Capita Financial Services Inc.

Consolidated Financial Statements
March 31, 2026
(expressed in Barbados dollars)

Capita Financial Services Inc.

Contents

March 31, 2026

Independent auditor's report

To the Shareholder of Capita Financial Services Inc.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Capita Financial Services Inc. (the Company) and its subsidiaries (together 'the Group') as at March 31, 2026, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2026;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Other matter

This report is made solely to the Company's shareholder, as a body corporate, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body corporate, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SRL

Bridgetown, Barbados

July 15, 2026

Capita Financial Services Inc.

Consolidated Statement of Financial Position

As at March 31, 2026

(expressed in Barbados dollars)

	Notes	2026 $	2025 $
Assets			
Cash resources	4	**39,168,997**	52,524,105
Investments securities:			
FVOCI	5	**1,348,620**	1,190,673
Amortized cost	5	**698,209**	2,720,379
Loans and advances	6	**252,915,606**	250,473,022
Corporation tax recoverable		**340,163**	340,163
Due from related company	7	**3,069,524**	2,639,782
Property, plant and equipment	8	**8,142,641**	9,002,481
Other assets	9	**10,856,118**	9,339,252
Total assets		**316,539,878**	328,229,857
Liabilities and Equity			
Liabilities			
Customer deposits	10	**245,491,187**	255,682,659
Other liabilities	11	**6,323,632**	7,409,429
Due to related company	7	**2,594,496**	587,980
Loans payable	12	**29,481,233**	32,983,786
Corporation tax payable		**212,284**	98,881
Deferred loan commitment fees		**161,841**	164,510
Tax on asset payable	13	**280,495**	279,698
Deferred taxation	14	**175,718**	149,335
Total liabilities		**284,720,886**	297,356,278
Equity			
Share capital	15	**10,297,059**	10,297,059
Other reserves	16	**11,447,222**	9,886,995
Retained earnings		**10,074,711**	10,689,525
Total equity		**31,818,992**	30,873,579
Total liabilities and equity		**316,539,878**	328,229,857

The accompanying notes form an integral part of these consolidated financial statements.

Approved by the Board of Directors on July 14, 2026

__________________ Director   __________________ Director

Capita Financial Services Inc.

Consolidated Statement of Changes in Equity

For the year ended March 31, 2026

(expressed in Barbados dollars)

	Share capital $	Other reserves $	Retained earnings $	Total $
Balance at April 1, 2024	10,297,059	8,319,107	11,051,696	29,667,862
Profit for the year	–	–	1,096,700	1,096,700
Transfer to statutory reserve	–	171,902	(171,902)	–
Transfer to general reserve	–	1,286,969	(1,286,969)	–
Change in fair value of FVOCI investments	–	109,017	–	109,017
Balance at March 31, 2025	10,297,059	9,886,995	10,689,525	30,873,579
Balance at April 1, 2025	**10,297,059**	**9,886,995**	**10,689,525**	**30,873,579**
Profit for the year	–	–	**934,539**	**934,539**
Transfer to statutory reserve	–	**326,121**	**(326,121)**	–
Transfer to general reserve	–	**1,090,375**	**(1,090,375)**	–
Dividend declared	–	–	**(132,857)**	**(132,857)**
Change in fair value of FVOCI investments	–	**143,731**	–	**143,731**
Balance at March 31, 2026	**10,297,059**	**11,447,222**	**10,074,711**	**31,818,992**

The accompanying notes form an integral part of these consolidated financial statements.

Capita Financial Services Inc.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2026

(expressed in Barbados dollars)

	Notes	2026 $	2025 $
Interest income	**18**	**15,534,862**	15,040,896
Interest expense	**19**	**(6,580,979)**	(6,708,944)
Net interest income		**8,953,883**	8,331,952
Other income	**20**	**10,179,614**	8,791,094
Net interest and other income		**19,133,497**	17,123,046
Operating expenses			
Salaries and other staff costs	**21**	**4,594,553**	3,610,851
Expected credit losses expense/(recovery)	**22**	**428,597**	(807,750)
Other operating expenses	**23**	**9,864,609**	9,922,537
Depreciation	**8**	**2,146,692**	2,233,282
Total operating expenses		**17,034,451**	14,958,920
Profit before levies and taxation		**2,099,046**	2,164,126
Tax on assets	**13**	**(986,897)**	(1,014,502)
Profit before taxation		**1,112,149**	1,149,624
Taxation	**14**	**(177,610)**	(52,924)
Profit for the year		**934,539**	1,096,700
Other comprehensive income			
Items that will never be reclassified subsequently to profit or loss:			
Unrealised fair value gain on FVOCI equity investment securities, net of tax		**143,731**	109,017
Total comprehensive income for the year		**1,078,270**	1,205,717

The accompanying notes form an integral part of these consolidated financial statements.

Capita Financial Services Inc.

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

(expressed in Barbados dollars)

	Notes	2026 $	2025 $
Cash flows from operating activities			
Income before taxation		**1,112,149**	1,149,624
Adjustments for:			
Depreciation	**8**	**2,146,692**	2,233,282
Interest income	**18**	**(15,534,862)**	(15,040,896)
Gain on disposal of property, plant and equipment	**20**	**(720,995)**	(197,202)
Interest expense	**19**	**6,580,979**	6,708,944
Expected credit losses expense/(recovery)	**22**	**428,597**	(807,750)
		(5,987,440)	(5,953,998)
Changes in operating assets and liabilities:			
(Increase)/decrease in loans and advances		**(1,277,375)**	14,357,590
Increase in other assets		**(1,516,866)**	(333,105)
Decrease in customer deposits		**(9,389,003)**	(6,023,535)
Increase in other liabilities		**528,408**	1,077,247
(Increase)/decrease in amounts due from related parties		**(429,742)**	1,492,526
Increase/(decrease) in amounts due to related parties		**1,947,269**	(1,210,046)
Decrease in deferred loan commitment fees		**(2,669)**	(7,160)
Increase/(decrease) in tax on asset payable		**797**	(29,374)
Net cash (used in) / from operations		**(16,126,621)**	3,370,145
Interest received		**13,941,056**	13,838,193
Interest paid		**(7,383,448)**	(5,190,088)
Taxes paid		**(55,800)**	(29,101)
Net cash (used in) / from operating activities		**(9,624,813)**	11,989,149
Cash flows from investing activities			
Redemption of investment securities		**1,974,681**	2,462,056
Purchase of property, plant and equipment	**8**	**(2,680,176)**	(2,554,902)
Proceeds from sale of property, plant and equipment		**827,649**	482,600
Net cash from investing activities		**122,154**	389,754
Cash flows used in financing activities			
Payment of principal portion of lease liability		**(397,387)**	(685,117)
Repayment of loans payable		**(3,502,553)**	(4,190,416)
Net cash used in financing activities		**(3,899,940)**	(4,875,533)

(expressed in Barbados dollars)

	Notes	2026 $	2025 $
Net (decrease)/increase in cash and cash equivalents		**(13,402,599)**	7,503,370
Cash and cash equivalents - beginning of year		**37,177,560**	29,674,190
Cash and cash equivalents - end of year	**4**	**23,774,961**	37,177,560

The accompanying notes form an integral part of these consolidated financial statements.

(expressed in Barbados dollars)

1 Reporting entities

Capita Financial Services Inc. and its subsidiary (“the Group”) are registered under the relevant financial and corporate legislations within the countries in which they operate.

Capita Financial Services Inc. ("the Parent Company”) is incorporated in Barbados and is a wholly owned subsidiary of BPW Financial Holdings Inc., a Barbados company. Its ultimate parent is Barbados Public Workers’ Co-operative Credit Union Limited (“BPWCCUL”), a company incorporated in Barbados. The Parent Company is registered under Part III of the Financial Institutions Act, Cap 324A. The Group’s principal place of business is at 2nd Floor, Co-operators General Insurance Building, Upper Collymore Rock, St. Michael and its registered office is at Olive Trotman House, Keith Bourne Complex, Belmont Road, St. Michael.

The principal activities of the Parent Company are the provision of long-term mortgage financing, short-term loans, lease financing and stock brokerage in accordance with the provisions of the Financial Institutions Act, Cap 324A.

In August 2010, the Parent Company purchased a branch in St. Lucia, which was established in October 2005. These consolidated financial statements include the activities of that branch.

On September 11, 2016, the Parent Company incorporated a 100% owned subsidiary, Capita Insurance Brokers Inc. ("the Subsidiary"), the principal activity of which is provision of insurance brokerage services. The subsidiary is registered as a composite insurance broker under the Insurance Act, Cap 310. These consolidated financial statements include the activities of the Subsidiary.

Any amendment of the financial statements is subject to the approval of the Parent Company’s Board of Directors.

2 Material accounting policy information

a) Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on July 14, 2026.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary as disclosed in Note 1, after elimination of intercompany transactions, balances, revenues and expenses. The financial statements of the subsidiary are prepared for the same reporting year end as the Parent Company, using consistent accounting policies.

