
















LA INMACULADA CREDIT UNION LTD.

71ST ANNUAL GENERAL MEETING

AGENDA

MEETING CALLED TO ORDER BY PRESIDENT

NATIONAL ANTHEM

OPENING PRAYER
(See inside back cover) – One Minute Silence

WELCOME REMARKS

MINUTES
- Confirmation of Minutes of the 70th Annual General Meeting
- Business Arising from the Minutes of the Last Meeting

REPORTS
- Board of Directors
- Treasurer's Report
- Credit Committee
- Supervisory Committee

DISCUSSION AND ACCEPTANCE OF REPORTS

DECLARATION OF DIVIDENDS

ELECTION OF OFFICERS
- Board of Directors

OTHER BUSINESS

NEW BUSINESS
- Confirmation of External Auditor

ADJOURNMENT OF BUSINESS MEETING

REFRESHMENTS AND PRIZES





MINUTES OF THE 70TH ANNUAL GENERAL MEETING OF THE LA INMACULADA CREDIT LIMITED

held at the Muffles College Auditorium, Orange Walk Town on Saturday June 22, 2019

OPENING AND PRELIMINARIES

CALL TO ORDER

The meeting was called to order by the President, Ms. Ena Martinez, at 10:20 a.m. The opening prayer was led by Fr. Gilbert Nautilus. The Welcome address was given by Ms. Ena Martinez.

MINUTES (69TH AGM)

CORRECTIONS

The minutes of the 69th Annual General Meeting were accepted as presented on a motion by Mr. Emmanuel Martinez and seconded by Ms. Nellie Briceño.

MATTERS ARISING

Mr. Emmanuel Martinez asked for an update on the Court case. The President informed that LI-CU's witnesses had testified on February 17, 2019, bringing the case to a close. The lawyers have

submitted their final argument as well. The judge is yet to give her verdict.
Mr. Otilio Muñoz asked whether the migration of members to other institutions was due to the pending litigation. The GM responded that this is not so and this is an issue being experienced by all credit unions due to the low interest rates offered by the banks and their aggressive recruitment of customers.

Mr. Evaristo Blanco asked for an update on the attorney's fees regarding the Court case. The GM directed his attention to the financial report where the expense was recorded. It was also added that had the change of management not happened in 2015, the repercussions would have been much more than what has been spent on lawyer's fees.

Mr. Ricardo Castillo asked whether there is any security or insurance to help with any potential litigation. The GM responded that a bond exists between LICU and RF&G Insurance. She said that this case is unprecedented and that the process is ongoing.

Ms. Eufemia Gutierrez asked for an explanation on what the Rural Credit Fund is. The GM explained that this is a program sponsored by IDB to assist members from the rural areas to access credit.

Mr. Otilio Muñoz encouraged LICU to continue with the Star Savers Program at the primary schools and asked that it be done consistently.

BOARD OF DIRECTORS REPORT

DEPOSITORY BIN SERVICES

A depository bin with twenty-four hour service was introduced at the Orange Walk Branch. Deposits can now be made for shares, loan payments or savings.

BILL PAYMENT SERVICES

The payment for most bills can now be made over the counter at both branches. Top-up services are also available for both Digicel and SMART at the two branches.

PARKING LOT

The parking lot now counts with designated parking for members with disabilities. Wheelchair services are also available for members who may require it.

SHARETEC SYSTEM – CORE BANKING CONVERSION

A contract was signed on September 2018 with Bradford Scott Data Corporation (BSDC), designers and creators of Sharetec, a new core banking system for credit unions. LICU is expected to fully migrate into this new banking system on August 1, 2019.

THE GROUP TERM LIFE FUND - MEMBERSHIP SCHEME

The membership Scheme Sunrise to Sunset has assisted the beneficiaries of 515 members as at March 31, 2019. The assistance provided for the financial year in question was $220,000.00. During this same year, the fund grew by $169,836.62 after paying seventy five (75) benefits in comparison to sixty five (65) paid the previous year. The fund stood at $1,535,169.86 as at March 31, 2019 after expensing out $10,107.00 for a comprehensive actuarial review.

SAVINGS AND LOAN MEMBERSHIP SCHEME

Total benefits paid from the scheme amounted to $460,598.60 and assisted eighty (81) families for the financial year in review.

The fund grew by $124,328.71 and has a balance of $1,493,607.59 after nine (9) years of existence.

ALLIANCES/PARTNERSHIP/NETWORKING

RF&G INSURANCE

The 15% discount given to members under this program resulted in total earnings discount of $19,924.47. This is a significant increase in comparison to $9,575.26 from the previous year.
CARIBBEAN CONFEDERATION OF CREDIT UNIONS (CCCU) CONVENTION 2018

The CCCU 61st Annual International Convention was held in Port of Spain, Trinidad, in June 2018 under the theme “Credit Unions: The Power to Change the Future”. The main focus was mainly on the impacts and implementation of International Financial Reporting Standards (IFRS-9).

LICU STAR SAVERS PROGRAM

This program serves thirteen (13) schools with a total of 721 students that have saved a commendable cumulative amount of $64,738.59.

STUDENT LOAN PROGRAM WITH BELIZE NATURAL ENERGY CHARITABLE TRUST (BNECT)

As at March 31, 2019 LICU and BNECT assisted 270 students with a total value of $1,157,132.71.

EXTERNAL FUNDING

SUGAR CANE REPLANTING PROGRAM (SCRP)

As at March 31, 2019 the loan portfolio for this program stood at $422,893.76. This external debt with DFC should be cleared in the coming fiscal year.

SOCIAL ENTREPRENEURSHIP PROGRAM (SEP)

This loan facility was obtained from IDB/MIF. The portfolio stood at $190,135.01. This will also be cleared in the coming fiscal year.

EMPOWERMENT FUND

This fund, a total of $250,000.00 from the BNECT account, is used for income generating loans. Dialogue with BNECT has taken place in an effort to review the conditions for approval so as to make it more accessible.

EDUCATION AND TRAINING

To date, thirty four (34) primary school students have received scholarships. Each student received $4,000.00 to assist them throughout their four years of study at a high school of their choice.

STAFF DEVELOPMENT

STAFF AND VOLUNTEERS TRAINING & DEVELOPMENT

The LICU Board, Committees, Management and Staff participated in a series of training as follows:

- Front-line Customer Service Training for staff.
- Training on the Basic Principles of Insurance held on June, 2018.
- Training on Service Excellence for staff held in August 2018.
- Training on Team Building for staff held in September 2018.
- Micro Finance Alliance Forum held in October in Jamaica. The General Manager and a Board member attended.
- Anti-Money Laundering (AML) and Counter financing of Terrorism (CFT) training for the Board, Compliance Officer and General Manager was held in February 2019.

HUMAN RESOURCE COMPLEMENT

The staff was complemented with the addition of nine (9) employees, 5 of which were for the Orange Walk Branch, and the other four (4) were for the Belmopan Branch.

COMPLIANCE AND REGULATION

As part of compliance, LICU urged its members to update their personal records at least once a year. Members are asked to produce an identification, proof of address, and source of funds decla-

ration when updating their accounts.

DELINQUENCY

In order to mitigate delinquency, the Collections Department has a formal and enforceable policy that entails courtesy calls, reminder letters and, of last resort, court action and foreclosures. LICU has also implemented monthly schedules where delinquent members are visited at their homes by Loan Monitoring Officers.

BELMOPAN BRANCH

The Belmopan Branch has been in operation since October 2013 and remains under the leadership of the current Officer in Charge, Ms. Danita Young. The branch's membership currently stands at 5,136 with over $9.7M under the loan portfolio.

DECLARATION OF DIVIDENDS

The net surplus stood at $2,933,363.00 after all statutory allocations had been fully complied with. The Board declared a 5% dividend and a 6% rebate. The declaration of dividends and rebate was resoundingly approved by a raise of hands of members.

TREASURER'S REPORT

The fiscal year in question yielded the following results:

- Savings increased by $1,276,000.07 or 2%
- Assets increased by $1,844,505.60 or 3%
- Loans decreased by $1,504,342.14 or -2.6%
- Net loans receivable decreased by $507,178.00

A total of $4,654,866.63 has been expensed for non-performing loans in the last four years due to poor credit analysis, negligent securitization, purposeful manipulation and deliberate manipulation of data under the previous management.

On the advice of the regulators, almost $1.5 million was removed in non-performing loans from the active loans, hence the reduction in the loan portfolio in the same amount.

An additional $4,274,859.00 has been provisioned in the last four years to build up the Net Institutional Capital. The total of these two allocations is almost $9million which LICU should have been allocating during previous years, but was not doing so.

