



# CREDIT UNION

Cayman Islands Civil Service Association  
Co-operative Credit Union Limited



Annual Report  
**2023**





# Credit Union 2023 Annual Report

# Helping members.






# Strengthening our community

This report summarises our strategy, performance, and impacts during 2023. We publish this report along with the audited financial statements on our website: [www.creditunion.ky](http://www.creditunion.ky)

Throughout this report, “our Credit Union” refers to the Cayman Islands Civil Service Association Cooperative Credit Union Limited.

This report contains references to our “Credit Union Difference”, which sets us apart from other financial entities. Our difference not only comes from the seven principles of credit unions, but it comes from our income model, which results from our purpose.

Our income model further defines our difference in our community. We endeavour to help our members by:

				
Charging <b>low to no transaction fees</b> compared to local market	Having a <b>consistent and moderate interest rate</b> that does not change based on an overseas regulator	Establishing a credit policy that allows access to <b>more favourable and affordable</b> loan terms	Giving back up to <b>80% of annual earnings</b> to members through dividends	Rewarding members with loans with an <b>interest rebate of up to 3%</b> of annual interest paid

This year, we are pleased to include quotes and stories from our members on their experience with our Credit Union. These stories speak to our purpose, vision, and mission and how our Credit Union has touched their lives.



# Introduction

The Cayman Islands Civil Service Association (“CICSA”) Cooperative Credit Union Limited (the “Credit Union”) was incorporated in the Cayman Islands in 1976 under the provisions of the Cooperative Societies Act and operates as a non-profit organisation receiving savings and making loans to members.

The Credit Union was formed by seven civil servants who were members of CICSA. The seven founding members: Mr. Gilbert McLean, Mr. Louis Moncrieffe (deceased), Mr. John (Lemuel) Hurlston, Mr. Colford Scott, Mr. Ray Miller (deceased), Ms. Rachael Ebanks, and Mr. George McCarthy, assisted by the “Matron” of the Credit Union, Mrs. Cicely Delapenha (deceased), started with \$35 (\$5 each).

Their vision, 47 years later with over 18,700 members and assets more than \$570M, is still shared today.

## Governance structure

Our governance structure is strengthened internally by:

- The role and functions of an elected Board of Directors
- The role and functions of an elected Credit and Supervisory Committee
- The control functions performed by an Internal Auditor and a Chief Risk and Compliance Officer

## Other enhancements

Our governance is further enhanced by:

- Annual internal audits
- Regulated by the Cayman Islands Monetary Authority (CIMA)
- An entity risk management framework
- Other policies and procedures



## Cooperative Principles

As a member of the Caribbean Conferderation of Credit Union (the “CCCU”) and the World Council of Credit Unions (the “WOCCU”), we endeavour to uphold the cooperative principles of:

### Voluntary membership

### Democractic member control

### Member economic participation

### Autonomy and independence

### Financial education, training, information

### Cooperation among cooperatives

### Concern for community

# Mission, Vision & Values

## Mission

To offer excellent service to our members, enabling them to achieve their financial goals while positively impacting the wider community.

## Vision

To be the first-choice financial services provider for all eligible members while maximising their returns.

## Values

- ☒ Professionalism
- ☒ Respect
- ☒ Integrity
- ☒ Helpfulness
- ☒ Commitment



## Purpose

To provide our members with easier access to financial services, helping them to improve their quality of life.





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# Strategy & Results

## Message from the Chairman

**Our purpose is to provide our members with easier access to financial services, helping them to improve their quality of life.**

In a year marked by inflated property values, high cost of living, and soaring interest rates, your Board remains committed to this purpose.

The Board’s governance function is particularly important in these inflationary times. The focus is to help our members by effectively managing our assets, providing lower and consistent borrowing costs, and encouraging saving.

The high demand for our low-cost loans impacted the Credit Union’s strategy to maintain financial health by increasing the loan portfolio. Additional loan appointments were made available so members could switch their high-interest-rate loans with other financial institutions to our lower-interest-rate facilities and achieve significant monthly savings. In addition, new borrowers benefitted by making our Credit Union the first choice for their financial needs.

Our Credit Union’s strategy also included building deposits to meet the borrowing needs of our members while maintaining the required liquidity ratio. In 2023, we ran a fixed deposit campaign to promote our competitive product and demonstrate our ability to be competitive with the market. We also utilised our non-member deposit strategy and successfully bid for and won fixed deposits from the Cayman Islands Government, the largest employer of our members.

We strengthened risk management by further embedding entity risk management (ERM) strategies and updating our Credit Union Rules, which the Registrar approved on 7 July 2023. Risk awareness training sessions were held for directors, committee members, and staff throughout February; this training focused on roles and responsibilities under the theme, “Managing risk is everyone’s responsibility.”

The Credit Union Rules (2023 Revision) focused on enhancing governance by revising and updating the role, size, tenure, responsibilities, and expertise of the board and committees. In addition, policies were updated and created to support the revisions in the Rules.

Another strategic objective is our focus on community involvement. Our community involvement strategy includes local and regional collaboration.

Our Credit Union Difference has always positively impacted our local community by providing easier access to financial services to members who may not qualify in the market. However, in this high-interest rate and inflationary environment, our policies are now influencing the broader local market to compete with our loan terms, which significantly and positively impacts the wider community; other financial institutions are now offering loan terms like the Credit Union as well as reduced interest rates and borrowing costs.

Our Credit Union continued supporting the local community through sponsorships and donations to many organisations and through the Rupert McCoy Educational Grants.

Our community involvement strategy includes regional involvement with CCCU and WOCCU by participating in training and conferences. Our membership in the CCCU also results in the CCCU Board Meeting being held in the Cayman Islands on a rotational basis.

