u>
Maturity	Interest		
April 3, 2030	3.50%	\$ 459,000	\$ -
April 3, 2025	4.50%	-	459,000
April 3, 2030	5.25%	460,000	460,000
		<u>\$ 919,000</u>	<u>\$ 919,000</u>

Belize City Council Municipal Bonds

		<u>2026</u>	<u>2025</u>
Maturity	Interest		
May 27, 2026	4.50%	\$ 400,000	\$ -
April 1, 2025	4.50%	-	400,000
April 1, 2026	5.50%	600,000	600,000
		<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

St. John's Credit Union Limited Term Deposits

		<u>2026</u>	<u>2025</u>
Maturity	Interest		
March 30, 2027	2.00%	\$ 129,320	\$ -
March 30, 2026	2.00%	-	126,784
March 30, 2027	2.00%	129,320	-
March 30, 2026	2.00%	-	126,784
March 30, 2027	2.00%	129,320	-
March 30, 2026	2.00%	-	126,784
		<u>\$ 387,960</u>	<u>\$ 380,352</u>

Spanish Lookout Credit Union Limited Term Deposits

		<u>2026</u>	<u>2025</u>
Maturity	Interest		
December 29, 2026	3.50%	\$ 554,359	\$ -
December 29, 2025	3.50%	-	535,613
June 3, 2026	3.50%	1,000,000	-
		<u>\$ 1,554,359</u>	<u>\$ 535,613</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

8. Debt instruments (continued)

<u>Belize Bank Limited Term Deposits</u>		<u>2026</u>	<u>2025</u>
Maturity	Interest		
August 26, 2026	1.05%	\$ 90,675	\$ -
August 26, 2025	1.05%	-	89,732
August 26, 2026	1.05%	90,675	-
August 26, 2025	1.05%	-	89,732
September 11, 2026	1.05%	57,580	-
September 11, 2025	1.05%	-	56,982
January 29, 2027	1.05%	99,839	-
January 29, 2026	1.05%	-	98,802
February 15, 2027	1.05%	148,618	-
February 14, 2026	1.05%	-	147,074
March 13, 2027	1.05%	201,279	-
March 13, 2026	1.05%	-	199,187
March 13, 2027	1.05%	90,287	-
March 13, 2026	1.05%	-	89,349
March 13, 2027	1.05%	98,386	-
March 13, 2026	1.05%	-	97,364
March 14, 2027	1.05%	98,386	-
March 13, 2026	1.05%	-	97,364
March 13, 2027	1.05%	73,938	-
March 13, 2026	1.05%	-	73,170
March 13, 2027	1.05%	73,938	-
March 13, 2026	1.05%	-	73,170
March 14, 2027	1.05%	73,938	-
March 13, 2026	1.05%	-	73,170
March 13, 2027	1.05%	105,030	-
March 13, 2026	1.05%	-	103,938
March 14, 2027	1.05%	105,030	-
March 13, 2026	1.05%	-	103,938
March 14, 2027	1.05%	105,030	-
March 13, 2026	1.05%	-	103,938
March 14, 2027	1.05%	105,030	-
March 13, 2026	1.05%	-	103,938
March 14, 2027	1.05%	96,616	-
March 13, 2026	1.05%	-	95,612
March 14, 2027	1.05%	109,446	-
March 13, 2026	1.05%	-	108,308
July 1, 2026	1.05%	91,304	-
July 1, 2025	1.05%	-	90,355
		\$ 1,915,025	\$ 1,895,123

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

9. Equity instruments

	<u>2026</u>	<u>2025</u>
655 shares at a \$5 par value in Belize Credit Union Assurance Services Limited (BCUA) which represents 13.1% ownership.	\$ 3,275	\$ 3,275
15,900 shares at \$10 par value in Shared Services Network Ltd. (SSN) which represents 7.95% ownership.	161,443	161,443
	<u>\$ 164,718</u>	<u>\$ 164,718</u>