A total of 1,374 new accounts between the main branch and the branch office were opened. This shows an increase compared to 1,103 for the previous fiscal year.

CREDIT COMMITTEE'S REPORT

For the past fiscal year, 6,305 loans were approved at a total value of $38,147,338.39. In comparison to the previous fiscal year this is a growth of $1,105,855.16 (3%). The top five loan purposes were as follows:

- Repairs $5,086,922.02
- Christmas $4,798,984.60
- Education $4,302,724.54
- Medical $4,062,106.34
- Business $3,850,163.81

The overall aggregate loan portfolio stood at $55,794,579.30 with the Belmopan branch bearing a value of $9,931,159.79 and the Orange Walk branch with a value of $45,863,419.51.

The aggregate loan experienced a decrease from $57,298,851.00 to $55,794,579.30, a difference of $1,504,342.00 which is a 2.6% decrease.

In compliance with Central Bank's requirements, $1,475,603.50 of loans in arrears has been written off. Delinquency is at 12.2% with a value of $6,804,712.94.

SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee examined the financial statements at LICU and the related reports for the fiscal year.

In January 2019, they hired Mr. Emir Vega to fill the post of Internal Auditor.

With the assistance of the internal auditor, the Supervisory Committee also performed the following tasks:

1. Established the internal audit function and developed an internal audit charter at LICU.
2. Assisted with ongoing supervision and implementation of the new core banking system.
3. Reviewed bank reconciliations.
4. Reviewed loan files for adherence to policies and procedures.
5. Conducted cash counts throughout the year at both branches.
6. Engaged a new external auditor for this fiscal year – BDO Belize LLP.
7. Conducted an institution-wide risk assessment.
8. Reviewed minutes of meetings with Board of Directors.
9. Reviewed the financial statements.
10. Attended training sessions on AML/CFT and roles of Supervisory Committee.
11. Reviewed purchases made using the credit card.

DISCUSSION OF REPORTS

Mr. Emmanuel Martinez questioned the reason for not reengaging the services of Baker Tilly Hulse as auditors. Mr. Isael Cajun, Officer in the Supervisory Committee, responded that legislation dictates that auditors be changed every three years.

The reports were all accepted as presented on a motion by Mr. Emmanuel Martinez and seconded by Mr. Arturo Acosta.

ELECTION OF OFFICERS

Ms. Corine Fuller, Executive Director of the Belize Credit Union League, conducted elections for three vacancies in the Board, being the posts held by Ms. Ena Martinez, Ms. Teresita Miranda, who was absent at the meeting, and Mr. Manuel Polanco.

Ms. Fuller read the rules and regulations as per the bylaws.

The nominating committee, which was comprised of Mr. Belarmino Esquivel, Vice President of the Board, Ms. Lisa Carballo, Chairperson of the Supervisory Committee, and Mr. Javier Moreno, Chairperson of the Credit Committee, had nominated Ms. Martinez, Ms. Miranda and Mr. Polanco for the vacant posts. They accepted nominations. Ms. Fuller read a letter from Ms. Miranda in which she accepted nomination. However, Ms. Fuller explained that the bylaws required that nominations be accepted from the floor. She, therefore, asked that nominations from the floor be opened for two minutes. Mr. Raul Cocom nominated Ms. Marina Gongora, who accepted the nomination. Ms. Marina Gongora nominated Mr. Otilio Muñoz, who also accepted the nomination. Mr. John Carrillo nominated Ms. Desideria Canul who declined the nomination. Ms. Eufemia Gutierrez moved that nominations be closed. This was seconded by Ms. Arcelia Leiva. The membership approved the motion.

Voting was done with the use of ballots. Staff members were asked to share one ballot paper to members only. Members were asked to vote for three persons only. Mr. Moreno, Master of Ceremonies, explained the rules for voting in Spanish. Ms. Fuller went on to read the roles and responsibilities of Board members. Each nominee was given an opportunity to introduce himself/herself to the membership. Ms. Jacqueline Taibo, from the Credit Union League, assisted in collecting the ballots. Counting and reconciling of the ballot papers were conducted by representatives of the different sister credit unions who were present.

The results of the voting were as follows:

- Ms. Ena Martinez 212 votes
- Ms. Teresita Miranda 216 votes
- Mr. Manuel Polanco 281 votes
- Mr. Otilio Muñoz 182 votes
- Ms. Marina Gongora 144 Votes

Ms. Ena Martinez, Ms. Teresita Miranda and Mr. Manuel Polanco were duly elected and requested to join the head table once again.

NEW BUSINESS

CONFIRMATION OF EXTERNAL AUDITOR

Mr. Belarmino Esquivel, Vice President, proposed that the services of BDO Belize LLP be reengaged as auditor for the next fiscal year. The membership approved by raising their hands.

Resolution – Amendments to Bylaws

Mr. Ricardo spoke on the expulsion of members and said that, instead, members could be taken to court for any wrong doing or misbehaviour.

Ms. Arcelia Leiva inquired about the practice in which, in order to join the credit union, a person needed to be recommended by a current member. Ms. Urbina responded that this practice is no longer in effect.

Mr. Evaristo Blanco commented on the lack of information concerning the proposed changes to the bylaws. Ms. Urbina and Mr. Esquivel responded that the proposed changes were available for all members at both branch offices at least a month before the AGM. They also mentioned that this was widely advertised.

Mr. Blanco further commented that the proposed change of quorum from 1,000 members to 500 members could be detrimental to LICU.

Mr. Raul Cocom questioned the tenure of nine years of service for volunteers. Mr. Esquivel explained that this came into effect in 2012.

Mr. Blanco asked for clarification on the Board's power to borrow. Ms. Urbina directed Mr. Blanco's attention to page three of the financial report and told him this could serve as a guide. She further said that the power to borrow was applied for efficiency. It can also assist in covering operational expenses, she said. She went on to say that it would not be feasible to call a meeting every time for membership approval.

Mr. Ricardo Castillo questioned the maximum dividend that could be paid to members. Mr. Urbina responded that it is 8%.

Mr. Castillo asked that members be listened to and that their concerns be taken seriously. He also asked members to participate and speak up at the AGMs.

Mr. Moreno asked the membership for approval of the amendments to the bylaws by a show of hands. The motion did not receive the two thirds majority required for the motion to be approved.

There was uncertainty on the issues of removal of members from the credit union and that of quorum.

In the interest of time, Mr. Esquivel made a motion that, except for those two issues of concern, the membership show approval for the rest of the proposed amendments by a raise of hands.
The motion was approved by a two thirds majority of the membership.

ADJOURNMENT

The meeting was adjourned at 1:59 p.m. on a motion by Mr. Arturo Acosta. This was seconded by Mr. Gaspar Navarro. The membership approved the motion.

At this time food and refreshments were served. Raffles were also drawn. The winners were as follows:

KIDS CORNER

Prize	Winner	Ticket No.
$10.00 cash	Kailyn Villanueva	0019/19
$10.00 cash	Sandra Noelie Mendez	0018/19
$10.00 cash	Zelvin Ramirez	0025/19
$10.00 cash	Ector Villanueva	0024/19
$10.00 cash	Abraham Balam	0023/19
$10.00 cash	Janina Stamp	0022/19
$10.00 cash	Emmanuel Jordan	0021/19
$10.00 cash	Jaepheth Lizama	0020/19
$10.00 cash	Dayana Padron	0016/19
$10.00 cash	Rosicela Guillen	0017/19

Punctuality Prizes

Prize	Winner	Ticket No.
Cash or shares	Lilia Coba	449392
Cash or shares	Ana Castillo	449510
Cash or shares	Maria Bidez	449517
Cash or shares	Leandro Arcurio	449470
Cash or shares	Ismael Pacheco	449542
Cash or shares	Reymundo Wright	449712
Cash or shares	Nelli Briceño	449653
Cash or shares	Celso Mendez	449724
Cash or shares	Amauri Hyde	449527
Cash or shares	Juanita Tuyub	449666

RAFFLES

Prize	Winner	Ticket No.
Oster Steam Iron	Ginelly Miranda	248816
Black & Decker Blender	Julisa Pacheco	449541
Lasko Fan	Antonio Oliva	449670
Homelite Trimmer	Ricardo Riveroll	449450
Radio Shack Sound Bar	Gaspar Navarro	449480
Oster Toaster Oven	Sheldon Pascasio	248741
Samsung 7 Tablet	Clara Pate	449465
Alcatel Cell Phone	Nirva Muriel Magaña	449473
Mabe Refrigerator	Raquel Chan	449523
Land Ranger Exercise Bike	Leti Grajalez	449578
Sofa Bed	Miguel Orosco	449497
43’ LED/Smart TCL TV	Anita Pate	449467

Respectfully Submitted,



Manuel Polanco
Secretary

BOARD OF DIRECTORS 2019-2020



Ena A. Martinez
PRESIDENT



Belarmino Esquivel
VICE PRESIDENT



Manuel Polanco
SECRETARY



David Costanza
ASSISTANT SECRETARY



Cindy Castillo
TREASURER



Teresita Miranda
DIRECTOR



Oscar Gutiérrez
DIRECTOR

BOARD OF DIRECTORS REPORT 2019 - 2020

It is truly a privilege to report on our fiscal year especially after having to face the unexpected and ongoing challenge and threat of COVID-19, which has thankfully subsided. We indeed have a lot to be thankful as we come to our 71th Annual General Meeting!!