This year, the first annual member engagement and awareness survey was completed. Your feedback demonstrated a high level of loyalty to our Credit Union and satisfaction with our products and services; it was also invaluable in providing feedback on your concerns. The Board recognises the need for continuous improvements using technology. Therefore, a digital strategy was developed to improve operational efficiency, address your concerns with timely response, and improve service delivery.

Our members are the heart of our Credit Union, and our Credit Union Difference emanates from our identity as a cooperative. The Co-operative model is 75 years old and continues to be a most impactful financial alternative. This model requires maximised value for you, our members, rather than a handful of shareholders who may not even be customers and may not live in our community. We are focused on our local

community where we live and work and on providing opportunities to strengthen our community.

Our purpose is possible for our members and is hopeful and likely in impacting our community. The Board remains committed to ensuring that our Credit Union works for you and will improve your quality of life.

**James Watler**  
Chairman





# Strategy & Results

## Operating Context & Strategic Priorities



Our members, employees, community, and industry continue to face new uncertainties like inflation and high interest rates.

Many people need assistance and are asking, how do I pay for my daily needs? How can I afford to save for the future? Will my Credit Union be able to help me? Helping our members get through challenging times is what we do.

As we planned for the financial 2022/2023 year, we adjusted operations, implemented new policies to protect members and employees, and prepared for a different operating environment. We dealt with a higher-than-expected demand for loans as members took advantage of our lower interest rates and fees.

Conditions changed abruptly in March 2022, which impacted the financial year commencing August 2022; rising interest rates and inflation changed the outlook for our members as members moved their mortgages from other financial institutions. Members also saved less due to the rising cost of living.



**As we planned for the financial 2022/2023 year, we adjusted operations, implemented new policies to protect members and employees, and prepared for a different operating environment.**

Our plans and actions will continue to be guided by a clear strategy anchored in our values, purpose, vision, mission, and the needs of members and employees. As we look ahead to 2023/2024, our objectives are:

- + Enhancing member service delivery by addressing the feedback in the 2023 Survey and continuing to improve member financial education.
- + Emphasis on community involvement by developing a strategy reflecting the Credit Union Difference.
- + Maintaining financial health through monitoring and management of key performance indicators.
- + Focus on member and non-member deposit growth to fund the demand for loans by ensuring members continue to save when they borrow and/or save before they borrow.
- + Continue to grow the loan portfolio to meet members' needs for property and other needs at the lowest cost of borrowing.
- + Continue to strengthen risk management by fully implementing the revised Rules, streamlining operations, prioritising digital transformation, and providing an annual report on the risk appetite statement.
- + Engage and motivate employees by improving communication, realigning the organisational structure, and improving the performance appraisal system.

# People

## Service Experience

Our members primarily reach us in the branch rather than through available digital channels. Member feedback has traditionally been from those members who frequently use our service. At the beginning of the financial year, feedback was mainly received from member surveys and through our feedback email set up for this purpose. In April 2023, Happy or Not machines were placed in the main lobbies in our Grand Cayman branch to replace emails and capture member feedback immediately after receiving the service. These provide daily feedback to our teams on the level of satisfaction with our service.

The trust and confidence placed in us, being a member-owned co-operative, is not something we take lightly, and ensuring a consistently high level of member satisfaction is critical to ensure this trust is not eroded. In February 2023, we conducted the first complete member satisfaction and awareness survey. We are pleased that we registered a **Member Satisfaction Score this year of 88 per cent**. We will conduct annual surveys to gauge our progress with your feedback.

Despite the confidence placed in us as reflected in the membership growth and attainment of our benchmark member satisfaction score, we know from the reports received that we have not provided as consistent a member experience as we would have liked during the reporting period. There have been reported challenges with our branch wait times, our loan turnaround times and generally our consistent delivery of the quality of service in the branches and across our other channels. This area of quality service delivery continues to capture our attention as we engage with management to determine and address the root causes of the challenges being encountered.

Our plans to open a new branch in Country Corner Plaza in Savannah are expected to be realised in December, pending completion of the fit-out.

Some areas of our digital experience are not as advanced as we and our members would like. We are implementing a document management system, and as such, we expect that in early 2024, applications for new accounts and loans will be made via an online process.

“

**The trust and confidence placed in us, being a member-owned co-operative, is not something we take lightly, and ensuring a consistently high level of member satisfaction is critical to ensure this trust is not eroded.**







# Making our members matter

Learn about how the Credit Union has touched the lives of some of our members.

My parents created an account for me when I was a toddler, and it was the best thing they could have done for me financially. Due to my long-standing relationship with the Credit Union and their promotion for first-time Caymanian buyers in 2018, my husband and I were able to purchase our first home at the age of 22. Since then, our mortgage interest rate has been consistent, despite the increasing commercial bank rates. If it weren't for the Credit Union, we would not have been able to purchase our family home.

**Ravyn Rankin-Grant**

The Cayman Islands Credit Union staff's efficiency, dedication and compassion are truly exceptional, surpassing typical financial institutions. Despite strict regulations, they relentlessly find creative solutions to assist customers.

Their actions reflect a profound commitment to customers' well-being, which help to forge meaningful connections. They redefine customer service and always go the extra mile. Their unwavering dedication makes them the lifeblood of our community.

**Tara Bush**

When it came to purchasing my first property, Credit Union was clearly the institution to go to. With an attractive low interest rate of 6.50% and the ability to earn dividends on my own contributions, I knew I was making the right choice. Their helpful and friendly staff made the application process clear and easy. There were no hidden or closing fees. I was also able to set up a payroll deduction that goes directly to my account - a great way to help me save and service my loan monthly. Thanks to my Credit Union, I now own a piece of Cayman.