10. Members' loans receivable

	<u>2026</u>	<u>2025</u>
Total members' loans receivable	\$ 28,678,377	\$ 28,304,672
Less: expected credit loss	(1,194,912)	(896,795)
Net members' loans receivable	<u>\$ 27,483,465</u>	<u>\$ 27,407,877</u>

The movements in the provision for credit loss for the year are as follows:

Balance, beginning of the year	\$ 896,795	\$ 1,199,896
Net remeasurement	522,593	386,546
Write-off	(224,476)	(689,647)
Balance, end of the year	<u>\$ 1,194,912</u>	<u>\$ 896,795</u>

The maturity distribution of loans receivable is as follows:

Less than 1 year	\$ 1,548,085	\$ 1,101,610
1-3 years	6,079,703	6,445,516
More than 3 years	21,050,589	20,757,546
	<u>\$ 28,678,377</u>	<u>\$ 28,304,672</u>

11. Other receivables

	<u>2026</u>	<u>2025</u>
Accrued interest receivable	\$ 147,777	\$ 119,710
Other receivables	600	600
Employee receivable	3,753	4,188
	<u>\$ 152,130</u>	<u>\$ 124,498</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

12. Property and equipment

	Land	Buildings and improvements	Motor vehicles	Office and IT equipment	Furniture, fixtures and equipment	Total
Cost (c), Valuation (v)	(v)	(v)	(c)	(c)	(c)	
Brought forward, April 1, 2025	\$ 650,000	\$ 1,680,262	\$ 134,160	\$ 254,803	\$ 595,918	\$ 3,315,143
Additions	-	12,140	-	-	33,470	45,610
Disposal	-	-	-	-	(2,444)	(2,444)
Carried forward, March 31, 2026	650,000	1,692,402	134,160	254,803	626,944	3,358,309
Accumulated depreciation						
Brought forward, April 1, 2025	-	175,274	134,160	253,818	367,826	931,078
Additions	-	42,097	-	946	80,299	123,342
Disposal	-	-	-	-	(1,916)	(1,916)
Carried forward, March 31, 2026	-	217,371	134,160	254,764	446,209	1,052,504
Net book value, March 31, 2026	\$ 650,000	\$ 1,475,031	\$ -	\$ 39	\$ 180,735	\$ 2,305,805

	Land	Buildings and improvements	Motor vehicles	Office and IT equipment	Furniture, fixtures and equipment	Total
Cost (c), Valuation (v)	(v)	(v)	(c)	(c)	(c)	
Brought forward, April 1, 2024	\$ 650,000	\$ 1,665,747	\$ 134,160	\$ 254,803	\$ 528,618	\$ 3,233,328
Additions	-	14,515	-	-	67,300	81,815
Carried forward, March 31, 2025	650,000	1,680,262	134,160	254,803	595,918	3,315,143
Accumulated depreciation						
Brought forward, April 1, 2024	-	133,583	134,160	248,504	277,542	793,789
Additions	-	41,691	-	5,314	90,284	137,289
Carried forward, March 31, 2025	-	175,274	134,160	253,818	367,826	931,078
Net book value, March 31, 2025	\$ 650,000	\$ 1,504,988	\$ -	\$ 985	\$ 228,092	\$ 2,384,065

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

12. Property and equipment (continued)

Land and buildings were revalued during the financial year 2021 by an independent appraiser, Rolando Villas. See Note 4h. for details of revaluation treatment.

13. Intangible assets

	<u>2026</u>	<u>2025</u>
Cost		
Balance at the beginning of the year	\$ 236,694	\$ 369,991
Additions	9,657	28,146
Disposal	-	(161,443)
Balance at the end of the year	<u>246,351</u>	<u>236,694</u>
Accumulated amortization		
Balance at the beginning of the year	139,415	135,498
Additions	29,920	28,135
Disposal	-	(24,218)
Balance at the end of the year	<u>169,335</u>	<u>139,415</u>
Net book value	<u>\$ 77,016</u>	<u>\$ 97,279</u>

14. Members' deposits

	<u>2026</u>	<u>2025</u>
Regular deposits	\$ 4,088,159	\$ 3,820,624
Term deposits	915,307	905,949
	<u>\$ 5,003,466</u>	<u>\$ 4,726,573</u>