I guess that after having our entire lives, schedules, expectations and access to services being limited, changed or removed, we have a new and higher appreciation for the blessings that we have today. We were forced to realign our thoughts, our spending habits and our actions overnight. This challenging time highlighted the importance of saving daily to prepare for the unexpected.

We were pleased to work through the pandemic by adjusting our hours and schedules for the safety of our staff whilst meeting your daily needs. It was indeed very rewarding to see so many of you making every effort to remain in good standing to be able to continue access our services and benefits as we face debt, loss of income and diminishing options as we build a new way of life, a better way of life.

We thank you for your continued support during the year and your kind adherence to the required conditions imposed by law during COVID-19. We had to come together as a staff, as a movement and as an integral part of our community and country.

We pledge to continue working with you to create products that will support your small business that will allow you the flexibility to once again be able to manage your finances and to enhance our services to be able to better support you in any new and unforeseen circumstance.

We have seen the importance of working together and the support that we can give each other, let us embrace the philosophy of People Helping People to Help Themselves to a higher level!!

SERVICES

We have all been challenged to rethink about our way of life, our priorities and our expectations. We also had to make changes in our structure to accommodate our schedules and resources to meet your needs in these challenging times. We are pleased to share that we were able to offer support to you by allowing remote access to our staff and having rotations so that we were at your service every single day to offer guidance and support.

During the past fiscal year we had already been looking at options on how to prepare for climate change and for us to be more resilient in the face of unexpected adversity. We once again joined efforts with our international and local partners to participate in another EcoMicro project with the BCUL and two other sister credit unions.

We have also been participating in working groups with the BCUL for Social Performance Management, IFRS9, Compliance Officer's meeting, Manager's meetings etc. all in an effort to be aware of the opportunities, challenges and risks that we have as a movement.

NEW SERVICES AND BENEFITS

DEPOSITORY BIN SERVICES 24/7



We launched our Depository Bin services on March 28, 2019 and it has proven to be a well received and highly used service. Our members have the option to make their deposits at the time of their convenience without having to wait in line. The transactions are processed at 8:30 a.m. during working days for your convenience.

All members are encouraged to use this easy, quick and convenient service to maximize your time and still remain up to date with your payments and savings.

This service proved to be even more useful during the COVID-19 crisis as members were able to continue making their payments when we had to reduce our opening days and opening hours. We saw the increased uptake of this service and we are pleased to inform that we are already making arrangements to include a second ATM machine at our Orange Walk Office for increased access and convenience.

Members are kindly reminded that all protocols and requirements apply to transactions made via the Depository Bin. All accounts must be updated before transactions can be made via the Deposit Bin.

BILL PAYMENT SERVICES

LICU also started to offer the bill payment services last fiscal year and we have seen the immediate uptake of this basic service by our members. This added service also saves time as members can make all their payments at their trusted credit union.

Members need to have their full information to ensure that it is credited to the correct account. The proceeds need to be deposited into your deposit account and it is then credited to make the payment to the requested payment.

As of July 1, 2020, kindly ensure to present the utility bills for payments as the system is being upgraded and will require the input of the relevant information once more.

SHARETEC SYSTEM – CORE BANKING CONVERSION

On August 1, 2019 we migrated to our new core banking system, ShareTec. We had a seamless transition as we only had to close the office to the membership for only two (2) working days for the transition.

We made the major decision to transition to bring more accountability, controls and enhanced features with technological advances.

We were able to immediately offer mobile banking which allowed you to quickly and easily access the information on your accounts at your convenience and leisure. The access of account information was now available online hence we discontinued the printing of passbooks which was the environmentally friendly option.

The benefits at the operational level were appreciated immediately as our front line was able to move the lines at a faster pace than before thereby reducing the waiting time at the lines. We also integrated many processes that also allowed us to become even more compliant with AML/CFT requirements in a timelier manner. Our credit process was also expedited as many processes were automated and integrated.

In addition, we have far better internal controls now and can quickly identify any discrepancies

and address them forthwith. The adaptation of this new technology allowed us to easily be able to serve you from our homes remotely during the COVID crisis.

The investment was a significant one as can be appreciated in the increase of our fixed assets and in the maintenance costs, however the controls, auditing and the overall accountability is reassuring that your hard earned investments are being monitored, invested and reported accurately.

THE GROUP TERM LIFE FUND – MEMBERSHIP SCHEME

The Membership Scheme – Sunrise to Sunset Fund has been assisting the beneficiaries of our members-owners since 2006 and has assisted 515 entire families as at March 31, 2019.

The assistance provided for this past year totaled $202,000.00 as follows:

1	4,000.00	Angelina Burgos	35	4,000.00	Elsie T. Novelo
2	4,000.00	Augustina Chan	36	4,000.00	Marlene Teul
3	2,000.00	Mercedes Torres	37	2,000.00	Ofilia Molina
4	2,000.00	Catalino Mai	38	2,000.00	Armando Sanchez
5	4,000.00	Baldemar Magana	39	2,000.00	Morena Amaya
6	2,000.00	Gonzalo Tuz	40	2,000.00	Jose Baraona Crus
7	2,000.00	Zenaida Mendez	41	2,000.00	Merced Hill
8	4,000.00	Gilda Reyes [1st benficiary]	42	4,000.00	Jose Luis Catzim
9	2,000.00	Yvonne Smith	43	2,000.00	Elisinda Castro
10	4,000.00	Charles Usher	44	4,000.00	Ruperto Chuc
11	2,000.00	Hipolito Novelo	45	4,000.00	Manuel Leiva
12	4,000.00	Selene Rodriguez	46	4,000.00	Harold Tillett
13	2,000.00	Paulino Ramos	47	2,000.00	Jose Quinionez
14	2,000.00	Victoria Yama	48	2,000.00	Edmund Williams



15	2,000.00	Flaviano Soliz	49	4,000.00	Juan Ayuso
16	4,000.00	Casiano G. Mendoza	50	4,000.00	Obdulia Briceno
17	2,000.00	Denzil A. Gabourel	51	2,000.00	Domingo Perez
18	4,000.00	Gabriela Corales	52	2,000.00	Leopoldo H. Pintal
19	2,000.00	Salvador Gallego	53	2,000.00	Severo Leonel Garcia
20	2,000.00	Valentin Marin	54	4,000.00	Eugenio Tuz
21	2,000.00	Evencio Cal	55	4,000.00	Ricardo L. Smith
22	2,000.00	Ronald Sutherland	56	4,000.00	Raul Chan
23	2,000.00	Jesus Gallardo	57	4,000.00	Myveth Albert Cal
24	4,000.00	Mike Veliz	58	4,000.00	Elodio Hilberto Copo
25	2,000.00	Eudaldo Briceno	59	2,000.00	Candida Velasquez
26	4,000.00	Rogelio Flota	60	4,000.00	Noel R. Romero
27	2,000.00	Belarmino Rodriguez	61	2,000.00	Lilia Garcia
28	2,000.00	Emerita Pinkney	62	4,000.00	Noemi Oliva
29	4,000.00	Marina Cucul	63	2,000.00	Alberto Cansino
30	2,000.00	Eloy Avila	64	4,000.00	Yassir M. Mendez
31	4,000.00	Miguel Urbina	65	4,000.00	Teresita Espat
32	4,000.00	Julian Reynoso	66	2,000.00	Teodoro Vasquez
33	4,000.00	Rudolph Hendricks	67	4,000.00	Annette E. Hyde
34	2,000.00	Emiliano Juchim	68	4,000.00	Mayra Alcoser
				202,000.00	

This past year the fund grew by $184,960.00 after paying sixty-seven (68) benefits in comparison to sixty-five (75) paid out for last year. The fund balance stood at $1,720,130.00 as at March 31, 2020.

SAVINGS AND LOANS MEMBERSHIP SCHEME

The recent events have all made us rethink everything including how precious and fragile life is. COVID-19 did not only disrupt our daily lives but it also made worse the already challenging process of life of losing a loved one. Many of our bereaving families could not even bid farewell to their loved ones as they wished.