**Jordan Grant**

I have been a member of the Credit Union for less than a year. As a young Caymanian under the age of 18, the Credit Union has helped me to flourish by providing me with a young saver's account, allowing me to securely receive my salary. Creating an account with Credit Union has been a straightforward process, unlike retail banks. Having a Credit Union account has motivated me to start saving and managing finances safely to achieve my future goals. Thank you, Credit Union, for empowering young Caymanians.

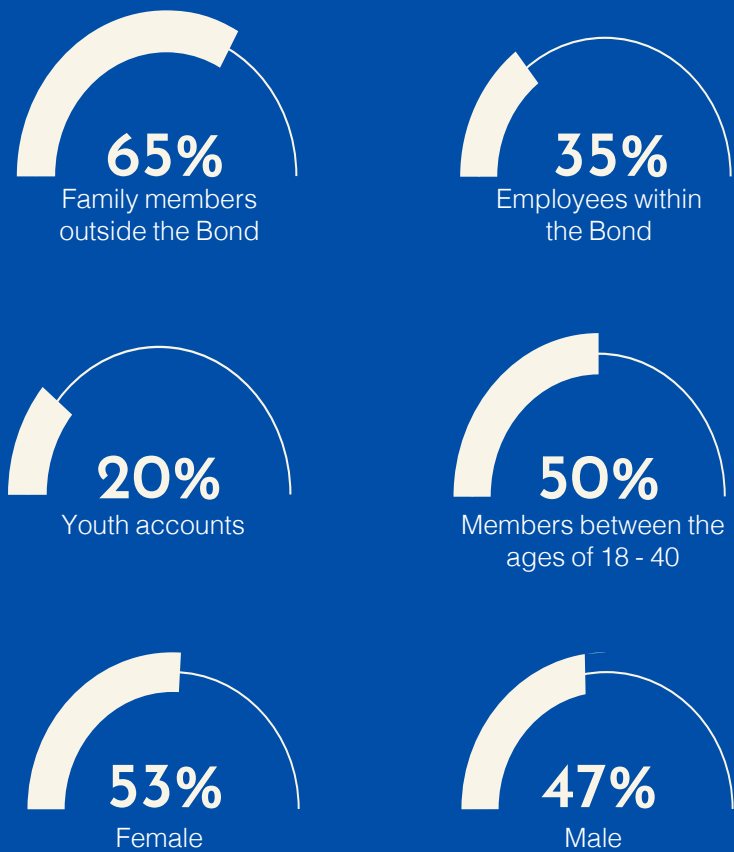
**Brooke Bodden**

# People

## Membership Growth

As of 31 July 2023, the Credit Union membership grew by 1,539 (2022: 1,508). Total members stood at 18,736 (2022: 17,630), an increase of 6.3%.

New members for the financial year were as follows:



### Credit Union Rules (2023 Revision)

We are implementing the revised Rules for new categories under membership qualification based on a phased approach. We expect to commence onboarding as follows:

#### Membership Qualification

- Extended family-Immediately
- Employees of private healthcare facilities - January 2024
- Employees of private educational facilities - April 2024

#### Application for membership

- Entrance fee of \$50- immediately
- Subscription for permanent shares of \$100 for new members- immediately

#### In good standing

Member in good standing has been defined as: “a member whose accounts are not in arrears and not dormant and who is compliant with all the policies and procedures of the Credit Union, including the Security Policy, and is therefore, eligible to vote, speak at general meetings of members, and earn dividends on shares.”

We intend to ensure that members are given timely notice to bring their accounts into good standing as necessary.