(expressed in Barbados dollars)

2 Material accounting policy information ...*continued*

a) Basis of accounting *...continued*

Basis of consolidation *...continued*

<u>*Subsidiaries*</u>
'Subsidiaries' are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

<u>*Loss of control*</u>
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

<u>*Transactions eliminated on consolidation*</u>
Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) New standards, amendments and interpretations mandatory for the first time for the financial year

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

c) Standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, certain new accounting standards and amendments had been issued but were not yet effective and had not been early adopted by the Group.

<u>IFRS 18 - Presentation and Disclosure in Financial Statements</u>

Effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation of information in the Statement of Profit or Loss and Other Comprehensive Income (OCI), enhanced disclosure requirements for management-defined performance measures, and additional principles for aggregation and disaggregation of information. The Group is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements but does not anticipate any significant impact to the Group's financial statements.

(expressed in Barbados dollars)

2 Material accounting policy information …*continued*

c) Standards and interpretations in issue but not yet effective …*continued*

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The amendments clarify certain requirements relating to the classification of financial assets and introduce additional disclosure requirements for financial instruments. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. Given the nature of the Group's financial assets and liabilities, management is evaluating the impact of these amendments on the financial statements but does not anticipate any significant impact to the Group's financial statements.

d) Financial assets and financial liabilities

(i) Recognition and initial measurement

The Group initially recognises loans and advances, deposits and loans payable on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, 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.

(ii) Classification

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

A financial asset is measured at amortised cost 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 to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely 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 Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(ii) Classification ...continued

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

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

Assessment of whether contractual cash flows are solely payments of principal and interest
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 (e.g. liquidity risk and administrative costs), as well as profit margin.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(ii) Classification ...continued

Assessment of whether contractual cash flows are solely payments of principal and interest *...continued*
In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

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

The Group holds a portfolio of long-term fixed-rate loans for which the Group has the option to propose to revise the interest rate. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Applicability to the Group
The Group classifies its financial assets into one of the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)

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

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(ii) Classification ...continued

Applicability to the Group *...continued*

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

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

Financial liabilities
Financial liabilities are measured at amortised cost and include deposits from customers, loans payable and related Group balances. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

(iii) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group 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 derecognised) 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 recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a Group asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(iii) Derecognition ...continued

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a Group of similar transactions such as in the Group's trading activity.

(v) Impairment

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

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

No impairment loss is recognised on equity investments

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

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

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

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(v) Impairment ...continued

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as ‘Stage 2 financial instruments’. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as ‘Stage 3 financial instruments’.

Significant increase in credit risk
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group’s historical experience and credit risk assessment.

The determination of whether there has been a significant increase in credit risk is critical to the staging process. Factors to consider include:

- Changes in market or general economic conditions;
- Expectation of potential breaches;
- Expected delays in payment;
- Deterioration in credit ratings; or
- Significant changes in operating results or financial position of the borrower.

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- a quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

The Group considers that significant increase in credit risk occurs for debt investments when investments with investment grade rating at acquisition moves to a non-investment grade but above a default grade. For debt investments with a non-investment grade at acquisition, a significant increase in credit risk occurs when there is an unfavorable movement in the ratings relative to the rating at initial recognition, including movement to a lower end of non-investment grade.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(v) Impairment ...continued

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

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

The inputs used to estimate the expected credit losses are as follows:

- PD - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The exposure at default is an estimate of the exposure at a future default date, taking-into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
- Forward looking information - The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The above parameters are modelled and estimated independently and combined to obtain the ECL.

(expressed in Barbados dollars)

2 Material accounting policy information *…continued*

d) Financial assets and financial liabilities *…continued*

(v) Impairment …continued

Restructured financial assets

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

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

Credit-impaired financial assets

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

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

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

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

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

d) Financial assets and financial liabilities *...continued*

(v) Impairment ...continued

Credit-impaired financial assets *...continued*
In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

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

POCI financial assets
POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

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

- *financial assets measured at amortised cost:* as a deduction from the gross carrying amount of the assets;
- *loan commitments and financial guarantee contracts:* generally as a provision
- *debt instruments measured at FVOCI:* no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value.

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

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' 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 Group's procedures for recovery of amounts due.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

e) Cash resources

(i) Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value. Cash and cash equivalents also comprise cash balances which are payable on demand and deposits with maturities of three months or less from the date of acquisition.

(ii) Other term deposits are liquid investments which have original maturity dates in excess of 90 days, but which are available on demand with a penalty.

(iii) Restricted cash is the mandatory reserve deposits held with its regulator, the Central Bank of Barbados.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure is capitalised, only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation is provided on the straight-line basis at rates which are expected to write off the cost of equipment less salvage over their expected useful lives as follows:

Leasehold improvements	- 10%
Furniture and equipment	- 10% - 33⅓%
Motor vehicles	- 20%
Leased vehicles & right of use assets	- Life of the lease

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

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

g) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

h) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Group acting as a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. For contracts that contain both lease and non-lease components, the Group assesses whether the components are distinct and separately identifiable. Where observable stand-alone prices are available, consideration is allocated between lease and non-lease components accordingly. Non-lease components are recognised as an expense as the related services are received. In circumstances where lease and non-lease components cannot be reliably be separated, the Group accounts for the lease and associated services as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

h) Leases *...continued*

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

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

Group acting as a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

i) Foreign currency translation

The financial statements are presented in Barbados dollars which is the Group's functional and presentation currency.

Monetary assets and liabilities denominated in foreign currencies are translated into Barbados dollars at the rates of exchange ruling at the reporting date. Transactions arising during the year denominated in foreign currencies are translated into Barbados dollars and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates are included in the statement of comprehensive income.

j) Fees and commission income

The Group offers to its customers certain value-added services for which a fee or commission is derived either directly from the customer or by way of the specific nature of the transaction via a third-party provider. Those which are customer specific are currently limited to loan commitment fees, administrative fees and negotiation fees.

The Group has acquired a principal member license from MasterCard which enables the Group to allow certain financial services customers to issue propriety debit cards. The Group charges these customers fees for this payment service.

k) Interest income and expense

Interest income and expense are recognised on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. In calculating this rate, cash flows are estimated considering all contractual terms of the financial instrument but not considering future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate as well as transaction costs.

Once a financial asset has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

l) Dividend income

Dividend income relates to amounts earned on shares held within corporate entities. Dividend are recognised when the Group's right to receive the dividend is established.

(expressed in Barbados dollars)

2 Material accounting policy information *...continued*

m) Taxation

Deferred income taxes are accounted for under tax effect accounting using the liability method. Deferred tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes using the rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the asset is realised or liability settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

n) Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a Group entity. The Group has no legal or constructive obligation to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to its defined contribution plan are charged to the statement of comprehensive income in the year to which they relate.

o) Share capital

Common shares are classified as equity. Redeemable preference shares are treated as equity because they cannot be converted by the holders thereof at any time nor is the Group mandatorily required to redeem them on a specific date.

Dividends to the shareholder are recognised in equity in the period in which they are approved by the Group's Board of Directors.

p) Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events or it is more likely than not that an outflow of resources will be required to settle the obligations and the amount has been reliably estimated.

(expressed in Barbados dollars)

3 Critical Accounting Estimates and Judgments

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant uses of judgment and estimates are as follows:

a) Expected credit losses (ECL)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in note 2(d).

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- The Group’s criteria for determining if there has been a significant increase in credit risk and hence whether impairment allowances for financial assets should be measured on a lifetime expected credit loss (ECL) basis.
- Choosing appropriate models and assumptions for the measurement of expected credit losses, including post model adjustments.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment rates, inflation and GDP levels, and their effect on PDs, EADs and LGDs.
- Establishing the number and relative weightings of forward-looking macroeconomic scenarios for each type of product or market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

In determining ECL, management judgment is applied, using objective, reasonable and supportable information about current and forecast economic conditions.

b) Incorporation of forward looking information

When determining whether the risk of default has increased significantly since initial recognition, both quantitative and qualitative information is considered, including expert credit assessment, forward looking information and analysis based on the Group’s historical loss experience.

The Group formulated three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the region where the Group operates, international organisations such as the International Monetary Fund and selected private-sector forecasts.

(expressed in Barbados dollars)

3. Critical Accounting Estimates and Judgments *...continued*

b) Incorporation of forward-looking information *...continued*

The scenario probability weightings applied in measuring ECL are as follows:

2026
March 31

	Upside	Central	Downside
Scenario probability weighting	**20%**	**50%**	**30%**

2025
March 31

	Upside	Central	Downside
Scenario probability weighting	20%	50%	30%

Macro-economic variables used in these scenarios include (but are not limited to), unemployment rates, GDP growth rates, inflation rates and price indices. Forward looking macro-economic information and assumptions have been considered in these scenarios when forecasting both 12-month and lifetime expected credit losses.

Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios.

c) Measurement of fair values

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as disclosed in Note 25.

(expressed in Barbados dollars)

4 Cash Resources

Cash resources consist of the following:

a) Cash and cash equivalents:

	2026 $	2025 $
Bank balances	**23,774,961**	37,177,560
Cash and cash equivalents	**23,774,961**	37,177,560

b) Other deposits:

	2026 $	2025 $
Other term deposits	**6,648,302**	6,601,484

c) Restricted cash:

	2026 $	2025 $
Restricted cash	**8,748,701**	8,748,701
Total gross cash resources	**39,171,964**	52,527,745
Less: expected credit loss allowance	**(2,967)**	(3,640)
	39,168,997	52,524,105

Restricted cash represent the Parent Company's regulatory requirement to maintain 3% of total average domestic deposit liabilities as a cash reserve with the Central Bank of Barbados. These funds are not available to finance the Parent Company's day-to-day operations and as such, are excluded from cash resources to arrive at cash and cash equivalents for the purposes of the statement of cash flows.

At March 31, 2026, cash resources with the exception of mandatory reserve deposits with the Central Bank carry interest at rates varying between 0% to 4.5% (2025 - 0% to 4.5%) per annum.

(expressed in Barbados dollars)

4 Cash Resources *...continued*

c) Restricted cash: *...continued*

The movement in expected credit loss allowance on deposits is as follows:

	2026 $	2025 $
Balance at beginning of year	**3,640**	433
Expected credit loss on other term deposits	**(673)**	3,207
Balance at end of year	**2,967**	3,640

5 Investment Securities

	2026 $	2025 $
FVOCI		
Quoted investments	**541,182**	383,235
Unquoted investments	**807,438**	807,438
	1,348,620	1,190,673
Amortised Cost		
Sovereign bonds	**693,049**	2,714,912
Accrued interest receivable	**8,578**	5,467
	701,627	2,720,379
Total investment securities	**2,050,247**	3,911,052
Less: expected credit loss allowance	**(3,418)**	–
	2,046,829	3,911,052

The movement in expected credit loss allowance on amortised cost investments is as follows:

	2026 $	2025 $
Balance at beginning of year	**–**	–
Expected credit loss on amortised cost investments	**3,418**	–
Balance at end of year	**3,418**	–

(expressed in Barbados dollars)

6 Loans and Advances

Loans and advances are comprised of the following:

	2026			
	Consumer	**Business**	**Mortgages**	**Total**
	$	**$**	**$**	**$**
Gross loans	**57,432,678**	**32,563,586**	**160,073,644**	**250,069,908**
Less: ECL allowance	**(2,039,871)**	**(502,727)**	**(1,502,058)**	**(4,044,656)**
	55,392,807	**32,060,859**	**158,571,586**	**246,025,252**
Add: interest receivable				**6,890,354**
				252,915,606

	2025			
	Consumer	**Business**	**Mortgages**	**Total**
	$	**$**	**$**	**$**
Gross loans	55,406,924	24,729,268	168,856,127	248,992,319
Less: ECL allowance	(1,615,727)	(563,717)	(1,636,401)	(3,815,845)
	53,791,197	24,165,551	167,219,726	245,176,474
Add: interest receivable				5,296,548
				250,473,022

In November 2015, the Group entered into a Deed of Sale and Administration agreement with Barbados Public Workers' Co-operative Credit Union Limited (BPWCCUL), its ultimate parent, for the acquisition of a portfolio of real estate loans amounting to $20 million over a two-year period at a rate of $10 million a year starting the fiscal year 2015 - 2016. The Group has determined that substantially all the risks and rewards of the said loan portfolio have been transferred to the Group and consequently, the loans were recognised in the consolidated statement of financial position of the Group. In the financial year March 2022, the loans representing the first tranche of $10 million were sold to BPWCCUL without recourse. During the 2023 financial year the remaining two tranches of $2.5 million each were also sold to BPWCCUL without recourse.

(expressed in Barbados dollars)

6 Loans and Advances *...continued*

The Group's loans and advances portfolio as at March 31, 2026 and 2025 are in the following staging categories.

	2026			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Consumer	**50,591,583**	**1,416,516**	**5,424,579**	**57,432,678**
Business	**27,480,283**	**470,664**	**4,612,639**	**32,563,586**
Mortgages	**137,614,137**	**2,447,318**	**20,012,189**	**160,073,644**
Gross loans	**215,686,003**	**4,334,498**	**30,049,407**	**250,069,908**
Less: ECL allowance	**(207,488)**	**(73,356)**	**(3,763,812)**	**(4,044,656)**
	215,478,515	**4,261,142**	**26,285,595**	**246,025,252**
Add: interest receivable				**6,890,354**
				252,915,606

	2025			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Consumer	47,085,340	2,590,938	5,730,646	55,406,924
Business	17,198,916	801,000	6,729,352	24,729,268
Mortgages	139,631,674	6,257,024	22,967,429	168,856,127
Gross loans	203,915,930	9,648,962	35,427,427	248,992,319
Less: ECL allowance	(174,090)	(158,453)	(3,483,302)	(3,815,845)
	203,741,840	9,490,509	31,944,125	245,176,474
Add: interest receivable				5,296,548
				250,473,022

(expressed in Barbados dollars)

6 Loans and Advances *...continued*

The movement in the expected credit loss allowance is as follows:

	2026			
	Consumer	**Business**	**Mortgages**	**Total**
	$	**$**	**$**	**$**
Balance, beginning of year	**1,615,728**	**563,717**	**1,636,400**	**3,815,845**
Amounts charged/written off	**(190,427)**	**–**	**(9,647)**	**(200,074)**
Expected credit loss (note 22)	**614,570**	**(60,990)**	**(124,695)**	**428,885**
Balance, end of year	**2,039,871**	**502,727**	**1,502,058**	**4,044,656**

	2025			
	Consumer	**Business**	**Mortgages**	**Total**
	$	**$**	**$**	**$**
Balance, beginning of year	2,317,206	152,404	2,475,581	4,945,191
Amounts charged/written off	(183,678)	–	(134,711)	(318,389)
Expected credit loss (note 22)	(517,800)	411,313	(704,470)	(810,957)
Balance, end of year	1,615,728	563,717	1,636,400	3,815,845

The effective rate of interest on mortgages and land loans varies between 4.0% and 13.5% (2025 - 4.0% and 13.5%) per annum while the rates on consumer loans vary between 4% and 15% (2025 - 4.0% and 16.0%) per annum. The term of mortgage loans does not exceed 30 years.

(expressed in Barbados dollars)

7 Related Party Balances and Transactions

Related parties include those entities and individuals that have the ability to control or exercise significant influence over the Group in making financial or operational decisions, and entities that are controlled, jointly controlled or significantly influenced by them.

i) Key Management Compensation:

	2026 $	2025 $
Salaries and allowances	**772,310**	522,490
Post employment benefits	**24,221**	25,248
Directors' fees	**139,501**	163,800
Total	**936,032**	711,538

ii) Transactions with key management personnel of the Group:

The Group enters into transactions, arrangements and agreements involving directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates.

The following table provides the total amount of balances, which have been entered into with key management personnel for the relevant financial year:

	2026 $	2025 $
Key Management Loans	**63,496**	216,638

The key management loans and advances are secured by collateral in the property of the respective borrowers.

No expected credit loss allowance has been recorded against balances outstanding during the period with key management personnel and their related concerns.

(expressed in Barbados dollars)

7 Related Party Balances and Transactions *...continued*

iii) Related Party Balances and Transactions:

	2026 $	2025 $
Due to related company		
BPWCCUL	**2,594,496**	587,980
Total	**3,069,524**	2,639,782
Due from related company		
BPW Financial Holdings Inc.	**3,250**	3,250
BPWCCUL	**3,066,274**	2,636,532
Total	**3,069,524**	2,639,782

Due from/to related company balances are unsecured, interest free and repayable within a year.

Management fees of $144,000 (2025 - $144,000) were paid to BPWCCUL during 2026.

Customer deposit balances and interest expensed to the related party are disclosed in Note 10. During the year, the Parent Company received $Nil from BPWCCUL for term deposits, however matured deposits were all rolled with maturity dates of three to five years, bringing the total deposits to $66,035,493 (2025 - $66,220,679) at year-end with an average rate of 2.15% to 2.65% (2025 - 2.15% to 2.65%).

During the financial year ended March 31, 2026, lease payments were made to BPWCCUL; a related company of $78,995 (2025 - $78,995).

The Parent Company is a principal member of the international brand MasterCard, through which its related company BPWCCUL is an affiliate member. This relationship allows BPWCCUL to provide its members with an internationally branded debit card. Fees are incurred by the Parent Company through its representation at the MasterCard level on behalf of its affiliates. The fees which relate to BPWCCUL are passed onto them. Additionally, the Parent Company receives a transaction fee upon the use of the card by the credit union's members. During the fiscal ended March 31, 2026, fees and administration charges earned were $2,713,646 (2025 - $3,513,720).