LICU was still able to continue with its support to our grieving families through the Membership Scheme where total benefits paid amounted to $146,469.81 and assisted 27 families for this fiscal year 2019-2020.

This fund grew by $443,965.02 and has a balance of $1,937,572.61 after ten (10) years as captured in the audited financial statement.

We want to be your support in all areas and at all stages of your life. The more responsibly we save, borrow and repay promptly, the more benefits and services we can offer you in the good times and more importantly, in the challenging times.

The parameters of this fund are being reviewed to remain relevant and sustainable.

ALLIANCES/PARTNERSHIP/NETWORKING

RF&G INSURANCE

LICU prides itself in developing and maintaining excellent networking with other socially responsible and established partners. RF&G continues to offer you the opportunity to enjoy a 15% discount on insurance coverage because you are a member at LICU. Last year this discount resulted in $17,458.40 of total earnings. This was comparative to the earning of last fiscal year of $19,924.47.

We also earned $9,911.15 as commission for the premiums as compared to $7,622.28 for last year. These revenues are a part of our annual surplus which results in double earnings whilst obtaining efficient and reliable coverage all at your credit union.

We have seen the drastic effects of climate change and we will continue to support you in obtaining the insurance coverage you need and deserve.

LICU STAR SAVERS PROGRAM

Our outreach activities through our LICU STARSAVERS PROGRAM has assisted us with our focus to promote savings at an early age. Our current and potential young members continue benefitting from this program as we share our benefits and services with them.

On March 2020 we started visiting Fire Burn Government School at Fire Burn Village, Orange Walk District that now makes it 14 schools we are serving with 726 students enrolled in the program, which they have saved a commendable cumulative total of $73,313.00.

The program was well received by teachers, students and parents alike. Some schools have gotten financial literacy training as savings and financial management are essential components to succeed in life. The parents also benefit of our outreach visits as they can make payments, open accounts, update their accounts or have their questions answered at the comfort of their homes.





We were unable to continue with our school visits due to the challenges of social distancing and limited gatherings but we are expectantly awaiting to be able to serve our schools and rural communities.

STUDENT LOAN PROGRAM WITH BELIZE NATURAL ENERGY CHARITABLE TRUST (BNECT)

LICU and BNECT have enjoyed a stable and mutually beneficial business relationship and with our joint efforts we have been able to assist 284 deserving students and, by extension, their families with a total loan value of $1,654,366.76. It is very encouraging to report that 151 of these responsible students along with their parents and guarantors have repaid their BNET loans with a total value of $1,271,649.71. This is very encouraging as this allows the fund to become available to other deserving students to be able to access these funds.

We also note however with concern that we have 27 of these students not living up to their expected repayment terms. This will negatively affect them in that we are not able to continue disbursing funds for ongoing studies once the account is in arrears. The lack of responsiblility will also negatively affect their credit history and the possibility of accessing higher loans.

The epidemic also greatly affected the educational sector and students on a whole. We understand that those graduating this year will have an even more challening task in finding employment as unemployment increased drastically due to closure of many businesses or the greatly reduced business and subsequent income.

We are a very resourceful and talented people and we need to look at creative ways to bounce back in an already estabilised business or by embarking on potentially good business ideas.

EXTERNAL FUNDING

As a stable and established credit union we have always been priviledged to be able to fund our loans with the wise investments of our prudent members and we have not really had a need for liquidity from external sources. However, in being socially responsible and in being a part of the economic activity, we have worked with local and regional partners for funding. Thankfully we have always remained up to date and compliant with all standards and this past year we manage to repay our three external debts. Below are the statistics of those rewarding ventures:

SUGAR CANE REPLANTING PROGRAM (SCRP)

We have a total of $356,254.76 in our SCRP loan portfolio as at March 31, 2020. We also assist other cane farmers under our regular loan programs. We have seen challenges in the industry with drought for the last years and this year we will seemingly face the same challenge. We have cleared off this debt and are now using LICU's resources to fund these loans.

SOCIAL ENTREPRENEURSHIP PROGRAM (SEP)

LICU has been privileged to work with the IDB/MIF with SEP loans are through a loan facility obtained for entrepreneurship and income generation. The contract was signed on March 8, 2013 which included a market study, institutional strengthening, development and strengthening of MSE's and monitoring and evaluation.

LICU was able to meet all its responsibilities in the execution of the project which was concluded when the last payment was made in February 2020 bringing the project to a close.

We are grateful to have the support of both local and international agencies in pooling together resources to improve the lives of our deserving members, building capacities for our staff and collectively contributing to the economic and social welfare of our communities.

As we move forward after the COVID-19 pandemic we will need to continue collaborating with our socially responsible partners to bring opportunities and access to talented, willing and responsible members to recreate our business environment for greater resilience.

EMPOWERMENT FUND (EF)

The Empowerment Fund is supported by BNECT that serve as a guarantor for income generating loans. The objective is to stimulate diversification and the creation of promising industries.

It has been proven that we are productive and we simply need to coordinate efforts to be able to be consistently meeting the demand for supplies. During COVID-19 we saw that we could produce our staple food basket for almost a year which was not surprising as we have had excess production during most cycles in agriculture. This recent crisis highlighted our strengths in being able to produce and now we must strengthen our areas of working in groups, in scheduled rotations and

with a focus on quality. We must evolve to remain relevant and competitive.

We can assist you, our entrepreneurs, to put your expertise, experience and desire to grow with our financial support and collaborative support structure through our numerous partnerships and liaisons.

ECOMICRO PROJECTS

IMPROVING LIVESTOCK SECTOR PRODUCTIVITY AND CLIMATE RESILIENCE IN BELIZE (BL-T1094)

LICU is participating in the EcoMicro project with the Belize Livestock Producers Assoication. The project aims to pilot adaptation finance with up to 150 small and medium cattle farmers in the Belize, Orange Walk and Cayo Districts of the country. Building on the work conducted by BLPA and CATIE, LICU has commenced piloting livestock loans in the market – as an initial test case. This consultancy will build on these efforts.

The project will be executed by the BLPA in partnership with CATIE and LICU. It is expected that the project will directly benefit the owners and employees of 250 small and medium-sized cattle farms, 12 Livestock Extension Technicians, 12 tertiary-level Agriculture teachers through training and capacity-building, and a further 600 indirect beneficiary family members. Both the BLPA and the Ministry of Agriculture have committed to scale this project in order to reach a larger number of farmers.

ECOMICRO - BCUL GREEN FINANCE FOR MSMEs IN THE AGRICULTURAL AND FISHERIES SECTORS (BL-T1112) AND TECHNICAL SUPPORT FOR IMPROVING LIVESTOCK SECTOR PRODUCTIVITY AND CLIMATE RESILIENCE IN BELIZE (BL-T1094)

LICU is also participating in a second EcoMicro project with the Belize Credit Union League and two sister credit unions.

The objective of this project is to finance adaptation technologies and methodologies that build climate resilience of Micro, Small and Medium Enterprises (MSMEs) in the agriculture and fisheries sectors of Belize. Increasing climate resilience will reduce vulnerability resulting in overall improved productivity. This project will implement the prescribed modular approach of the EcoMicro Program aimed at building climate resilience of MSMEs and low-income households, through the execution of three mutually reinforcing and interlocking components: (i) design and implementation of the green finance product; (ii) assessment of the institution's loan portfolio vulnerability to climate change; and, (iii) greening the FI through development of environmental guidelines and policies.

EDUCATION AND TRAINING

SCHOLARSHIP RECIPIENT(S) 2019-2023

We have been assisting our young members through the Prosperity Vision Scholarship for the last 16 years since 2004 but even that was affected by COVID-19. Our students were not in school, there was no PSE and the teachers and principals were not readily available to provide recommendations as was requested in previous years. We had to review our criteria to be able to get the necessary information to make the best decision within the resources available.

For the last fiscal year for the year 2019-2023, we were pleased to receive 21 applications. The Education Committee, comprised of two Board members and an officer from both the Credit Committee namely: Manuel Polanco, David Constanza and Javier Moreno respectively, had the challenging but rewarding task of selecting the deserving students. The successful applicants were as follows:



Astrid Vasquez **Jelsie Arcurio** **Gian Vasquez** **Alejandro Gonzalez**

We have awarded 38 scholarships which offers each student $4,000.00, with disbursements of $1,000.00 annually, to assist them throughout their four years of study once they meet the requirements.

We are proud to share that all scholarship recipients are performing well and we look forward to assisting more deserving students in the years to come.