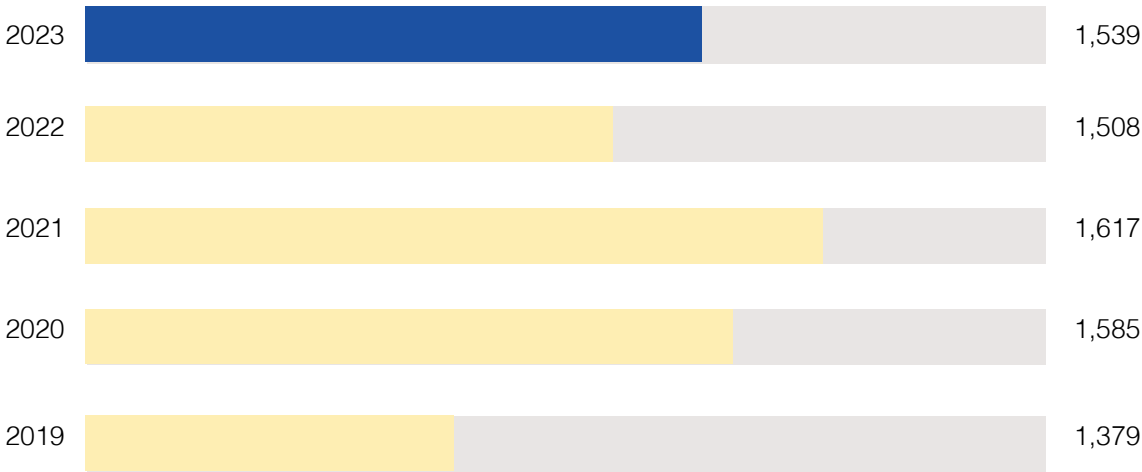




# People

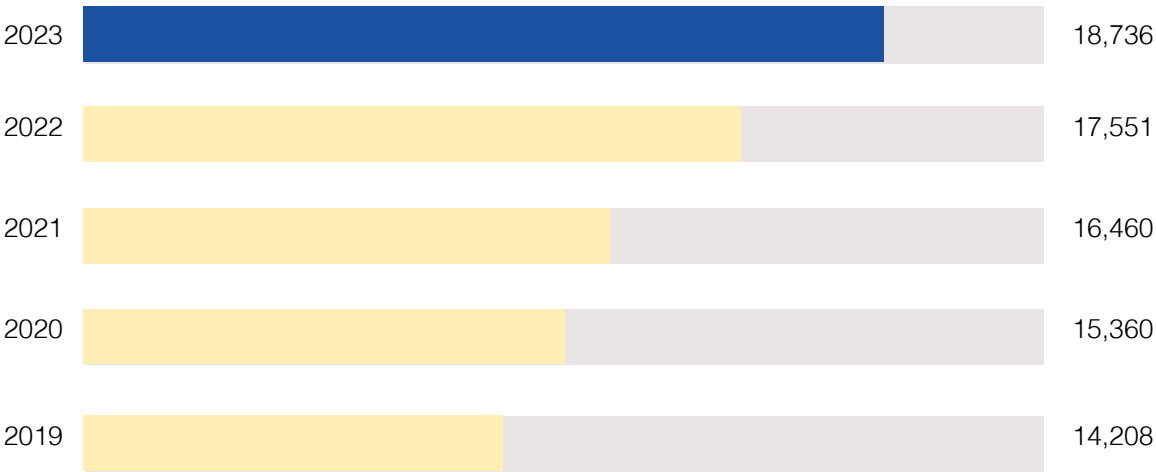
## Membership Growth

New Members for the Year



**1,539**  
New members

Total Membership



**18,736**  
Total members

# People

## Our Employees



The Credit Union employed 74 (2022: 70) staff members, consisting of 20 males and 54 females, as of 31 July 2023. Our team is committed to continuous improvement to meet and exceed the expectations of our members within the rules, policies, and procedures of the Credit Union.



Based on feedback from our staff focus groups, we are in the process of:

- Completing an Employee Wellness Policy
- Completing an Internal Communication Policy
- Implementing an Intranet
- Enhancing the performance award programme
- Providing Effective Management Training for all managers
- Implementing a Learning Management System that provides training to all employees based on performance requirements

To recognise the increased costs caused by inflation, in July through October, we provided all employees (except for the management team) with a gift voucher to apply to their monthly gas or electricity bill.

We provided a record level of training to all employees, volunteers, and members during the financial year. Training was provided in business writing, exceptional member service, cybersecurity, physical security, risk awareness, compliance, anti-bullying, sexual harassment, leadership, and Microsoft Excel. In addition, several staff achieved certifications: two in information technology and eight in compliance. Five staff are continuing their educational journey to earn an associate or a bachelor's degree.

Our Credit Union hosted the regional credit union leadership programme, CaribDE, during the financial year here in Cayman.

Our Credit Union sponsored 18 attendees: eight staff, two directors, a credit committee member and seven members. In total, 25 attendees represented the region, including six from the Bahamas, two from Guyana, two from Jamaica, five from St Lucia, nine from Trinidad & Tobago, and one participant from the USA.

Speakers included the Hon Deputy Governor, Mr Franz Manderson, WorldDE holder, 1st Vice Chair of the Credit Union Board of Directors and first female board member of CCCU, Ms Corinne Glasgow, Board Chairman, Mr James Watler, and CEO, Ms Patricia Estwick.

Five members of staff and two directors attended the regional CCCU Conference, "Making the member connection mission possible," in Puerto Rico in June of 2023. Seven directors, two members of the credit committee and two members of the supervisory committee attended the WOCCU Conference in Vancouver, Canada, in July 2023, which covered topics such as disrupt or be disrupted, give credit union youths a reason to dream, and credit union resilience.





# People

## Impacting Our Community

The 7<sup>th</sup> Cooperative Principle is concern for the community. This year, our Credit Union has positively and significantly impacted our community, not just for our members but the community at large.

In a year of rising interest rates, the consistent and lower interest rate offered by our Credit Union saves our members hundreds of dollars per month in interest expense when they switch and return home to our Credit Union.

In addition, the wider community also benefitted from the ‘Credit Union Difference” as other financial institutions, to attract new loans, changed their lending terms to match our Credit Union’s closely; some lending institutions also lowered lending fees to be competitive. Our Credit Union Difference is leading the change for other institutions to provide easier access to affordable financial services.

Our Credit Union also positively impacts the community by providing educational grants, donating funds to NPOs, and sponsoring and participating in community events.

Outcomes we strive for:

- Helping people through our support of non-profit organisations
- Improved access to affordable financial services
- Building financial confidence through savings
- Encouraging and entrenching a spirit of volunteering
- Helping members to be more prepared for financial planning and decisions

### Financial Literacy

In July 2023, financial literacy workshops were held for our senior members aged 65 years and above. Based on the feedback received from the over 55 participants, the workshop was well received and covered topics such as Cybersecurity, Wills and Beneficiaries, Smartphone use made simple, and Elderly Fraud.

### Rupert McCoy Memorial Educational Grants

Our Credit Union continues to support our members to achieve their educational goals. In August 2023, \$250,000 in grants were awarded to 184 recipients as follows:

Location	Count	%
Local	34	18%
Online	23	13%
Overseas	127	69%
Total	184	100%

Studies	Count	%
Bachelors	116	63%
Post graduate	43	23%
Associates	11	6%
A Level/College Prep	7	4%
Certificate	6	3%
TVET	1	1%
Total	184	100%

# People Impacting Our Community

Educational Grants	2023	2022	2021	2020	2019
Total	250,000	200,000	200,000	200,000	200,000
Grant Recipients	184	141	167	226	201

## Participation

During the year, we selected and sponsored the reception class at Theoline McCoy Primary School in Bodden Town; staff from our Credit Union organised and attended an end-of-school-year class party; all students were given a Credit Union Tee shirt. We also purchased and donated four tricycles and two putty stations.