The maturity distribution of members' deposits is as follows:

Less than 1 year	\$ 5,003,466	\$ 3,820,624
1-3 years	-	905,949
	<u>\$ 5,003,466</u>	<u>\$ 4,726,573</u>

15. Accounts payable and accruals

	<u>2026</u>	<u>2025</u>
Accounts payable	\$ 127,773	\$ 124,607
Payroll processing	45,471	63,705
Other payable	224,081	225,930
Due to banks	89,631	87,473
	<u>\$ 486,956</u>	<u>\$ 501,715</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

16. Funeral benefit plan

At the Annual General Meeting held on the May 29, 2015, a resolution was approved by the general membership to automatically enroll all qualifying members to the Credit Union's Funeral Benefit Plan.

	<u>2026</u>	<u>2025</u>
Balance at the beginning of the year	\$ 929,396	\$ 858,756
Increase for year	161,712	128,640
Claims paid	(44,000)	(58,000)
Balance at the end of the year	<u>\$ 1,047,108</u>	<u>\$ 929,396</u>

17. Severance payable

	<u>2026</u>	<u>2025</u>
Balance at the beginning of the year	\$ 45,780	\$ 67,256
Additions during the year	3,696	4,000
Payouts during the year	(11,614)	(25,476)
Balance at the end of the year	37,862	45,780
Less: current portion	(3,361)	(2,723)
Long term portion	<u>\$ 34,501</u>	<u>\$ 43,057</u>

18. Net interest revenues

	<u>2026</u>	<u>2025</u>
Interest income on members' loans	\$ 2,931,539	\$ 2,743,346
Interest income on debt instruments	174,226	138,654
Total interest income	<u>3,105,765</u>	<u>2,882,000</u>
Interest expense on members' deposits	(10,008)	(8,646)
	<u>\$ 3,095,757</u>	<u>\$ 2,873,354</u>

19. Other operating income

	<u>2026</u>	<u>2025</u>
ATM fees	\$ 2,338	\$ 2,663
Book and cover sales	4,961	5,223
Recoveries	84,197	60,651
Other income	21,833	44,974
	<u>\$ 113,329</u>	<u>\$ 113,511</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

20. Fee and commission income

	<u>2026</u>	<u>2025</u>
Commission income	\$ 269	\$ 581
Late fee service charge	84,081	48,295
Service charge	489,462	524,133
	<u>\$ 573,812</u>	<u>\$ 573,009</u>

21. General and administrative expense

	<u>2026</u>	<u>2025</u>
Advertising and promotion	\$ 41,177	\$ 58,640
Annual general meeting expenses	29,662	39,532
ATM expenses	13,994	15,687
BCUA insurance	266,583	251,453
Belize Rural Finance expense	1,906	30
Committee and cafeteria expense	73,106	78,050
Compliance expense	14,662	17,173
Computer network	157,177	121,622
Conference and credit union week	12,704	29,363
Depreciation and amortization expense	153,262	165,424
Donations	4,000	7,100
Insurance expense	40,858	37,908
Interest and bank charges	41,046	45,854
Internal audit expense	4,188	3,790
License fee	1,000	1,000
Office expense	43,484	36,927
Other allowances	56,982	59,914
Other expenses	5,328	3,857
Postage	1,198	1,296
Professional fees	127,788	25,988
Property tax	1,207	1,168
Repairs & maintenance	28,795	24,088
Salaries & wages	859,102	865,268
Scholarship	16,016	15,639
Security expense	78,085	67,801
Severance expense	3,696	4,000
Social security expense	41,416	42,718
Staff benefits	68,671	87,367
Stationaries and supplies	39,736	35,408
Training	22,510	19,290
Travel and subsistence	6,100	4,062
Utilities	79,606	79,414
Vehicle expense	13,684	22,097
	<u>\$ 2,348,729</u>	<u>\$ 2,268,928</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

22. Taxation

As a credit union licensed under the Credit Union Act, the Credit Union is exempted from taxes on profits, gains, interest and dividends earned.