STAFF DEVELOPMENT

STAFF AND VOLUNTEERS TRAINING & DEVELOPMENT

It is a privilege and an honor to be able to impact the lives of you, our members, on a daily basis. We are cognizant that the better prepared our staff and volunteer Directors and Officers are, the better guidance, support and management of LICU will be. We strive to empower our staff and volunteers locally and regionally, when possible.

Below are some of the training sessions that the staff attended:

RF&G Digital Marketing Training (July 2019)
Introduction to AML Training (August 2019)
Improving Livestock Productivity and Climate Resilience (October 2019)
Strategic Planning (November 2019)
ICAB CPD Workshop (November 2019)
Insurance Contracts (November 2019)
AML Training Seminar (December 3-4, 2019)
AML Compliance Seminar – (January 16, 2020)
Supervisory Committee and Internal Auditors Training (February 2020)
Social Performance Management (March 2020)

The LICU Board President & General Manager attend monthly Belize Credit Union League (BCUL) Board Meeting for General Credit Union Matters. Our Compliance Officer also attends Compliance Officers Meeting at BCUL. We also have representation in the Social Performance Meetings at the league as well.

Some trainings were suspended or cancelled due to the onset of COVID-19. We look forward to being able to continue strengthening our staff which is the core of the delivery of services to better assist you our members.

HUMAN RESOURCE COMPLEMENT

The Board of Directors wishes to extend a heartfelt thank you to the staff for their hardwork and dedication this past fiscal year but more so during the COVID-19 pandemic. We understand that we are an essential service and the staff diligently continued to deliver services by using all resources and medium of communications. We are thankful

LICU's core staff has once more strived to maintain and excel in the quality of service delivered to our members at both Orange Walk Headquarters and at the Belmopan Branch Office. In this fiscal year, the staff was complemented as follows:

1.	Zalomie Blanco	February 2020
2.	Marco Cawich	February 2020
3.	Crystal Ramirez	February 2020
4.	Jessica Perez	February 2020
5.	Alejandra Campos	March 2020
6.	Julian Mesh	March 2020

We due the necessary due diligence to ensure that we are recruiting staff who are capable, prepared, committed and have a high level of integrity as we understand the importance of safeguarding your investments and ensuring that you receive the service, products, benefits, professionalism and efficiency that you deserve.

COMPLIANCE AND REGULATION

LICU has made the conscious decision to implement a well- balanced approach to manage the compliance demands and regulatory requirements while maintaining a strong focus on core business objectives. In our quest to get the fundamental information right, our members have been consistently requested to update their members' information as LICU continues to collect and clean our membership database to offer improved services and products. This collaborative effort amongst with you, our members, and your credit union enables us to maximize efficiencies at all levels of operations.

LICU is building its database as this allows us to have relevant and time information for every decision or task at hand. We continue to be more impactful partners with our members and the communities in which we live and work.

Over the past year, our credit union has made considerable progress on a number of key initiatives, including: the amendments of our LICU By-laws at our credit union which is aligned to the Credit Union Act and sanctioned by the Central Bank of Belize. This allows our members to do business in full confidence as it brings transparency at all levels of our institution.

Additionally, we recently launched our LICU Membership Terms and Conditions which provides you, our valued member, with the maximum disclosure on how we do business with you. The LICU Membership Terms and Conditions is annexed after the audited financials in this book as this marks the introduction of a standard manner which will align a professional, responsible, equitable and documented manner in which we will conduct business with our current and potential members going forward. We believe that the mutual adherence of LICU and you our members is necessary as we forge forward together in achieving financial and social stability.

As we look ahead, members will continue facing confinement and strict social distancing measures. This will lead to in-person banking and access to traditional services as greater challenges. We, therefore, encourage all our members to consider the current available platforms that allow us to serve them from their place of convenience. We have a strong alliance and currently have the expertise and the willing and committed staff to fulfill our mission. Our commitment to a strong compliance culture will keep driving us forward.

As we build a stronger LICU, it is up to every one of us to contribute to the heritage of our credit union and to actively participate in the growth of our credit union for the generations to come.

DELINQUENCY

As a financial institution we are challenged daily to assess the capacity to repay and the character of our members as we process and disburse loans. This requires that the staff obtains the adequate information to make the best assessment and it also requires that the members are truthful in declaring their financial standing.

Unfortunately even after much effort, some loans fall delinquent. We understand that some fall behind in payments due to death, sickness, job loss or unexpected circumstances and we work along with them once they do the responsible act of contacting the office to make arrangements. It is sad to say that some seemingly have the means and opportunity and choose not pay.

Our mandate is to safeguard and secure the investments of our members and we continue to enforce our collection efforts at all levels via telephone, with letters, emails, telephone messages, home visits, or any available means. If we are unable to secure a firm commitment and payment we then escalate to recovery via shares or collaterals before proceeding to Magistrate Court or Supreme Court.

This is a structured process and everyone has the same opportunity to redeem their credit history if they have the interest and desire to do so. It is unfortunate that some of our members are rude and hostile when the collection processes are being implemented. We make mention that our Membership Terms and Conditions outlines that in order for us to do business in a professional manner, it is expected from both LICU and the members to always be courteous and mannerly. Collection is an effect of failure of payment or effort to make payment on behalf of the member and the staff are simply ensuring that all credit facilities are recovered.

We thank our members who are responsible and honor their word by making the agreed upon payments. We urge everyone who is having challenges to contact the office and the staff so that we can provide options in a timely manner to address the unexpected circumstances that may delay or hinder payments.

We believe that it is everyone's responsibility to do our part to ensure that LICU remains solvent, sustainable and accountable. We will be moving towards the publishing of names of those that are in excessive arrears as we need to recover the funds that were issued in good faith.

BELMOPAN BRANCH

The Belmopan Branch has been serving the beautiful Garden City since October 2013.

The branch's membership currently stands at 4875 with $6.5M in shares and with over $8M under the loan portfolio. We continue facing the challenge of reducing our delinquency; however, our aggressive efforts are ongoing to control it and we will be implementing more methods to assist with tackling this obstacle. We are in the process of doing outreach efforts to disseminate the many benefits and services that can be enjoyed by joining us. As the branch continues to grow, we are hopeful that we can continue meeting your evolving needs.

With the launch of our different loan promotions such as the Hogar, Livestock, Hop Away, Holly Jolly, etc. we are able to offer competitive market rates to assist our members with their expenses in the different seasons such as Back to School, Easter, and Christmas.

Our transitioning to our new banking core system, Sharetec, since August 2019 has greatly assisted

with improving our branch operations as we can now be more efficient and timely in the delivery of our services.

We remain positive in our efforts and vision and we know as a team we will accomplish this goal to provide personalized, reliable, secure, and inclusive service to our members.

CONCLUSION

We were expectantly awaiting the closing of this fiscal year as our last five years' efforts in bringing stability and accountability were all having the expected outcomes. However the unpredictability of life was really felt almost at the end of our fiscal year bringing everything out of context. We started our audit in last quarter of the fiscal year and were able to complete our audit in a timely and efficient manner.

The many changes in policies, processes and protocols resulted in us being able to be compliant with our required reporting throughout the year and with our external audit as well.

We continue to see that delinquency remains a challenge, even more so today as we are still in the throes of recovery from the closure of business, loss of jobs and ability to conduct business due to the COVID-19 crisis. This pandemic has highlighted the need for us to prepare and save when all is going well. We were so pleased to see that many of our members were in prepayment with their loans and were able to manage well during this unexpected crisis.

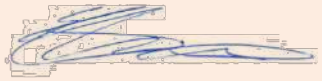
It was challenging though to have to work along with members who were in arrears way before this situation and had made no attempt to bring their accounts up to date. These members were not able to enjoy the considerations given as the account was already tagged and reported to the Central Bank as being in arrears and simply did not qualify. We encourage all members to keep being responsible in making timely payments or in advance, when possible, as it can really make a huge difference in the face of unexpected adversity.

We have also been able to assist members in withdrawing from their savings since they were diligently saving in the past. These members are encouraged to once again start saving and building up their savings as it is a life saver in times of need.

The recent events have changed our way of living, our way of thinking and our way of making decisions. The Board has analyzed our performance and surplus and believe that the best way that we can allocate and maximize our surplus this year is to set $627,696.00 to be able to lend to our loyal and responsible members at lower interest rates to assist them in getting their lives, businesses and income generating activities going. This amount will be placed in the Disaster Recovery Fund bringing it to a total of $779,043.00. This decision to put your immediate needs for access to capital and funding would require us to declare a lower dividend which would of course once again be made available upon request for the next two months. I am sure that most of us would welcome and appreciate being able to access our yearly returns at this time.