Staff participated in the DG 5K, which supported the Cayman Islands Red Cross, LOUD Silent Voices, Cayman Islands, and United Against Bullying. Staff also participated in the Earth Day Clean Up, assisted with collecting funds for Meals on Wheels, and read to the reception classes at Government primary schools in Grand Cayman and Cayman Brac during Child Month; we donated age-appropriate books approved by the primary schools.





# People Impacting Our Community



Annual General Meeting attendee and Credit Union member, Mr Brown, won a prize trip to attend the CCCU Annual Conference in Puerto Rico



Member attendees at the 2022 Annual General Meeting



Staff members donated books and read to kindergarten students at various government primary schools during Child Month in May



# People Impacting Our Community



Recipients of the Rupert McCoy Memorial Educational Grant



Students of the Prospect Primary School Choir spread Christmas cheer to the members, staff and guests of our Credit Union



Recipients of the Rupert McCoy Memorial Educational Grant



# People Impacting Our Community

## Sponsorships & donations

We support the community through educational grants and sponsorship of charitable events, sports, and school programmes. During the financial year, a total of **\$306,894** was awarded in educational grants and donations to various organisations throughout our community, locally and regionally.



- Rupert McCoy Educational Grant
- Meals on Wheels
- National Drug Council
- Cayman Heart Fund
- Jasmine
- Lions Club Cayman Islands
- Lions Club of Tropical Gardens
- Cayman Islands Cancer Society
- Alex Panton Foundation
- Alzheimers and Dementia Association
- NCVO Cayman
- Inclusion Cayman
- Seafarers Grand Cayman
- Veterans & Seamen Society - CB & LC
- LOUD Silent Voices
- YMCA
- Family Resource Centre
- LIFE (Literacy is for Everyone)
- Plastic Free Cayman
- Bodden Town Primary School
- Elmslie Memorial Church Music Camp
- Just for Kids Preschool Reading Booth
- Books for all Government primary schools
- West End Primary School Book Fair
- Savannah Primary School Choir
- George Town Primary School Choir
- Prospect Primary School Choir
- Layman Scott High School Graduation Award
- Red Bay Primary School PTA
- Prospect Primary School Yr 6 Graduation
- John Gray High School Graduation Award
- Cayman Islands Netball Association
- Academy Sports Club
- Cayman Islands Taekwondo
- Church of God Chapel
- Solid Rock Ministries
- Wind of Hope
- Inter School/Inter Varsity Christian Fellowship
- Department of Children & Family Services
- CI Government Christmas Giving Tree
- Police Welfare Fund
- CI Government Annual Staff Luncheon Door Prize
- CCCU Foundation

# People Impacting Our Community

## International Credit Union Day 2022

Under the theme “Empower your financial future with a Credit Union”, International Credit Union Day (ICU Day) was celebrated worldwide on 20 October 2022. Our Credit Union held activities from 17 to 21 October 2022. 4,318 members celebrated the week-long event by participating in quizzes, social media competitions, and photo and digital services competitions. Seminars also focused on our services and financial literacy.







# Profit Summarised Consolidated Financial Statements

## Financial Position

(KYD as at 31 July)

Assets	2023	2022
Cash and fixed deposits	133,764,884	135,523,312
Securities at fair value through profit & loss	2,516,458	3,072,188
Mortgage & personal loans & int rec. net of loss provision	423,500,421	362,058,603
Other assets	10,456,644	9,476,873
<b>Total assets</b>	<b>570,238,407</b>	<b>510,130,976</b>

Liabilities & Reserves		
Member deposits and shares	484,830,469	463,877,671
Non-member deposits	31,720,758	-
Other liabilities	2,837,903	2,138,957
Members' reserves	50,849,277	44,114,348
<b>Total liabilities and reserves</b>	<b>570,238,407</b>	<b>510,130,976</b>

## Note 1 Basis of preparation

These summarised consolidated financial statements are derived from the audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost basis, except for the financial assets at fair value through profit or loss that have been measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. These audited consolidated financial statements were approved by the Board of Directors on 26 October 2023 and signed by the Chairman and Treasurer on 27 October 2023. Members may obtain a free set of our Credit Union’s consolidated financial statements with accompanying notes by visiting our website at [www.creditunion.ky](http://www.creditunion.ky).

## Comprehensive Income

(KYD as at 31 July)

	2023	2022
Interest income	26,937,890	197,032,010
Interest expense	-228,220	-60,028
Net interest income	26,709,670	19,643,182
Increase in provision for loan losses and interest receivables	-128,888	-167,692
<b>Net interest income after provision for loan losses</b>	<b>26,580,782</b>	<b>19,475,490</b>
<b>Non-interest income</b>		
Change in unrealised loss of securities	-696,518	162,850
Other non-interest income	1,504,583	1,149,823
<b>Total non-interest income</b>	<b>808,065</b>	<b>1,312,673</b>
<b>Non-interest expenses</b>		
Salaries and other personal loans	7,562,934	6,102,548
General and administrative	1,236,390	878,702
Other non-interest expense	1,874,938	1,556,992
<b>Total non-interest expenses</b>	<b>10,674,262</b>	<b>8,538,242</b>
<b>Net income for the year</b>	<b>16,714,585</b>	<b>12,249,921</b>





# Profit Financial & Economic Performance

The financial year 2022/23 reflected exponential growth, with loan disbursements up 30% for the first half of the year and up 41% for the second half of the year, resulting in an overall increase of 29%.

The demand for loans with long-term stability and significantly lower interest rates and lending fees was primarily due to soaring rate increases in the local market led by the rate increases from the United States Federal Reserve. As we approached the second half of our financial year, we saw signs of potential strain on our organisation due to the high demand for appointments for members who wanted to switch their mortgages from other financial institutions to our Credit Union. We began implementing measures designed to moderate the pace of lending growth and strategies to boost our excess liquidity.