General Sales Tax of 12.5% is a tax on consumer spending that is collected at the point of sale of a business' good or service. The Credit Union pays General Sales Tax as a regular consumer.

23. Key management compensation

Key management compensation is inclusive of salaries and allowances paid to senior and junior management. At March 31, 2026, the number of key management personnel was 8 (2025 - 7).

	<u>2026</u>	<u>2025</u>
Key management compensation	<u>\$ 300,101</u>	<u>\$ 334,550</u>

24. Related party transactions

The Board of Directors and management have loan balances with the Credit Union which are included in the loans receivable balance on the statement of Financial position. These loans total the following as at the year end:

<u>Assets held at year-end with related parties</u>	<u>2026</u>	<u>2025</u>
Officers' loans receivable	\$ 447,865	\$ 381,693
Employees' loans receivable	<u>149,272</u>	<u>589,107</u>
	<u>\$ 597,137</u>	<u>\$ 970,800</u>

Liabilities held at year-end with related parties

Officers' deposits and shares	<u>\$ 284,159</u>	<u>\$ 317,820</u>
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Transactions with related parties throughout the year

Officers' allowances paid	<u>\$ 31,810</u>	<u>\$ 30,305</u>
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ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)

For the years ended March 31, 2026 and 2025 (in Belize Dollars)

25. Financial instruments

Note 4e. provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

At March 31, 2026	Amortised Cost	FVTPL	Total
Financial assets:			
Cash and cash equivalents - unrestricted	\$ 6,579,281	\$ -	\$ 6,579,281
Cash and cash equivalents - restricted	400,000	-	400,000
Debt instruments	5,776,344	-	5,776,344
Net members' loans receivable	27,483,465	-	27,483,465
Equity instruments	-	164,718	164,718
Other receivables	152,130	-	152,130
Total financial asset	<u>\$ 40,391,220</u>	<u>\$ 164,718</u>	<u>\$ 40,555,938</u>

At March 31, 2026	Amortised Cost
Financial liabilities:	
Members' deposits	\$ 5,003,466
Accounts payable	441,485
Total financial liabilities	<u>\$ 5,444,951</u>

At March 31, 2025	Amortised Cost	FVTPL	Total
Financial assets:			
Cash and cash equivalents - unrestricted	\$ 6,063,346	\$ -	\$ 6,063,346
Cash and cash equivalents - restricted	400,000	-	400,000
Debt instruments	4,730,088	-	4,730,088
Net members' loans receivable	27,407,877	-	27,407,877
Equity instruments	-	164,718	164,718
Other receivables	124,498	-	124,498
Total financial asset	<u>\$ 38,725,809</u>	<u>\$ 164,718</u>	<u>\$ 38,890,527</u>

At March 31, 2025	Amortised Cost
Financial liabilities:	
Members' deposits	\$ 4,726,573
Accounts payable	438,010
Total financial liabilities	<u>\$ 5,164,583</u>

ST. MARTIN'S CREDIT UNION LIMITED

Notes to financial statements (continued)
For the years ended March 31, 2026 and 2025 (in Belize Dollars)

26. Commitments and contingent liabilities

In the ordinary course of its operations, the Credit Union enters into commitments and may be subject to contingent liabilities that are not reflected in the financial statements. These arise from the Credit Union's normal lending activities and from legal or regulatory proceedings. Commitments represent obligations that may give rise to future cash outflows, while contingent liabilities represent possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events.

Commitments

As at March 31, 2026, member loans totaling \$388,236 (2025: \$379,585) had been approved but not yet disbursed.

Contingent liabilities

There were no contingent liabilities at the year ended March 31, 2026.

27. Reclassification

Certain balances previously included within cash and cash equivalents have been reclassified to cash and cash equivalents – restricted. The reclassified balances represent funds held at the Shared Service Network Limited. These balances are not available for general operating use and are subject to operational restrictions. The reclassification was made to separately present restricted cash balances that were previously included within cash and cash equivalents – unrestricted and affects presentation only, with no impact on profit or loss, or net cash flows.