(expressed in Barbados dollars)

8 Property, plant and equipment

	Right-of-use assets $	Leased vehicles $	Leasehold improvements $	Furniture and equipment $	Motor vehicles $	Total $
Cost						
Balance - April 1, 2024	4,866,197	7,698,547	719,350	3,447,679	317,830	17,049,603
Additions	–	2,523,358	–	31,544	–	2,554,902
Disposals	–	(1,055,212)	–	–	–	(1,055,212)
Balance - March 31, 2025	4,866,197	9,166,693	719,350	3,479,223	317,830	18,549,293
Balance - April 1, 2025	**4,866,197**	**9,166,693**	**719,350**	**3,479,223**	**317,830**	**18,549,293**
Additions	**1,441,316**	**2,443,559**	**22,806**	**217,605**	**–**	**4,125,286**
Disposals	**(4,515,497)**	**(1,396,038)**	**(143,790)**	**(55,334)**	**–**	**(6,110,659)**
Balance - March 31, 2026	**1,792,016**	**10,214,214**	**598,366**	**3,641,494**	**317,830**	**16,563,920**
Accumulated depreciation						
Balance - April 1, 2024	1,542,500	3,542,254	256,171	2,600,959	141,459	8,083,343
Depreciation charge	571,862	1,262,787	58,462	252,814	87,357	2,233,282
Disposals	–	(769,813)	–	–	–	(769,813)
Balance - March 31, 2025	2,114,362	4,035,228	314,633	2,853,773	228,816	9,546,812
Balance - April 1, 2025	**2,114,362**	**4,035,228**	**314,633**	**2,853,773**	**228,816**	**9,546,812**
Depreciation	**477,600**	**1,311,594**	**60,411**	**243,357**	**53,730**	**2,146,692**
Disposals	**(2,006,889)**	**(1,070,005)**	**(142,215)**	**(53,116)**	**–**	**(3,272,225)**
Balance - March 31, 2026	**585,073**	**4,276,817**	**232,829**	**3,044,014**	**282,546**	**8,421,279**

(expressed in Barbados dollars)

8 Property, plant and equipment *...continued*

	Right-of-use assets $	Leased vehicles $	Leasehold improvements $	Furniture and equipment $	Motor vehicles $	Total $
Net Book Value						
March 31, 2026	**1,206,943**	**5,937,397**	**365,537**	**597,480**	**35,284**	**8,142,641**
March 31, 2025	2,751,835	5,131,465	404,717	625,450	89,014	9,002,481

(expressed in Barbados dollars)

9 Other Assets

	2026 $	2025 $
Prepayments and deferred expenses	**235,847**	344,583
Premiums receivable	**2,671,952**	120,883
Mastercard security deposit	**3,626,361**	3,117,470
Vat receivable	**2,010,236**	1,995,365
Other receivables	**2,311,722**	3,760,951
	10,856,118	9,339,252

Other receivables relate to balances such as lease receivable, accounts receivable and fees receivable.

10 Customer Deposits

These amounts are categorised as follows:

	2026 $	2025 $
Time deposits	**172,933,763**	182,137,581
Related party (i)	**66,035,493**	66,220,679
Interest payable	**6,521,931**	7,324,399
	245,491,187	255,682,659

The rate of interest on deposits varied between 0% and 5% for the year (2025 - 0.35% to 5.0%).

i) This relates to deposits from BPWCCUL held by the Group at interest rates ranging between 2.15% to 2.65% (2025 - 2.15% to 2.65%) with terms varying from one to five years. Interest charged on related party balances was $1,471,135 (2025 - $1,652,724).

A portfolio of mortgage loans has been pledged as security for certain customer deposits totalling $5,000,000 (2025 - $5,000,000).

(expressed in Barbados dollars)

11 Other Liabilities

	2026 $	2025 $
Insurance premiums payable	**2,820,831**	2,037,094
Other	**1,529,874**	2,154,458
Withholding tax payable	**31,269**	25,570
Lease liability	**1,228,824**	2,975,886
Dividend payable	**132,857**	–
Accrued expenses	**579,977**	216,421
	6,323,632	7,409,429

The movement of the lease liability is as follows, with expiry dates ranging from 3 to 7 years:

	2026 $	2025 $
Balance as of April 1	**2,975,886**	3,473,319
Interest	**93,596**	346,245
Payments	**(550,229)**	(843,678)
Termination	**(2,731,744)**	–
Addition	**1,441,315**	–
Balance as of March 31	**1,228,824**	2,975,886

(expressed in Barbados dollars)

12 Loans Payable

	2026 $	2025 $
BPWCCUL (i)	**4,052,269**	5,238,398
BPWCCUL (ii)	**25,428,964**	27,745,388
	29,481,233	32,983,786

i) The Group entered into a loan with a related party with a term of 10 years and an interest rate of 1.25% per annum. Fixed annual repayments are $1,242,528 over the life of the loan.

ii) On July 28, 2023, BPWCCUL negotiated and agreed the placement of a Securitized Deposit of Thirty Million Barbados dollars ($30,000,000) with its subsidiary Capita Financial Services Inc. This deposit is secured by a block of mortgage loans held and maintained by Capita with a total collateralised market value in the amount of $30,000,000.

An interest charge of 2% of the outstanding principal balance is paid to the Credit Union from the aggregate interest collected by Capita Financial Services Inc. on a monthly basis until such time as the deposit is fully amortised. As at March 31, 2026 the deposit held a balance of $25,428,964 (2025 -$27,745,388) and has been reclassified and included in the loan payable total. Total interest payments for the year ended March 31, 2026 were $511,652 (2025 - $569,395).

The Group has not had any defaults of principal, interest or other breaches with respect to its loans payable during the years ended March 31, 2026 and 2025.

13 Tax on Asset Payable

Under the Tax on Asset Act, 2015, every entity licensed under Section 22 of the Financial Institutions Act, Cap 324A with total gross assets of $40 million or more and that accepts deposits from third parties, is liable to a levy of 0.20% per annum on the average domestic assets of the deposit taking licensee. This Act came into effect on June 1, 2016.

In 2017, the Tax on Asset Act, 2017 came into effect, increasing the levy to 0.35%. Tax on assets expense for this Group amounted to $986,897 (2025 - $1,014,502). The tax on asset payable at March 31, 2026 was $280,495 (2025 - $279,698).

(expressed in Barbados dollars)

14 Taxation

The corporation tax expense for the year is as follows:

	2026 $	2025 $
Current tax	**165,444**	51,929
Deferred tax charge	**12,166**	995
Taxation charge	**177,610**	52,924

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the statutory rate of corporation tax as follows:

	2026 $	2025 $
Profit before taxation	**1,112,149**	1,149,624
Tax calculated at a rate of 2% - 9% (2025 - 4.72% - 9%)	**(112,969)**	25,022
Income not subject to tax	**–**	(1,138)
Change in tax rate	**–**	–
Effect of different tax rates	**–**	–
Items not deductible in determining taxable profits	**6,739**	9,185
Items deductible in determining taxable profits	**(47,691)**	(114,678)
Movement in deferred tax asset not recognised	**358,873**	–
Tax loss not recognised	**–**	150,046
Group loss relief	**(7,178)**	–
Prior year (under)/over provision - current tax	**–**	(15,513)
Prior year over provision of deferred tax liability	**(20,164)**	–
Taxation charge	**177,610**	52,924

(expressed in Barbados dollars)

14 Taxation *...continued*

Deferred taxation

Deferred tax liability relates to the following items:

	2026 $	2025 $
Accelerated tax depreciation	**153,780**	136,260
Tax loss carried forward	**(3,384)**	–
Lease liability	**(1,970)**	–
Unrealised fair value gain on FVOCI investments	**27,292**	13,075
	175,718	149,335

	2026 $	2025 $
Beginning of year	**149,335**	137,559
Effect of change in tax rate	**–**	10,781
Deferred tax charge	**12,166**	995
Deferred tax charge on fair value gain	**14,217**	–
End of year	**175,718**	149,335

The deferred tax asset not recognised in the financial statements relates to the St. Lucia branch and consists of the following components (calculated at a tax rate of 30%):

	2026 $	2025 $
Accelerated tax depreciation	**20,456**	38,694
Unutilised tax losses	**(709,872)**	(408,287)
	(689,416)	(369,593)

(expressed in Barbados dollars)

14 Taxation *...continued*

The Group has accumulated losses in the St. Lucia branch for tax purposes which may be carried forward and set off against future taxable income as follows:

Year of loss	Losses b/fwd $	Adjustments $	Utilised $	Expired $	Losses c/fwd $	Expiry date
2020	110,883	–	–	(110,883)	–	2026
2021	228,076	–	–	–	228,076	2027
2022	312,707	–	–	–	312,707	2028
2023	273,451	–	–	–	273,451	2029
2024	174,830	–	–	–	174,830	2030
2025	262,612	–	–	–	262,612	2031
2026	–	1,129,670	–	–	1,129,670	2032
	1,362,559	**1,129,670**	**–**	**(110,883)**	**2,381,346**	

These losses are as computed by the Group in its corporation tax returns and have as yet neither been confirmed nor disputed by the tax authority.