**Overall, we delivered strong financial results in 2023, finishing ahead of our targets for net income and net lending growth.**

Net income of \$16.7M (2022: \$12.2M) increased by 36%; this was mostly driven by 21% increase in loan interest income, 600% increase in fixed deposits placed with banks, and offset by 39% decrease in non-interest income and a 25% increase in non-interest expenses.

The 21% (2022: 9%) increase in interest income was mainly due to the 17% (2022: 12%) increase in total loans net of provisioning. The delinquency rate reached a historical low, below 1%, at 0.51% as we continue to improve our lending practices and manage credit risk.

The 600% increase in interest earned on bank placements resulted in a **return on interest income** earned on average bank placements of 3.2% for the year ended 31 July 2023 (2022: 0.53%), a substantial increase of 504% due to the increase in rates in the market.

The increase in income was offset by a 39% decrease in non-interest income relating to an unrealized loss on fair value equity investments of -\$697K (2022: gain of \$163K), which was due to the significant reduction in the market value of shares held in local equity investments.

The 25% increase in non-interest expenses also had an impact on net income, mainly due to a 24% increase in personnel expenses and a 26% increase in general and administrative expenses. These increases were mostly due to realigning personnel costs based on a market survey and strengthening our information technology environment.

All key ratios were positively impacted by the growth in profitability, with returns on assets and equity up 24% and 21%, respectively, and the efficiency ratio improving by 7%.

Our efficiency ratio measures how much we spend on our operations to generate a dollar of revenue and is calculated by dividing total operating expenses by our operating income. It's

expressed as a percentage, and a lower number is better. This ratio decreased in 2023 by 7%; strong revenue growth and effective management of our operating expenses helped improve our efficiency ratio and returns on assets and equity.

As we look ahead to the financial year 2023/24, we expect the high demand for our loan and competitive deposit products to continue. We have taken action to strengthen our financial position and protect our assets while ensuring that our Credit Union, “*The Little Engine That Could*”, will continue to be successful.





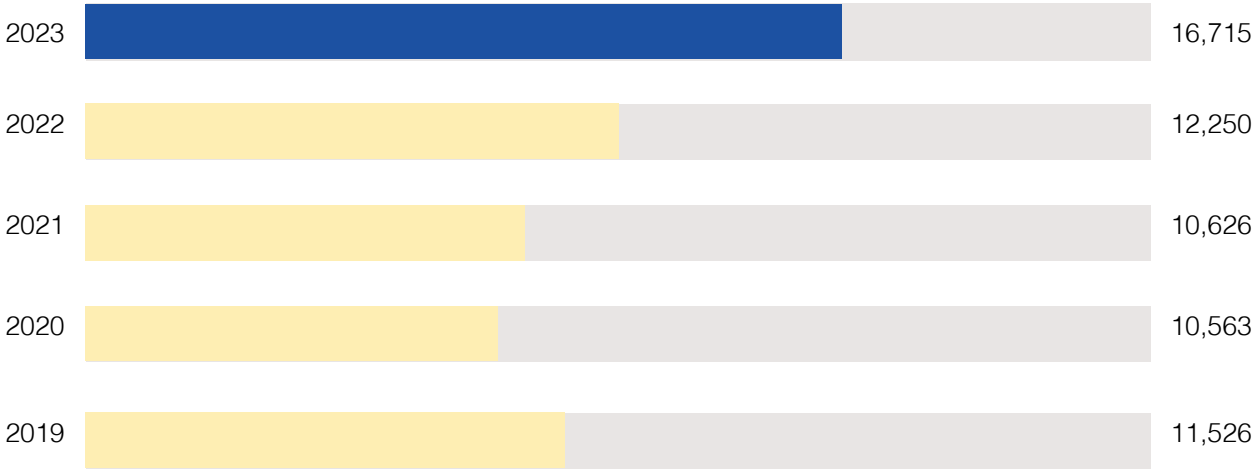
# Profit

## Financial & Economic Performance

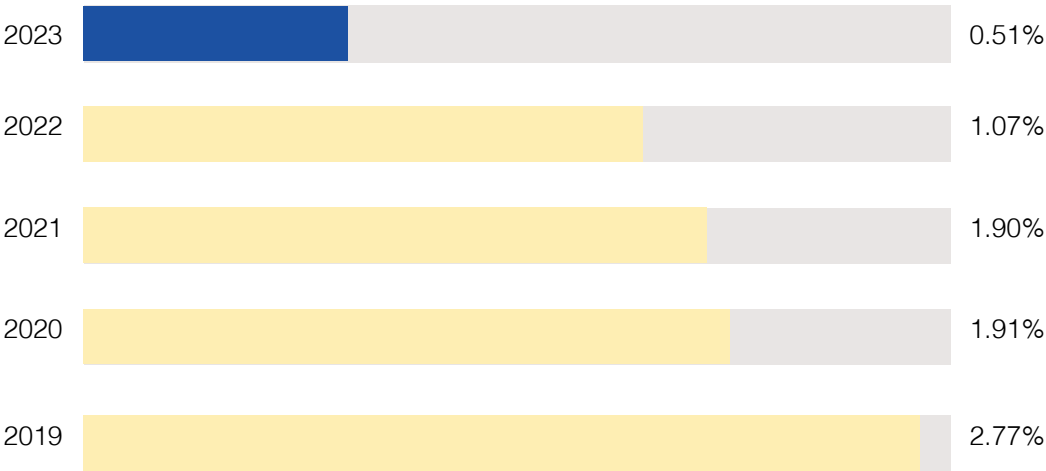
Key Ratios	2023	2022	2021	2020	2019
Return on assets	3%	2.50%	2.40%	3%	4%
Return on Equity	35%	29%	27%	28%	33%
Efficiency	39%	42%	43%	40%	36%

### Net Income

(KYD 000)



### Delinquency Rate





# Profit Assets & Liabilities

Total assets grew by 12% or \$60M as of 31 July 2023. Our balance sheet reflects the continued economic strength of our community, with 100% of our loans funded by deposits from our members.