After investing in our new core banking system and enhancing processes, we have been able to collectively contribute to a net surplus of $1,890.965.00 The Board is thereby recommending dividends of 4% on the first $5,000.00 in shares and 2% on the balance, and 4% rebates

For and on behalf of the Board of Directors,



Ena Martinez
President

Board of Directors

Ena Martinez	-	President
Belarmino Esquivel	-	Vice-President
Manuel Polanco	-	Secretary
Teresita Miranda	-	Assistant Secretary
Cindy Castillo	-	Treasurer
Oscar Gutierrez Jr.	-	Director
David Constanza	-	Director

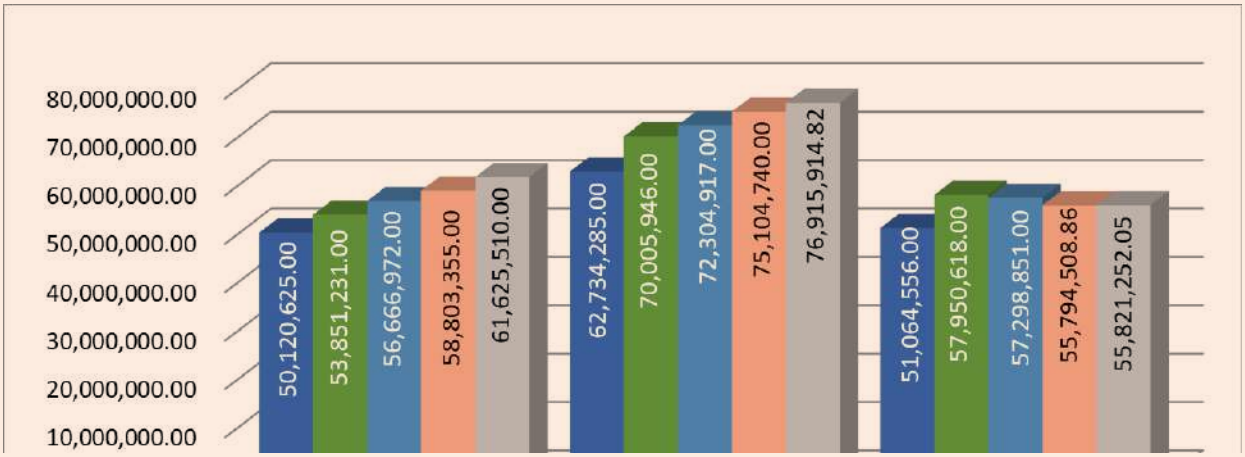
TREASURER'S REPORT
APRIL 1ST 2019 TO MARCH 31ST 2020

This last fiscal year has been excellent in operational matters as we have been able to streamline our processes and enhance our due diligence. We have been able to further strengthen our accountability with the new core banking system and will continue to capitalize on the full scope of its potential which positively impacts our operations and your returns.

For a quick overview of the past fiscal year we have accomplished the following results:

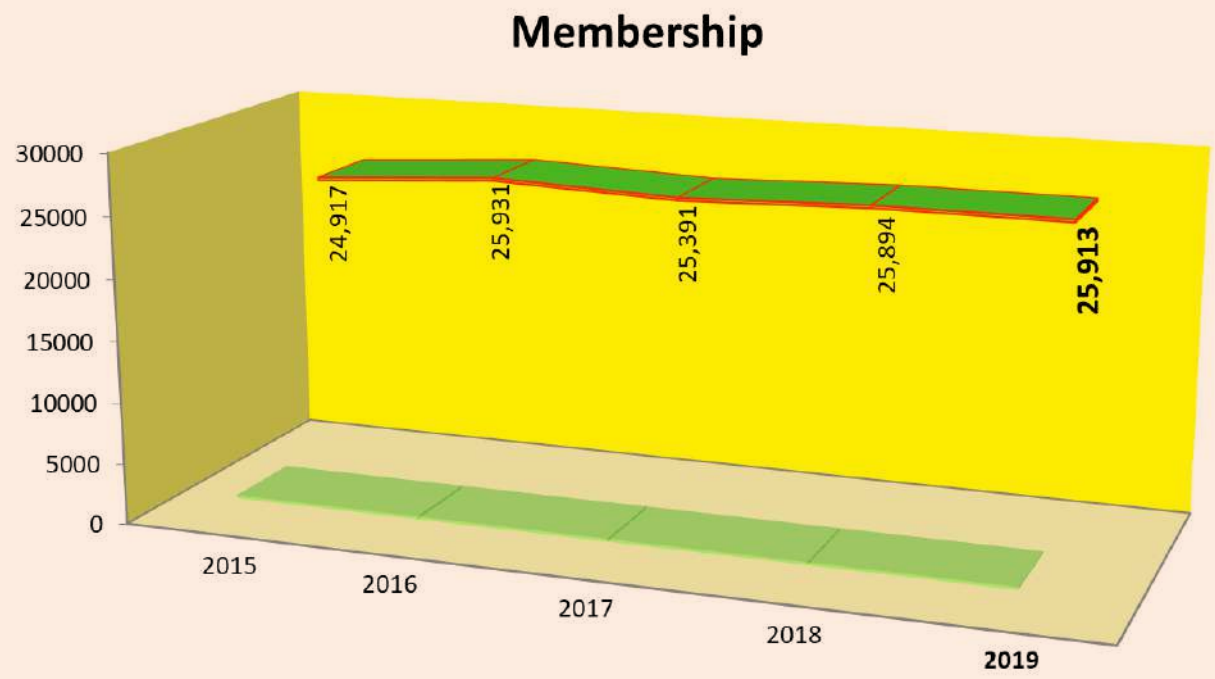
- Savings increased by $2,822,155.00 or 4.8%
- Assets increased by $1,811,174.82 or 2.41%
- Loans increased by $26,743.19 or .048%

The following table shows our growth trend for the past five years:



We remain fully compliant with our Net Institutional Capital and Loan Loss Provisioning as we have done for the last five years. We also continue to review our loan portfolio to remove the older loans to provide a more accurate report on the active portfolio, some which should have been removed from before. We wish to emphasize that all loans remain recoverable and we continue to make every effort to recover these loans as can be appreciated in our financial statements.

This year we opened 1,064 accounts between our main and branch office. As at March 31, 2020 our membership stood at 25,913, which is similar to last year, while appearing to have only a slight increase in our membership, it shows a true picture of our membership as it now only reports on members that have the required minimum shares and this is after the removal of some accounts as a result of a general updating of information that was embarked on during this fiscal year and is still ongoing.



CONCLUSION

We feel confident that we have made the right choices in the staff complement, the new core banking system, the enhanced processes and protocols and our confidence was validated when we were able to continue offering the high quality, personalized service throughout the year and more so, through the initial COVID-19 crisis. It showcased our commitment, our dedication and our continued renewed efforts to make the necessary decisions at all times.

We realize that our reality as we knew it has been altered in more ways than we can imagine. We are very aware that the toll on our jobs, businesses, finances, education and way of life will require time, resources and ingenuity. LICU remains committed to being your support and partner as we face the challenging year ahead.

Your loyalty and patronage has been unwavering and with our continued support in offering affordable financing and with your resourcefulness, your continued responsibility in borrowing and repaying, we will be able to make this another year of accomplishments.

Respectfully,

C. Castillo

Cindy Castillo
Treasurer

CREDIT COMMITTEE 2019-2020



Javier Moreno
CHAIRPERSON



Marcia Tun
SECRETARY



Elsie Benavidez
OFFICER

CREDIT COMMITTEE REPORT
April 1, 2019 – March 31, 2020

INTRODUCTION

La Inmaculada Credit Union Ltd. (LICU) observed the end of another fiscal year on March 31, 2020. During this year the Credit Committee fulfilled its functions on providing proper oversight of our credit line and department.

LICU faced many challenges and experienced some significant changes during 2019-2020. Despite the challenges and changes it underwent, it is noted that LICU remained steadfast in the delivery of services to its members/owners. LICU in its aim to remain the best option in the credit industry saw the re-launch of its successful Christmas loan promotion and further reduced our HOGAR interest rate to 6%.

LOAN PORTFOLIO

In the past fiscal year 5,569 loans were approved at a total value of $37,612,581.72. In comparison to last year, we recorded a decrease of $534,756.67 (1.4 %) in our approved loan portfolio. Our overall aggregate loan portfolio stood at $55,821,252.05, an increase of $26,743.05 compared to last fiscal year. Our Belmopan branch recorded $10,543,249.33 an increase of $612,089.54 (6%) more than last fiscal year whilst our headquarters in Orange Walk recorded $45,278,002.72, a decrease of $585,416.79 (1.3%) from last fiscal year.