15 Share Capital

Authorised
Unlimited number of common shares of no par value
Unlimited number of 8.5% cumulative preference shares of no par value

Issued
At the reporting date, the following shares were issued and outstanding:

	Shares		Value	
	2026	**2025**	**2026 $**	**2025 $**
Common shares	**8,734,032**	8,734,032	**8,734,032**	8,734,032
8.5% cumulative preference shares	**1,563,027**	1,563,027	**1,563,027**	1,563,027
Balance, end of year	**10,297,059**	10,297,059	**10,297,059**	10,297,059

No dividends (2025 - $Nil) were declared or paid to the common shareholder during the year. Preferred dividends of $132,857 (2025 - $Nil) were declared to BPW Financial Holdings Inc., being the sole shareholder.

(expressed in Barbados dollars)

16 Other Reserves

i) Statutory reserve

Under the provisions of the Financial Institutions Act, the Parent Company is required to transfer a minimum of 15% of its after-tax profits to a reserve fund until such fund equals the share capital. A transfer of $326,121 (2025 - $171,902) was required during 2026.

	2026 $	2025 $
Balance - beginning of year	**4,512,338**	4,340,436
Transfer to statutory reserve	**326,121**	171,902
Balance - end of year	**4,838,459**	4,512,338

ii) General reserve

This amount totalling $5,592,614 (2025 - $4,502,239) is created to set aside interest accrued on non-performing loans where certain conditions are met in accordance with IFRS 9. The guidelines of the Financial Institutions (Asset Classification and Provisioning) Regulations, 1998 CAP.324 of the Financial Institutions Act however do not allow for the accrual of such interest. The interest is therefore set aside in a reserve and is not available for distribution to the shareholder.

	2026 $	2025 $
Balance - beginning of year	**4,502,239**	3,215,270
Transfer from retained earnings	**1,090,375**	1,286,969
Balance - end of year	**5,592,614**	4,502,239

iii) Fair value reserve

The fair value reserve represents the net effect of fair value gains on FVOCI securities held.

The movement on the fair value reserve for the year is as follows:

	2026 $	2025 $
Balance - beginning of year	**872,418**	763,401
Unrealised fair value gain - net of tax	**143,731**	109,017
Balance - end of year	**1,016,149**	872,418
Total other reserves	**11,447,222**	9,886,995

(expressed in Barbados dollars)

17 Commitments and Contingent Liabilities

Contingent liabilities
At March 31, 2026, unutilised commitments to extend credit for mortgages and other loans amounted to $13,757,093 (2025 - $10,897,681).

18 Interest Income

	2026 $	2025 $
Loans and advances	**14,755,218**	14,798,315
Financial investments	**12,786**	27,941
Cash resources	**766,858**	214,640
	15,534,862	15,040,896

19 Interest Expense

	2026 $	2025 $
Customer deposits	**5,916,945**	5,878,454
Loans payable	**570,438**	642,806
Lease liabilities	**93,596**	187,684
	6,580,979	6,708,944

20 Other Income

	2026 $	2025 $
Brokerage commissions	**1,662,480**	1,626,846
Fees and commissions	**699,695**	803,078
Leases	**1,363,770**	1,317,867
Gain on disposal of property, plant and equipment	**720,995**	197,202
Other operating income	**40,273**	90,633
Card services fees	**5,692,401**	4,755,468
	10,179,614	8,791,094

(expressed in Barbados dollars)

20 Other Income *...continued*

The Group derives income from the leasing of vehicles. The future minimum lease payments due to the Group are as follows:

	Within 1 year $	Between 1 to 2 years $	Between 2 to 3 years $	Between 3 to 4 years $	Between 4 to 5 years $	Over 5 years $
2026	**2,408,380**	**2,085,059**	**1,895,502**	**1,596,381**	**1,171,205**	**–**
2025	1,833,900	1,510,579	1,321,022	1,021,901	620,727	–

21 Salaries and Other Staff Costs

	2026 $	2025 $
Salaries and wages	**3,540,466**	3,041,831
National Insurance	**280,387**	270,302
Pension costs	**90,201**	75,285
Other costs	**683,499**	223,433
	4,594,553	3,610,851

22 Expected Credit Loss Expense/(Recovery)

	2026 $	2025 $
Loans and advances (Note 6)	**428,885**	(810,957)
Investment securities (Note 5)	**383**	–
Term deposits (Note 4)	**(671)**	3,207
	428,597	(807,750)

(expressed in Barbados dollars)

23 Other Operating Expenses

	2026 $	2025 $
Direct cost of services	**5,460,211**	4,704,671
Professional fees	**538,625**	943,736
Audit fees	**548,055**	620,490
Office expenses	**1,145,303**	650,019
Marketing	**280,963**	269,552
Insurance	**79,216**	146,097
Travel	**187,666**	39,929
Utilities	**259,170**	284,025
Licence fees	**551,735**	890,791
Bank charges	**246,628**	316,913
Commissions	**38,590**	378,120
Vehicle expenses	**43,622**	35,085
Receivables written off	**(48,486)**	79,431
Directors expenses	**139,501**	163,800
Training	**5,382**	10,412
Occupancy cost	**388,428**	344,150
Sundry	**–**	45,316
	9,864,609	9,922,537

(expressed in Barbados dollars)

24 Financial Risk Management

The Group's activities expose it to a variety of risks which include credit risk, foreign exchange risk, interest rate risk, liquidity risk and operational risk. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate limits and controls, and to monitor the risks and adherence limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes and emerging best practices.

Risk management is carried out by management under policies approved by the Board of Directors. The Board provides written principles and policies for overall risk management.

Credit risk management

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge its obligation. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities into the Group's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as commitments. Credit risk management and control are performed by the credit risk management team of the Group and reported to the Board of Directors regularly.

a) Loans and advances

In measuring credit risk of loans and advances to customers, the Group considers the probability of default' by the client and the likely recovery ratio on the defaulted obligations (the 'loss given default'). The Group assesses the probability of default of individual customers using internal delinquency reports showing loan in arrears.

b) Debt securities

For debt securities, credit risk exposure is managed by investing in low risk Government Bonds and monitoring the credit rating of the bonds and the related sovereign.

Risk limit control and mitigation policies

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

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

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

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Credit-related commitments

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

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

Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to on-balance sheet assets are as follows:

	2026 $	2025 $
Cash resources	**39,171,964**	52,527,745
Loans and advances to customers:		
Consumer loans	**57,432,678**	55,406,924
Mortgages	**160,073,644**	168,856,127
Business	**32,563,586**	24,729,268
Interest receivable	**6,890,354**	5,296,548
	296,132,226	306,816,612
Investment securities		
- Government and other Corporate Bonds	**701,627**	2,720,379
Due from related companies	**3,069,524**	2,639,782
Credit risk exposures relating to off-balance sheet items are as follows:		
- Loan commitments	**13,757,093**	10,897,681
	313,660,470	323,074,454

The above table represents a worst-case scenario of credit risk exposure to the Group at March 31, 2026 and 2025, without taking account of any collateral held or other credit enhancements attached. For assets, the exposures set out above are based on gross carrying amounts as reported in the consolidated statement of financial position.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Maximum exposure to credit risk before collateral held or other credit enhancements *...continued*

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from both its loan and advances portfolio and debt securities based on the following:

- Mortgage loans, which represent the biggest group in the portfolio, are backed by collateral;
- 79% (2025 - 74%) of the loans and advances portfolio are considered to be neither past due nor impaired;
- The Group has introduced a more stringent selection process upon granting loans and advances.

Credit quality analysis
Cash and cash equivalents
The Group held cash and cash equivalents of $23,774,961 at March 31, 2026 (2025 - $37,177,560). The credit quality of the financial institutions holding the Group's cash and cash equivalents is assessed according to the level of their credit worthiness and by comparison to other financial institutions. The Group places its cash and cash equivalents with reputable financial institutions.

Loans and advances
The following tables set out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments, the amounts in the table represent the amounts committed.

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 2(d). The Financial Institutions (Asset Classification and Provisioning) Regulations, 1998, requires that Financial institutions licensed under the Financial Institutions Act conduct annual reviews and monitoring of at least 70% of their loan portfolios. In addition to monitoring the performance status of the loan portfolio, the financial institution is required to utilises a risk rating system to evaluate and report on loan asset quality.