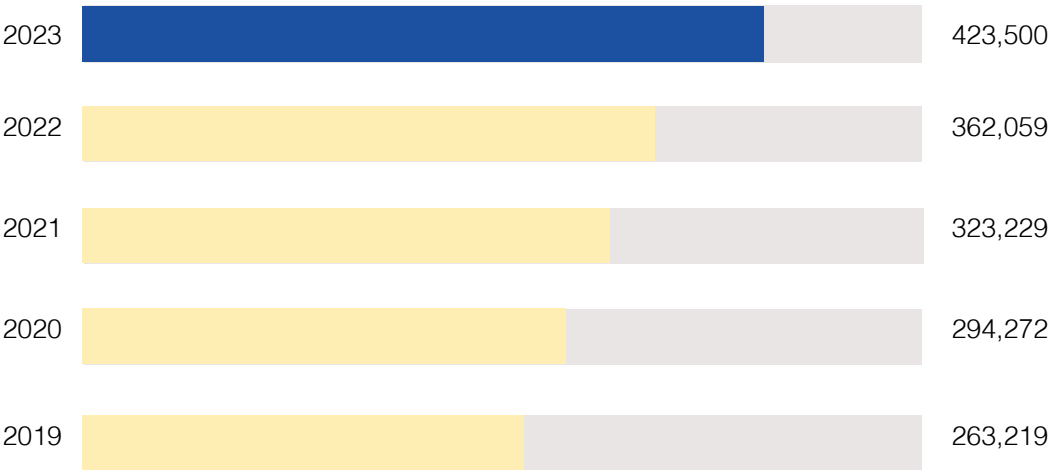
## Balance Sheet Highlights

(KYD 000)

	2023	2022	Growth
Mortgage loans	312,532,127	260,403,955	20%
Personal loans	110,587,897	101,296,604	9%
Total loans	423,120,024	361,700,559	17%
Loan interest receivable	744,522	917,887	-19%
Total loans including interest receivable	423,864,546	362,618,446	17%
Less: Provision for loan losses	-364,127	-559,844	-35%
<b>Total Mortgage and Personal Loans</b>	<b>423,500,419</b>	<b>362,058,602</b>	<b>17%</b>
Member deposits	35,200,287	27,309,135	29%
Non-member deposits	31,720,758	-	100%
Member shares	449,630,182	436,568,535	3%
<b>Total deposits</b>	<b>516,551,227</b>	<b>463,877,670</b>	<b>11%</b>

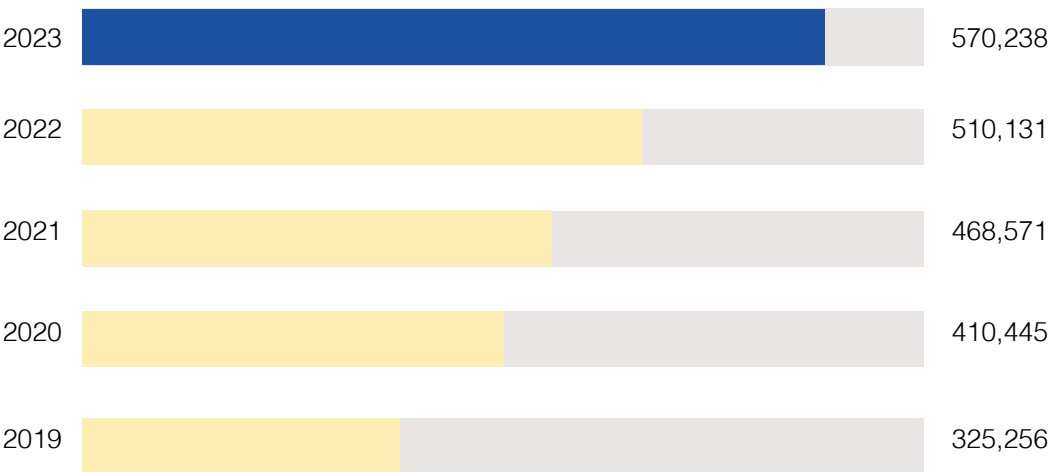
## Total Loans

(KYD 000)



## Total Assets

(KYD 000)





# Governance

## Board of Directors

Corporate governance is core to financial soundness and prudence. The Board of Directors (“the Board”) are responsible for ensuring good governance at our Credit Union. They act as stewards of our Credit Union and provide critical oversight.

The roles and responsibilities of the Board were strengthened in the revised Credit Union Rules; Rule 21S states “The Board of Directors shall provide overall leadership and govern the general direction and control of the affairs of the Credit Union.”

The Board delegates the day-to-day management of our Credit Union to the Chief Executive Officer, who establishes the accountabilities of each member of the executive leadership team.

The Credit Union’s Board is regularly in touch with our members and are active in the community where they live and work. They represent our Credit Union at public events, meet with other credit unions and in some cases hold positions on other boards. Each Director serves on at least one sub-committee.

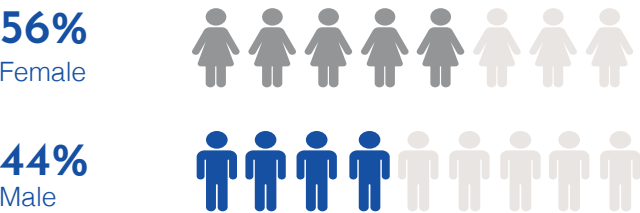
Governance is also strengthened by the role and responsibility of the Credit and Supervisory Committees, whose members are elected at the AGM; they perform independent credit adjudication and audit committee services, respectively.