	Impact on statement of financial position		
	As previously reported March 31, 2025	Adjustment	As reclassified March 31, 2025
Assets			
Cash and cash equivalents - unrestricted	\$ 6,463,346	\$ (400,000)	\$ 6,063,346
Cash and cash equivalents - restricted	-	400,000	400,000
Other assets	34,961,087	-	34,961,087
Total Asset	<u>\$ 41,424,433</u>	<u>\$ -</u>	<u>\$ 41,424,433</u>

Only the affected line items are presented in the tables above; all other financial statement line items are unchanged.

28. Events after the reporting date

There were no adjusting or significant non-adjusting events that occurred between the March 31, 2026, reporting date and the date of authorization for issuance.





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Saint Martin's Credit Union

Heritage Bank Limited

- 79 Bullet Tree Road
- PUMA Chuc Service Station

National Bank of Belize Limited

Santa Elena Town

Heritage Bank Limited

Benque Viejo Town

Heritage Bank Limited

Belmopan City

Heritage Bank Limited

- Market Square
- Emporium Building
- Puma Roaring Creek

National Bank of Belize Limited

St. John's Credit Union

Spanish Lookout

Heritage Bank Limited

Belize District

Heritage Bank Limited

- 106 Princess Margaret Drive
- 21 Albert Street
- Provident Center, 43 Barrack Road
- Ladyville Industrial Estate

Holy Redeemer Credit Union

St. John's Credit Union

National Bank of Belize Limited

Caye Caulker

St. Francis Xavier Credit Union

San Pedro Town

Heritage Bank Limited

St. Francis Xavier Credit Union

Corozal Town

St. Francis Xavier Credit Union

Punta Gorda Town

Toledo Teachers Credit Union

Independence

Heritage Bank Limited

Holy Redeemer Credit Union

Orange Walk Town

Heritage Bank Limited

- 88 Belize Corozal Road
- 42 San Antonio Road, Orange Walk Town

La Inmaculada Credit Union

National Bank of Belize Limited

Dangriga Town

Heritage Bank Limited

- Ecumenical Drive/Castillo Road
- Commerce Street
- SK Hardware Ltd/Santa Cruz Village
- Kenny's Store/San Juan Village



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Westroad Enterprises LLP
Belize Wildlife & Referral Clinic

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Credit Union Prayer

Lord, make me an instrument of thy peace
Where there is hatred, let me sow love,
Where there is injury, pardon,
Where there is doubt, faith,
Where there is despair, hope,
Where there is darkness, light, 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.

Bless O Lord our deliberations,
and grant that whatever we may say and do,
will have thy blessing and guidance through
Jesus Christ our Lord,

Amen.



YOUR CREDIT UNION



You may have seen this symbol before, on posters perhaps, in our newsletter, in a newspaper, or even on our Credit Union building, but you may not know what it means.

We think it's important that you know, and we'd like to give you a formal introduction. The "hands, family, and globe" symbol, as it is called, stands for Credit Unions everywhere—whether it's a Credit Union where you work or live, no matter if you work or live in Timbuktu.



A pair of Hands? The hands represent the self-help nature of Credit Unions. When you become a Credit Union member, you become part of a group of people who save together and make low-cost loans, plus several other services to each other from the accumulated funds. Credit Unions engender democracy in the truest sense of the word—as a member, you are part owner of the business and exercise control of its policies. It is your organization.



Credit Unions are worldwide financial organizations. That's why we've included a globe as part of the overall symbol. As a matter of fact, there are more than 57,000 Credit Unions all over the world—8 in Belize.



The four silhouettes represent the family unit of mankind working for the mutual benefit of all. Care was taken in the actual design to avoid differences between national dress or custom and other details because Credit Unions serve all people all over the world.



Altogether now, the "hands, family, and globe" symbol was selected as a trademark that stands for Credit Unions in any language, in any country. The theme is universal and conveys the image of all Credit Unions graphically, accurately, and instantly.

So when you feel the urge to save money or borrow money, think of the Credit Union where you get low-interest loans and all the surplus is returned to you.

Your Credit Union ~ it's Where you belong