The risk rating system considers factors such as financial condition, earnings, collateral, management and industry outlook in classifying loan assets. The following ratings are then assigned on commencement of the review, "Pass", "Special Mention", "Substandard", "Doubtful" or "Loss.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Credit quality analysis *...continued*

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Pass	**203,455,650**	**3,658,576**	**1,694,411**	**208,808,637**
Special Mention	**8,247,203**	**527,308**	**80,515**	**8,855,026**
Substandard	**3,528,790**	**66,002**	**13,985,039**	**17,579,831**
Doubtful	**454,360**	**82,612**	**12,250,334**	**12,787,306**
Loss	**–**	**–**	**2,039,108**	**2,039,108**
	215,686,003	**4,334,498**	**30,049,407**	**250,069,908**
Expected credit loss	**(207,488)**	**(73,356)**	**(3,763,812)**	**(4,044,656)**
Carrying amount	**215,478,515**	**4,261,142**	**26,285,595**	**246,025,252**

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Pass	187,942,064	6,242,139	3,152,265	197,336,468
Special Mention	7,312,603	798,904	43,933	8,155,440
Substandard	8,602,248	2,554,564	15,316,952	26,473,764
Doubtful	59,015	53,355	14,827,122	14,939,492
Loss	–	–	2,087,155	2,087,155
	203,915,930	9,648,962	35,427,427	248,992,319
Expected credit loss	(174,090)	(158,453)	(3,483,302)	(3,815,845)
Carrying amount	203,741,840	9,490,509	31,944,125	245,176,474

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Credit quality analysis *...continued*

The following tables set out information about the overdue status of loans and advances to customers in Stages 1, 2 and 3, and shows reconciliations from the opening balances.

	2026			
	Stage 1 **$**	**Stage 2** **$**	**Stage 3** **$**	**Total** **$**
Loans and advances to customers at amortised cost:				
Current	**198,275,308**	**–**	**–**	**198,275,308**
Overdue <31 days	**17,410,695**	**–**	**–**	**17,410,695**
Overdue 31 - 89 days	**–**	**4,334,498**	**–**	**4,334,498**
Overdue >89 days	**–**	**–**	**30,049,407**	**30,049,407**
Gross carrying amount	**215,686,003**	**4,334,498**	**30,049,407**	**250,069,908**

	Stage 1 **$**	**POCI** **$**	**Total** **$**
Sovereign securities at amortised cost:			
Moody's Default (Caa1):			
Central Bank of Barbados - Bonds	**–**	**221,243**	**221,243**
Central Bank of Barbados - T Bills	**483,537**	**–**	**483,537**
Carrying amount	**483,537**	**221,243**	**704,780**

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Credit quality analysis *...continued*

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Current	183,461,050	–	–	183,461,050
Overdue <31 days	20,454,880	–	–	20,454,880
Overdue 31 - 89 days	–	9,648,962	–	9,648,962
Overdue >89 days	–	–	35,427,427	35,427,427
Gross carrying amount	203,915,930	9,648,962	35,427,427	248,992,319

	Stage 1	**POCI**	**Total**
	$	**$**	**$**
Sovereign securities at amortised cost:			
Moody's Default (Caa1):			
Central Bank of Barbados - Bonds	2,000,000	246,032	2,246,032
Central Bank of Barbados - T Bills	483,537	–	483,537
Carrying amount	2,483,537	246,032	2,729,569

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Credit quality analysis *...continued*

The movement across loan and advances portfolio as at March 31, are in the following staging categories:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Gross carrying amount				
April 1, 2025	**203,915,930**	**9,648,963**	**35,427,427**	**248,992,320**
Stage 1 to stage 2	**(11,659,727)**	**11,659,727**	**–**	**–**
Stage 1 to stage 3	**(978,753)**	**–**	**978,753**	**–**
Stage 2 to stage 1	**4,429,688**	**(4,429,688)**	**–**	**–**
Stage 2 to stage 3	**–**	**(735,028)**	**735,028**	**–**
Stage 3 to stage 1	**43,453**	**–**	**(43,453)**	**–**
Stage 3 to stage 2	**–**	**7,133,381**	**(7,133,381)**	**–**
Net loans originated (paid)	**19,935,413**	**(18,942,858)**	**(115,041)**	**877,514**
Amount written off	**–**	**–**	**200,074**	**200,074**
Gross carrying amount March 31, 2026	**215,686,004**	**4,334,497**	**30,049,407**	**250,069,908**

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Credit quality analysis *...continued*

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Gross carrying amount				
April 1, 2024	216,968,963	11,646,223	35,053,113	263,668,299
Stage 1 to stage 2	(2,589,776)	2,589,776	–	–
Stage 1 to stage 3	(1,392,904)	–	1,392,904	–
Stage 2 to stage 1	8,769,724	(8,769,724)	–	–
Stage 2 to stage 3	–	(2,082,526)	2,082,526	–
Stage 3 to stage 1	4,767,634	–	(4,767,634)	–
Stage 3 to stage 2	–	208,205	(208,205)	–
Net loans originated (paid)	(22,607,711)	6,057,008	1,556,334	(14,994,369)
Amount written off	–	–	318,389	318,389
Gross carrying amount March 31, 2025	203,915,930	9,648,962	35,427,427	248,992,319

Amounts arising from Expected Credit Losses (ECL)

Inputs, assumptions and techniques used for estimating impairment

Measurements of ECL
The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to the financial asset. LGD estimates are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Amounts arising from Expected Credit Losses (ECL) *...continued*

Inputs, assumptions and techniques used for estimating impairment ...continued

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

The measurement of expected credit losses is a complex calculation involving many interrelated inputs and assumptions. The key drivers of changes in expected losses under the IFRS 9 model include our internal historical default rates, transition matrices, unemployment rate, GDP and inflation rate.

Further details on the key inputs and assumptions used as at March 31, 2026, are provided in Note 3.

The following table compares our probability-weighted estimate of expected credit losses for performing loans to expected credit losses estimated in our base case scenario. Results reflect the Stage 1 and Stage 2 allowance for credit losses.

	Carrying value	**Base scenario**
As at March 31, 2026		
ECL on performing loans	**280,844**	**256,547**
As at March 31, 2025		
ECL on performing loans	332,544	330,518

As part of our overlay, we qualitatively increased ECL in stage 2 to reflect the current challenging economic environment. This qualitative adjustment was informed by remaining time to maturity, economic projections, scenario weights and the historical behaviour of our portfolio.

The following table illustrates the impact of staging on our ECL by comparing our allowance if all performing loans were in Stage 1 to the actual ECL recorded on these.

	Performing loans 2026 $	**Performing loans 2025 $**
ECL - all performing loans in Stage 1	**207,060**	173,883
Impact of staging	**73,784**	158,661
	280,844	332,544

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Amounts arising from Expected Credit Losses (ECL) *...continued*

Inputs, assumptions and techniques used for estimating impairment ...continued

Adjustments to ECL have been considered to moderate the impact of dramatic swings in the economic input variables or their lagging impact on credit losses. Judgment has been required in the development and application of these overlays. Management relies on the prediction of key reputable authorities with expertise in the area.

While the Barbados economy is projected to experience 2% to 3% growth in 2026, the impact of other world economies upon its tourism product and related industries remains highly uncertain. Consequently, the assumptions used to determine our allowances have a higher-than-usual degree of uncertainty. The inputs used in the calculation of the allowance are inherently subject to change, which may materially impact our estimate of the allowance for expected credit losses.

The Group's stage 1 allowance for credit losses on the loan portfolios as at March 31, 2026 reflects a increase and stage 2 allowance reflects a decrease as a result of the recent recovery observed in many economies and the resilience of our portfolio. The IFRS 9 model could not solely be used to determine expected credit losses as it was not designed with events of this magnitude in mind. As a consequence, a model overlay was used to account for incremental expected losses not captured by the IFRS 9 model.

To address the uncertainties inherent in the current environment and to reflect all relevant risk factors not captured in our model, we applied expert credit judgement in the design of the overlay and the determination of inputs used in the calculation of the allowance in light of the significant uncertainty, the impact of expert credit judgement on our allowances during 2025-2026 increased as compared to 2024-2025. We applied qualitative adjustments to macroeconomic projections, the assumed credit response of the portfolio to the macroeconomic conditions, levels of loss severity and the determination of significant increase in credit risk.

Key inputs and assumptions

The measurement of expected credit losses is a complex calculation that involves a large number of inputs and assumptions. The key drivers of changes in expected losses include the following:

- Forward looking macroeconomic projections
- Recent portfolio performance;
- Scenario design and the weighs associated with each scenario; and
- Transfers between stages, which can result from changes in any of the above inputs.