In addition to the Credit Union Rules and the Co-operative Societies Act, the Board is required to comply with internal policies and procedures such as a Code of Conduct, Conflict of Interest Policy, and Board Operating Procedures; these policies and procedures are based on Rules and Statements of Guidance issued by the Regulator.

As a requirement of good corporate governance, the Board attended training on cybersecurity awareness, governance, risk management, and anti-money laundering during the financial year.

Some Directors also attended the 2023 CCCU and WOCCU annual conferences.

**Rule 21E states that** “Membership on the Board should closely reflect the demographics of the membership.” The Board reflects the gender demographic of the general membership.



Directors receive a monetary sum for each meeting they attend during the year (“fees”). Fees differ from salary because our Credit Union does not hire directors as employees; instead, members elect them to serve on the Board. At the 2019 Annual General Meeting, members approved the Director and Committee Member’s Remuneration.



Our Credit Union would like to recognise the work of 2023 Board Chairman James Watler, who leaves the Board in November 2023 after 13 years of service on the Board and 15 years before that on the Credit Committee.

Over that time, we’ve had the privilege and benefit of Mr. Watler’s dedication to cooperative values and commitment to social justice. His leadership and insight have been instrumental in proving that a financial cooperative, with its members, can be a powerful financial force for change.

# Governance

## 2022-2023 Directors

								
James Watler Chairman	Suzanne Bothwell 1 <sup>st</sup> Vice Chairperson	Corinne Glasgow 2 <sup>nd</sup> Vice Chairperson	Golda Tatum-Carter Treasurer	Jose Hernandez Secretary	Ryan Rajkumarsingh Director	Deirdre Carmola Director	Heather Smith Director	Paul Inniss Director
Elected 2010 13 years served Term 2021-2023	Elected 2020 3 years served Term 2022-2024	Elected 2020 3 years served Term 2022-2024	Elected 2022 1 year served Term 2022-2024	Elected 2018 5 years served Term 2022-2024	Elected 2021 2 years served Term 2021-2023	Elected 2021 2 years served Term 2021-2023	Elected 2022 1 year served Term 2022-2024	Elected 2022 1 year served Term 2022-2024

### Sub-Committee

Executive Meetings	✓	✓	✓	✓	✓			
IT Steering Committee Meetings					✓			
Audit & Risk Committee				✓		✓		
Nominating Committee		✓						
Development Committee		✓						
Educational Grants	✓	✓				✓		
Policy			✓			✓	✓	✓
Governance	✓				✓			

James Watler’s, current Chairman, term will end in November 2023 due to term limit stipulations. In the Credit Union Rules (2023 Revision), elected members must take a one-year cooling-off period after serving six consecutive years.

# Governance

## Risk Management

Risk management is integral to all aspects of the Credit Union's activities, and we remain steadfast in our commitment to implementing and enhancing the Enterprise Risk Management Framework. While we acknowledge that there is still room for improvement, we are steadily advancing in our journey towards improving our Enterprise Risk Management efforts. With a relentless focus on identifying, assessing, and mitigating risk, we are dedicated to fostering a culture of risk awareness and resilience.

As a part of our ongoing dedication to fortifying our risk management practices, February 2023 was dubbed Risk Month. During Risk Month, comprehensive training sessions were conducted for our employees, the Board, and Committee members. These sessions have been instrumental in equipping our team with the necessary knowledge and skills to identify, assess and respond to risks effectively. Through these initiatives, we aim to ensure everyone within the Credit Union is aligned with our mission to enhance risk management and drive sustainable success.

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**With a relentless focus on identifying, assessing, and mitigating risk, we are dedicated to fostering a culture of risk awareness and resilience.**

During the financial year, the areas we focus most attention on included:

- **Macroeconomic environment:** High inflation, rising interest rates, and their impact on our members and business.
- **Credit risk:** Due to the high cost of living, we did not increase rates beyond the pre-pandemic rate; this created a very competitive interest rate, which in turn increased demand for our loan products.
- **Liquidity:** We managed the demand for loans versus available cash flows for operations, member transactions, and maintaining our liquidity ratio.
- **Operational-Compliance:** We have Identified software to automate ongoing monitoring of member transactions. We have also completed a review of the three lines of defence to improve operational controls. We also strengthen controls by updating and creating relevant policies and procedures.
- **Operational-Technology:** Completed a digital strategy to modernise manual internal processes to serve our members more efficiently. Cybersecurity awareness training, testing, and enhanced software solutions to protect our member's data. We also carried out business continuity testing.
- **Operational-People:** Attracting and retaining the needed employees, focusing on positive employee experience and the right cultural fit.





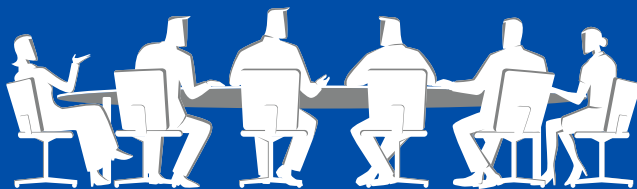
# Governance

## Structure & Executive Leadership Team

### Members



### Board of Directors



### Executive Leadership Team



Patricia Estwick  
Chief Executive Officer



Malynda Gibson-Nixon  
Chief Operations Officer



Nedra Myles  
Chief Risk &  
Compliance Officer



Supipi Gamage  
Chief Financial Officer



Emilita Clifford  
Human Resources  
Manager



Shane Mascal  
Chief Information Officer



Alistair Carter  
Chief Credit Officer

Effective team as of 31 July 2023

- Malynda Gibson-Nixon joined in January 2023
- Supipi Gamage joined in August 2022



**CREDIT UNION**

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