LOANS DISBURSEMENT BY BRANCH 2019 – 2020

Branch	No. of loans	Loans value
Belmopan	1,382	$8,843,709.10
Orange Walk	4,187	$28,768,872.62
Total	**5,569**	**$37,612,581.72**

DELINQUENCY

Loans in arrears remain a challenge here at LICU. In fact, in the last five years, LICU has been unable to record a delinquency rate below 15%. For this fiscal year, a 15.8% delinquency rate is noted, a rise from 15.6% of last year. This 15.8% translates to $8,833,189.20 from 1,421 loans in arrears. The Orange Walk branch has recorded 1,091 loans in arrears at a value of $7,271,742.53

whilst the Belmopan branch recorded 330 loans at a value of $1,561,446.67.

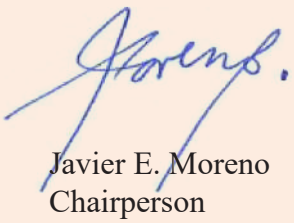
The bottom line is that we need to discontinue to give loan exposures to members who ultimately are unable to honour their loan promise. As a credit union we are driven to help our members/owners with their needs. However, help is only achieved if the members/owners are able to pay back. Be mindful that loans in arrears deny our upright members/owners better returns on their investments with LICU. Remember too that LICU's success and health is dependent on keeping good with our promise to pay. We applaud our members/owners who have consistently saved and/or met their debt obligations for they continue to drive LICU on the roads to prosperity.

CONCLUSION

A closer analysis of our borrowers is certainly needed. Simply put, there is a good number of our members in need of loans that are unable to repay. The anticipation is there that loans in arrears will be compounded in the aftermath of Covid 19. Strategic marketing of LICU is imperative at this time as we prepare to experience a Belizean economy in uncharted waters.

Notwithstanding, the challenges faced during 2019 – 2020, LICU still experienced some level of success and is able to declare dividends for our members/owners. Our committee is thankful to have been privileged to have served you in safeguarding your financial interests here at LICU. We commend management and staff for their valued input in delivering needed financial services here at LICU. With God Almighty all is possible; we are fortunate and grateful for His care and ask for His continuous blessing in the year ahead.

Respectfully yours,



Javier E. Moreno
Chairperson

Marcia Tun	-	Secretary
Elsie Benavidez	-	Officer

SUPERVISORY COMMITTEE 2019-2020



Lisa Carballo
CHAIRPERSON



Dorita Herrarte
SECRETARY



Leandro Osgalla
OFFICER

SUPERVISORY COMMITTEE REPORT
1 April 2019– 31 March 2020

Presented to the membership of La Inmaculada Credit Union Limited (LICU) on this 71st Annual General Meeting.

Pursuant to the Credit Union Act of the Laws of Belize, your Supervisory Committee examined the financial statements at LICU and the related reports for the fiscal year ended 31 March 2020. In our opinion, the reports present fairly in all material respects, the financial position of LICU in accordance with the financial reporting provisions of the Central Bank of Belize.

We take this opportunity to remind you that your Supervisory Committee is responsible for examining the controls and systems at La Inmaculada Credit Union Ltd. The Internal Auditor is also key to ensuring our role becomes functional and effective. Mr. Emir Vega serving as our full time Internal Auditor concentrates on identifying, testing and providing recommendations to strengthening the internal control processes within the organization.

During this fiscal year, the Supervisory Committee with the assistance of the Internal Auditor has performed the following tasks:

1. Conducted cash counts and vault checks at both branches to ensure security and accountability of our assets.
2. Collaborated with the Central Bank of Belize to ensure compliance with requirements and recommendations made during their visits.
3. Engaged in ongoing discussion, planning and implementation of audit plans along with the Internal Auditor.
4. Procedures were documented for a more organized testing of major risk areas: mem bers loans, cash and cash equivalent, expenses and anti-money laundering.
5. Reviewed minutes of Board of Directors meetings to ensure proper guidance and compliance.
6. Reviewed Policies for adherence to practices.
7. Participated in the Strategic Planning process.
8. Collaborated with the transitioning to the new core banking system.
9. Engaged management and the accounting department in discussions for areas to improve.
10. Conducted a minimum of two working sessions per month to discuss, plan and pre pare reports as is required by our function.

Having examined and conducted these tasks we conclude that efforts have been made to ensure compliance and accountability to you, our member. With the implementation of the new core banking system our Credit Union made great strides in becoming more efficient and productive. This Supervisory Committee is once more willing to continue improving and ensuring transparency, accountability, and improved controls.

It is important to report that during this fiscal year Mr. Isael Cajun saw the need to vacate his post after diligently serving for almost 9 years in the Supervisory Committee. LICU is very grateful for his numerous contributions and valuable guidance and dedication. The post has been filled with a very qualified individual, Mr. Leandro Osgalla.

CLOSING REMARKS

The Supervisory Committee offers its appreciation to the members of LICU for the opportunity to serve this past year. We must mention our gratitude to our General Manager for her endless support and to the staff for their continued collaboration in assisting us in fulfilling our roles and responsibilities as the Supervisory Committee. You are encouraged to continue saving and believing that LICU is your Financial Institution. In order for us to become more effective as the Supervisory Committee we ask you to reach out to us with concerns and suggestions. We want to continuously hear from you, so please feel free to contact us at any of the following email addresses:

lisacarballo@licubelize.org
doritaherrarte@licubelize.org
leandroosgalla@licubelize.org

Your input and contribution is valuable and necessary to us. We thank the Almighty as He continues to bless this financial institution in so many ways.

Respectfully,



Ms. Lisa Carballo	–	Chair
Ms. Dorita Herrarte	–	Secretary
Mr. Leandro Osgalla	–	Officer

YOUR ROAD TO FINANCIAL PROSPERITY!




















LCU Family
Simply Present:












LA INMACULADA
LICU
CREDIT UNION LTD.
BELIZE, C.A.















LA INMACULADA CREDIT UNION LIMITED

Financial Statements

For the year ended 31 March 2020

La Inmaculada Credit Union Limited

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BDO

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Independent auditor's report to the Board of Directors and Members of La Inmaculada Credit Union Limited

Qualified Opinion

We have audited the accompanying financial statements of La Inmaculada Credit Union Limited which comprise of the statement of financial position as at 31 March 2020 and the statements of comprehensive income, of changes in equity and of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of La Inmaculada Credit Union Limited as of 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the financial reporting provisions of the Credit Unions Act Chapter 314 of the Substantive Laws of Belize.

Basis for Qualified Opinion

The Credit Union complies with the CUA Requirement No. 1/2013 and No. 2/2013 as issued by the regulator/registrar of credit unions, the Central Bank of Belize, with regards to provisioning for loan losses. The Credit Union's information system and industry data in Belize do not provide sufficient data to be able to approximate the impairment losses based on IFRS 9. As such, we were unable to obtain sufficient audit evidence to assess whether the loan loss provision would be materially different from the IFRS 9, Expected Credit Losses (ECL) model.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor´s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountant`s Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Emphasis of Matter

As discussed in Note 30 to the financial statements, Subsequent Event, the extent of the impact of the ongoing coronavirus pandemic on the operational and financial performance of La Inmaculada Credit Union Limited will depend on certain developments, including the duration and spread of the pandemic and its impact on its members, its loans and investment portfolios, and the overall Belizean economy, all of which are uncertain and cannot be predicted at this point. The extent to which the coronavirus pandemic may materially impact the financial condition, liquidity or results of operations of La Inmaculada Credit Union Limited is uncertain.

Responsibility of management and those charged with governance for the financial statements

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

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

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

BDO Belize LLP, a Belize Limited Liability Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we:

(i) exercise professional judgement and maintain professional skepticism throughout the audit.

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

(iii) 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 entity's internal control.

(iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

(vi) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vii) obtain sufficient audit evidence regarding the financial information of the Credit Union to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

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

BDO Belize LLP

12 June 2020

La Inmaculada Credit Union Limited

Statement of financial position
As at 31 March
(In Belize Dollars)

Assets	Note	2020	2019
Cash and cash equivalents		10,928,024	13,666,499
Interest bearing deposits	4	1,576,713	1,546,114
Investments	5	9,781,555	4,798,229
Inventory	6	-	1,606
Members' loans receivable	7	55,821,252	55,794,509
Less: loan loss provisions	7	(4,420,366)	(3,612,039)
Other receivables and prepayments	8	617,967	986,453
Property and equipment	9	2,610,851	1,923,369
Total assets		76,915,996	75,104,740
Liabilities			
Members' deposits	10	8,203,472	7,245,970
Shares - non-mandatory	11	53,162,108	51,298,445
Accounts payable and accruals	12	843,546	500,633
Mortgage insurance escrow payable	13	173,063	219,654
Membership scheme - Sunrise to Sunset fund	14	1,720,130	1,535,170
Membership scheme - Life savings and loan protection	15	1,937,573	1,493,608
Borrowings	16	-	605,587
Severance payable	17	-	455,452
Total liabilities		66,039,892	63,354,519
Net assets		10,876,104	11,750,221
Members' equity			
Shares - mandatory		259,930	258,940
Revaluation reserves		77,376	77,376
Special reserves		779,043	151,347
Guaranty fund		7,868,790	7,693,750
Undivided earnings		1,890,965	3,568,808
Total members' equity		10,876,104	11,750,221

The financial statements were approved and authorized for issue by the Board of Directors on 13 July 2020.