Forward looking macroeconomic projections

The PD and LGD inputs used to predict expected credit losses are primarily based on GDP growth projections. The assumed level of response of the PD to the level of economic contraction was informed by historical events, recent portfolio performance and expert judgement. The LGDs used in the calculation of our allowance were qualitatively adjusted upwards to reflect higher expected time to resolution for future defaults secured with real estate collateral. Our allowance for credit losses reflect our economic outlook as at March 31, 2026. Subsequent changes to this forecast and related estimates will be reflected in our allowance for credit losses in future periods.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Amounts arising from Expected Credit Losses (ECL) *...continued*

Inputs, assumptions and techniques used for estimating impairment ...continued

Our base scenario accounts for the expected gradual recovery of Barbados economy during 2025-2026 and for continued expansion in the economy thereafter, with non-performing loans maintaining a downward trajectory for 2026-2027.

Our downside scenario adjust for negative trends which can adversely affect the future of the economy. Our upside scenario considers a marginal improvement on base conditions resulting from faster than expected economic recovery. The forecasts of GDP growth rates were informed by external economic projections of key regulatory authorities.

Internal assessment of the level of resilience of clients

The PDs used are specific to the type of loan and automatically adjusted for the borrower's position during the financial year.

Recent portfolio performance

The PD used for different portfolio segments were qualitatively adjusted to take into account recent portfolio performance. Portfolios which have shown high resilience to the pandemic would have lower PD levels than portfolio with higher default rates.

Changes in scenario design and the weights associated to each scenario

All scenarios considered in our analysis include the impact of the economic conditions as at March 31, 2026; reflective of current economic conditions. In determining our IFRS 9 allowance for credit losses, we reassessed our scenario weights to more heavily weigh the downside scenarios as opposed to those which are the upside.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Amounts arising from Expected Credit Losses (ECL) *...continued*

Loss allowance
The following table shows reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Opening balance	**174,090**	**158,455**	**3,483,300**	**3,815,845**
Stage 1 to stage 2	**(8,870)**	**8,870**	**–**	**–**
Stage 1 to stage 3	**(1,617)**	**–**	**1,617**	**–**
Stage 2 to stage 1	**107,628**	**(107,628)**	**–**	**–**
Stage 2 to stage 3	**–**	**(19,377)**	**19,377**	**–**
Stage 3 to stage 1	**61,420**	**–**	**(61,420)**	**–**
Stage 3 to stage 2	**–**	**18,650**	**(18,650)**	**–**
Net remeasurement of loss allowance	**(125,163)**	**14,386**	**139,514**	**28,737**
Amounts charged off	**–**	**–**	**200,074**	**200,074**
Ending balance	**207,488**	**73,356**	**3,763,812**	**4,044,656**

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans and advances to customers at amortised cost:				
Opening balance	643,091	303,680	3,998,421	4,945,192
Stage 1 to stage 2	(8,186)	8,186	–	–
Stage 1 to stage 3	(4,279)	–	4,279	–
Stage 2 to stage 1	228,871	(228,871)	–	–
Stage 2 to stage 3	–	(54,170)	54,170	–
Stage 3 to stage 1	536,240	–	(536,240)	–
Stage 3 to stage 2	–	23,738	(23,738)	–
Net remeasurement of loss allowance	(1,221,647)	105,890	(331,979)	(1,447,736)
Amounts charged off	–	–	318,389	318,389
Ending balance	174,090	158,453	3,483,302	3,815,845

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Loans and advances renegotiated

Restructuring activities include extended payment arrangements, approved external management plans and modification of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Renegotiated loans that would otherwise be past due or impaired totalled $Nil (2025 - $Nil) at March 31, 2026.

Repossessed collateral

The Group took possession of collateral held as security in the amount of $966,775 (2025 - $1,445,509) during 2026.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Interest rate risk

Interest rate risk arises when there is a mismatch between the size and maturity of interest earning assets and deposit liabilities such that interest rate charges can expose the Group to earning volatility.

Differences in contractual re-pricing or maturity dates and changes in interest rates may expose the Group to interest rate risk. The table below summarises the Group's exposure to interest rate risk on its interest-bearing assets and liabilities:

2026	Total $	Within 3 months $	Within 3 months to 1 year $	Between 1 to 5 years $	Over 5 years $	Non-interest bearing $
Assets						
Cash resources	**39,168,997**	**1,145,857**	**5,500,000**	**–**	**–**	**32,523,140**
Investment securities - amortised cost	**698,209**	**–**	**–**	**–**	**698,209**	**–**
Loans and advances	**252,915,606**	**5,304,590**	**7,602,162**	**46,873,437**	**193,052,830**	**82,587**
Due from related company	**3,069,524**	**–**	**–**	**–**	**–**	**3,069,524**
Other assets	**10,856,118**	**–**	**–**	**–**	**–**	**10,856,118**
Total financial assets	**306,708,454**	**6,450,447**	**13,102,162**	**46,873,437**	**193,751,039**	**46,531,369**
Liabilities						
Customer deposits	**245,491,187**	**53,645,428**	**80,583,132**	**100,322,778**	**10,843,139**	**96,710**
Due to related company	**2,594,496**	**–**	**–**	**–**	**–**	**2,594,496**
Loans payable	**29,481,233**	**457,967**	**1,398,182**	**5,841,862**	**21,783,222**	**–**
Other liabilities	**6,323,633**	**93,118**	**260,545**	**875,161**	**–**	**5,094,809**
Total financial liabilities	**283,890,549**	**54,196,513**	**82,241,859**	**107,039,801**	**32,626,361**	**7,786,015**
Total interest Repricing gap		**(47,746,066)**	**(69,139,697)**	**(60,166,364)**	**161,124,679**	

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Interest rate risk *...continued*

2025	**Total** **$**	**Within 3 months** **$**	**Within 3 months to 1 year** **$**	**Between 1 to 5 years** **$**	**Over 5 years** **$**	**Non-interest bearing** **$**
Assets						
Cash resources	52,524,105	37,075,152	3,500,000	–	–	11,948,953
Investment securities - amortised cost	2,720,379	–	2,000,000	–	720,379	–
Loans and advances	250,473,022	3,896,103	7,468,896	46,086,400	192,082,990	938,633
Due from related company	2,639,782	–	–	–	–	2,639,782
Other assets	9,339,252	–	–	346,821	–	8,992,431
Total financial assets	317,696,540	40,971,255	12,968,896	46,433,221	192,803,369	24,519,799
Liabilities						
Customer deposits	255,682,659	53,872,895	114,815,882	79,162,307	7,682,335	149,240
Due to related company	587,980	587,980	–	–	–	–
Loans payable	32,983,786	470,802	1,431,105	7,306,712	23,775,167	–
Other liabilities	7,409,429	137,956	424,240	2,413,690	–	4,433,543
Total financial liabilities	296,663,854	55,069,633	116,671,227	88,882,709	31,457,502	4,582,783
Total interest Repricing gap		(14,098,378)	(103,702,331)	(42,449,488)	161,345,867	

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

An interest rate sensitivity analysis was performed to determine the impact on profit of reasonable possible changes in the interest rates prevailing as at March 31, 2026, with all other variables held constant.

The impact is illustrated and shown in the table below:

	2026 $	2025 $
Increase/decrease of 100 bps		
Impact on profit + 100 bps	**159,274**	10,957
Impact on profit – 100 bps	**(159,274)**	(10,957)

Currency risk

Currency risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

The Group is exposed to foreign exchange risk primarily with respect to Eastern Caribbean and United States dollars. These amounts are fixed to the Barbados dollar.

Management monitors economic and political conditions in the countries in which the Group operates for risks of currency fluctuations.

	2026			
	Barbados $	United States $	Eastern Caribbean $	Total $
Assets:				
Cash resources	33,695,844	3,417,693	2,055,460	39,168,997
Investment securities:				
Amortised cost	698,209	–	–	698,209
FVOCI	1,348,620	–	–	1,348,620
Loans and advances	234,516,034	–	18,399,572	252,915,606
Due from related company	3,069,524	–	–	3,069,524
Other assets	7,111,924	3,626,362	117,833	10,856,119
Total Financial Assets	280,440,155	7,044,055	20,572,865	308,057,075
Liabilities:				
Customer deposits	222,432,324	–	23,058,863	245,491,187
Loans payable	29,481,233	–	–	29,481,233
Due to related company	2,594,496	–	–	2,594,496
Other liabilities	6,042,820	–	280,813	6,323,633
Total Financial Liabilities	260,550,873	–	23,339,676	283,890,549

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Currency risk *...continued*

	2025			
	Barbados	**United States**	**Eastern Caribbean**	**Total**
	$	**$**	**$**	**$**
Assets:				
Cash resources	41,999,991	7,432,467	3,091,647	52,524,105
Investment securities:				
Amortised cost	2,720,379	–	–	2,720,379
FVOCI	1,190,673	–	–	1,190,673
Loans and advances	232,456,745	–	18,016,277	250,473,022
Due from related company	2,639,782	–	–	2,639,782
Other assets	5,957,354	3,117,470	264,428	9,339,252
Total Financial Assets	286,964,924	10,549,937	21,372,352	318,887,213
Liabilities:				
Customer deposits	232,102,779	–	23,579,880	255,682,659
Loans payable	32,983,786	–	–	32,983,786
Due to related company	587,980	–	–	587,980
Other liabilities	6,708,411	–	701,018	7,409,429
Total Financial Liabilities	272,382,956	–	24,280,898	296,663,854

Liquidity risk

Liquidity risk is the risk that the Group 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 consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Management of the Group's liquidity is the responsibility of the Asset and Liability Management Committee. Management of this liquidity is performed on a daily basis.

On July 28, 2022 the Parent Company was placed under enhanced monitoring by its regulator the Central Bank of Barbados under the Financial Institutions Act. This requires the Parent Company to provide certain daily reports along with additional monthly and quarterly reporting on its operations.

The Parent Company has received a letter of support from BPWCCUL indicating that it is committed to ensuring the Parent Company has adequate resources to meet all its liabilities as they arise for a period of at least twelve months.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Liquidity risk *...continued*

The Group manages its liquidity risk by performing the following:

- Day-to-day funding, managed by monitoring future cash flows to ensure that the requirements can be met;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements;
- Managing the concentration and profile of debt securities; and
- Monitoring and reporting using monthly cash flow measurement and projections including an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Liquidity risk management approach

The steps taken by the Group to respond to possible future liquidity constraints arising from events and the impact of those steps on the Group's financial statements include the following:

i) The Asset and Liability Management Committee meets regularly to discuss strategies and plans around managing the liquidity and the capital needs of the Group.

ii) Robust stress testing of our liquidity buffer at levels above regulatory requirements:

- Assessing the monthly inflow and outflow of funds (liquidity forecasting);
- Identifying and assessing the adequacy of contingency liquidity funding requirements;
- Revisiting measures geared at strengthening the Group's capital base; and the monitoring of portfolio behavioural matrices in reference to customers servicing their loans.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Liquidity risk management approach *...continued*

The table below analyses the contractual cash flows of the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

2026	Total $	Within 3 months $	Within 3 months to 1 year $	Between 1 to 5 years $	Over 5 years $
Assets					
Cash resources	**39,168,997**	**26,420,296**	**4,000,000**	**–**	**8,748,701**
Investment securities - amortised cost	**698,209**	**–**	**–**	**–**	**698,209**
Loans and advances to customers	**385,150,533**	**6,269,906**	**18,561,779**	**98,991,074**	**261,327,774**
Due from related company	**3,069,524**	**3,069,524**	**–**	**–**	**–**
Other assets	**10,856,118**	**10,856,118**	**–**	**–**	**–**
Total assets	**438,943,381**	**46,615,844**	**22,561,779**	**98,991,074**	**270,774,684**
Liabilities					
Customer deposits	**254,521,990**	**54,540,310**	**82,305,932**	**107,070,772**	**10,604,976**
Loan payable	**29,568,403**	**470,329**	**1,429,652**	**5,885,200**	**21,783,222**
Due to related company	**2,594,496**	**2,594,496**	**–**	**–**	**–**
Lease liability	**1,332,977**	**106,063**	**298,438**	**928,476**	**–**
Other liabilities	**5,094,809**	**5,094,809**	**–**	**–**	**–**
Total financial liabilities	**293,112,675**	**62,806,007**	**84,034,022**	**113,884,448**	**32,388,198**
Net liquidity gap		**(16,190,163)**	**(61,472,243)**	**(14,893,374)**	**238,386,486**

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Liquidity risk management approach *...continued*

2025	Total $	Within 3 months $	Within 3 months to 1 year $	Between 1 to 5 years $	Over 5 years $
Assets					
Cash resources	52,524,105	40,275,404	3,500,000	–	8,748,701
Investment securities - amortised cost	2,720,379	–	2,000,000	–	720,379
Loans and advances to customers	384,407,059	7,083,357	18,431,827	98,240,031	260,651,844
Due from related company	2,639,782	2,639,782	–	–	–
Other assets	9,339,252	9,339,252	–	–	–
Total assets	451,630,577	59,337,795	23,931,827	98,240,031	270,120,924
Liabilities					
Customer deposits	263,543,691	54,848,994	117,287,365	83,900,099	7,507,233
Loan payable	33,129,559	486,865	1,473,755	7,393,772	23,775,167
Due to related company	587,980	587,980	–	–	–
Other liabilities	7,409,429	4,567,309	424,240	2,417,880	–
Total financial liabilities	304,670,659	60,491,148	119,185,360	93,711,751	31,282,400
Net liquidity gap		(1,153,353)	(95,253,533)	4,528,280	238,838,524

Capital management

The Group's objectives when managing capital are:

- To comply with the capital requirements set by the regulators of financial institutions where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to its shareholder and benefits for other stakeholders; and

To maintain a strong capital base to support the development of its business.

(expressed in Barbados dollars)

24 Financial Risk Management *...continued*

Liquidity risk management approach *...continued*

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on policies and guidelines regulated by the Financial Institutions Act. The required information is filed with the Central Bank of Barbados on a quarterly basis.

The Central Bank of Barbados requires the Group to: (a) hold the minimum level of the regulatory capital and (b) maintain a ratio of total regulatory capital to risk-weighted assets at the internationally agreed minimum of 8% for the Parent Company and an additional 4% for the branch in St. Lucia. At March 31, 2026 the risk-weighted assets were $201,587,225 (2025 - $209,222,450) and the ratio for Tiers I & II was 18.14% (2025 - 17.5%).

The Group has complied with all externally imposed capital requirements.

25 Fair Value of Financial Instruments

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is best evidenced by a quoted market price, if one exists.

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

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

For financial assets and financial liabilities that are liquid or have short term maturity, it is assumed that the carrying amounts approximate their fair value. These include cash resources, due from related companies, other assets and other liabilities. The fair value of debt securities is based on quoted prices where available, or otherwise based on an appropriate yield curve with the same remaining term to maturity. The fair value of loans and advances largely approximates carrying value as the Group's portfolio comprises mainly variable rate loans. The fair value of deposits takes account of certain fixed rate deposits which have been discounted at current interest rates.

(expressed in Barbados dollars)

25 Fair Value of Financial Instruments *...continued*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are shown in the table below:

	2026		2025	
	Carrying amount $	**Fair value $**	**Carrying amount $**	**Fair value $**
Assets:				
Cash resources	**39,168,997**	**39,168,997**	52,524,105	52,524,105
Financial investments:				
Amortised cost	**698,209**	**698,209**	2,720,379	2,720,379
FVOCI - quoted	**541,182**	**541,182**	383,235	383,235
FVOCI - unquoted	**807,438**	**807,438**	807,437	807,437
Loans and advances	**252,915,605**	**249,996,118**	250,473,022	250,473,022
Due from related company	**3,069,524**	**3,069,524**	2,639,782	2,639,782
Other assets	**10,856,118**	**10,856,118**	9,339,252	9,339,252
	308,057,073	**305,137,586**	318,887,212	318,887,212
Liabilities:				
Customer deposits	**245,491,186**	**239,471,063**	255,682,659	248,757,341
Loans payable	**29,481,233**	**29,481,233**	32,983,786	32,983,786
Due to related company	**2,594,496**	**2,594,496**	587,980	587,980
Other liabilities	**6,323,632**	**6,315,385**	7,409,429	7,409,429
	283,890,547	**277,862,177**	296,663,854	289,738,536

(expressed in Barbados dollars)

25 Fair Value of Financial Instruments *...continued*

Determination of fair value and fair value hierarchy

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

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

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

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

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

The following table presents the Group's financial instruments that are measured at fair value.

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investment securities				
FVOCI				
- Equity securities	**541,182**	**–**	**807,438**	**1,348,620**

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investment securities				
FVOCI				
- Equity securities	383,235	–	807,438	1,190,673

(expressed in Barbados dollars)

25 Fair Value of Financial Instruments *...continued*

Determination of fair value and fair value hierarchy *...continued*

The following table shows a reconciliation of all movements in the fair value of financial investments categorised within Level 1 between the beginning and end of the reporting period.

	2026 **$**	**2025** **$**
Balance - beginning of year	**383,235**	263,435
Unrealised gain	**157,947**	119,800
Balance - end of year	**541,182**	383,235

The following table shows a reconciliation of all movements in the fair value of financial investments categorised within Level 3 between the beginning and end of the reporting period.

	2026 **$**	**2025** **$**
Balance - beginning of year	**807,438**	807,438
Balance - end of year	**807,438**	807,438

There were no transfers in or out of Level 3 during the year ended March 31, 2026 (2025 - $Nil).

Unobservable inputs used in measuring Level 3 fair values

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Asset based approach with discounts applied where prudent, with subsequent consideration of the Group's shareholding.	Net assets Shareholding percentage	The estimated fair value would increase/(decrease) if: Net assets were higher/(lower) Shareholding increases/(decreases)

26 Events After Reporting Date

The date of authorisation for issue is disclosed in Note 2. There were no material adjusting or non-adjusting events between the reporting date and the date of authorisation.