Director

Director

The notes are an integral part of these financial statements.

La Inmaculada Credit Union Limited

Statement of comprehensive income
Year ended 31 March
(In Belize Dollars)

	Note	2020	2019
Income			
Interest income:			
Interest income	18	6,550,909	6,703,054
Less: interest expense	18	(23,488)	(23,922)
Net interest income		6,527,421	6,679,132
Fee and commission income	19	907,645	947,768
Other operating income	20	90,460	108,437
Operating income		7,525,526	7,735,337
Provision for losses	21	(1,041,740)	(733,788)
Other operating expenses	22	(4,592,821)	(4,068,186)
Net income for the year		1,890,965	2,933,363

The notes are an integral part of these financial statements.

Statement of changes in equity

Year ended 31 March

(In Belize Dollars)

	Shares - mandatory	Revaluation reserves	Special reserves	Guaranty fund (other reserves)	Undivided earnings	Total members' equity
At 1 April 2018	253,910	77,376	151,347	7,693,750	2,673,882	10,850,265
Net increase in shares	5,030	-	-	-	-	5,030
Dividend and rebate paid	-	-	-	-	(2,038,437)	(2,038,437)
Net income for the year	-	-	-	-	2,933,363	2,933,363
At 31 March 2019	**258,940**	**77,376**	**151,347**	**7,693,750**	**3,568,808**	**11,750,221**

	Shares - mandatory	Revaluation reserves	Special reserves	Guaranty fund (other reserves)	Undivided earnings	Total members' equity
At 1 April 2019	258,940	77,376	151,347	7,693,750	3,568,808	11,750,221
Net increase in shares	990	-	-	-	-	990
Transfers	-	-	627,696	175,040	(802,736)	-
Dividend and rebate paid	-	-	-	-	(2,766,072)	(2,766,072)
Net income for the year	-	-	-	-	1,890,965	1,890,965
At 31 March 2020	**259,930**	**77,376**	**779,043**	**7,868,790**	**1,890,965**	**10,876,104**

Central Bank of Belize Regulations require that member share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non mandatory shares are reflected as current liabilities. The Credit Union requires each member to own two mandatory shares of $5 per share. Total mandatory shares issued as of 31 March 2020 were 25,993 (2019 – 25,894).

La Inmaculada Credit Union Limited

Statement of cash flows
Year ended 31 March
(In Belize Dollars)

	Notes	2020	2019
Cash flow from operating activities:			
Net income for the year		1,890,965	2,933,363
Adjustments for items not affecting operating cash:			
Depreciation expense	9	171,139	108,502
Loss on disposal	9	7,351	116
Provision for loan losses	7	1,041,740	733,788
Write off of loans receivable (net)	7	(233,413)	(1,730,952)
Operating profit before working capital changes		2,877,782	2,044,817
Changes in working capital			
(Increase)/decrease in members' loans receivable	7	(26,743)	1,504,342
Decrease/(increase) in other receivables and prepayments	8	368,486	(216,610)
Decrease in inventory	6	1,606	2,359
Increase in members' deposits	10	957,502	568,431
Increase in non-mandatory shares	11	1,863,663	1,562,922
Increase in accounts payable and accruals	12	342,913	71,177
(Decrease)/increase in mortgage escrow payable	13	(46,591)	41,572
Increase in member scheme – Sunrise to Sunset liability	14	184,960	169,837
(Decrease)/increase in severance payable	17	(455,452)	189,068
Increase in membership scheme – LS and LP	15	443,965	124,329
Net cash provided by operating activities		6,512,091	6,062,244
Cash flow from investing activities:			
(Increase)/decrease in interest bearing deposits	4	(30,599)	979,389
(Increase) in investments	5	(4,983,326)	(2,990,829)
Proceeds from sale of equipment		-	13,500
Purchases of furniture and equipment	9	(865,972)	(516,003)
Net cash (used in) investing activities		(5,879,897)	(2,513,943)
Cash flow from financing activities:			
Increase in shares – members (mandatory)		990	5,030
Dividends paid		(2,766,072)	(2,038,437)
(Decrease) in borrowings	16	(605,587)	(827,469)
Net cash (used by) financing activities		(3,370,669)	(2,860,876)
Net (decrease)/increase in cash and cash equivalents		(2,738,475)	687,425
Cash and cash equivalents at the beginning of the year		13,666,499	12,979,074
Cash and cash equivalents at the end of year		10,928,024	13,666,499

The notes are an integral part of these financial statements.

1. General information

La Inmaculada Credit Union Limited (the "Credit Union") was incorporated on 5 June 1949 under and by virtue of the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011. The Credit Union currently has 25,993 (2019 – 25,894) members.

The Credit Union operates from its principal office situated at No. 5 Park Street, Orange Walk Town, Belize. Branch offices are located in Belmopan, Cayo District. As at 31 March 2020, the Credit Union employed 53 (2019 – 57) employees.

The Credit Union promotes savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

2. Summary of significant accounting policies, judgements and estimates

The significant accounting policies used in the preparation of these financial statements, including the accounting requirements prescribed by the Central Bank of Belize (CBB), are summarized below. These accounting policies conform to IFRS and the Substantive Laws of Belize with the exception of:

(1) Provisioning for loan losses is guided by the Credit Union Act Requirement No. 1/2013 and No. 2/2013 issued by the regulator/registrar, the Central Bank of Belize, instead of the Expected Credit Loss model in accordance with IFRS 9.

Basis of preparation

These financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The accounting policies have been consistently applied to all periods presented. Unless otherwise stated, monetary amounts are stated in Belize dollars. The financial statements have been prepared under the historical cost convention.

The Credit Union also complies with the Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011 as reflected in its policies below.

Use of estimates and assumptions

In preparing the financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income, and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable.

Key sources of estimation uncertainty include: assessments of impairment to investments, determination of fair value of financial instruments, the allowance for credit losses, post-employment benefits, and accrued liabilities. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements. Refer to the relevant accounting policies in this note 2 for details on our use of estimates and assumptions.

2. Summary of significant accounting policies, judgements and estimates (continued)

Significant judgements

In preparation of these financial statements, management is required to make significant judgements that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant judgements have been made in the following areas and discussed as noted in the financial statements:

Investment impairment	Note 2 Note 3 Note 5
Fair value of financial instruments	Note 2 Note 3
Allowance for loan losses	Note 2 Note 7
Severance payable	Note 2 Note 17
Other provisions	Note 2

Financial instruments - recognition and measurement

Cash and cash equivalents
Cash and cash equivalents comprises of cash balances and call deposits held with various financial institutions. All cash and cash equivalents have a term of less than 90 days in compliance with IFRS.

Investments
The Credit Union has classified all investments as ***held to maturity***. These are securities which are held with the positive intention of holding them to maturity and are stated at amortized cost less provisions made for any permanent diminution in value. Amortized cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

At each reporting date, management evaluates investments to determine if there is objective evidence of impairment. Such evidence includes: when an adverse effect on future cash flows from the asset or group of assets can be reliably estimated and when there is a significant or prolonged decline in the fair value of the investment below its cost. The actual amount of future cash flows and their timing may differ from the estimates used by management and consequently may cause a different conclusion as to the recognition of impairment or measurement of impairment loss.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial instruments - recognition and measurement (continued)

Investments (continued)
When assessing impairment on debt instruments, such as government treasury notes, management primarily considers third party information such as external ratings and comparable sales. Significant judgement is required in assessing impairment as management is required to consider all available evidence in determining where objective evidence of impairment exists and whether the principal and interest can be fully recovered.

When the investments are disposed of or impaired, the related gains and losses are included in the statement of comprehensive income as gains and losses from investment securities. All purchases and sales of trading and investment securities are recognized at settlement date, which is the date the Credit Union completes the transaction.

Loans receivable
Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Loans are initially recognized at fair value which is represented by the cash advanced to members. Loans are subsequently measured at principal outstanding, net of unearned interest, less provision made for impairment. Provisions for impairment (loan loss reserve) is built based on the Credit Unions Act (CUA), Chapter 314, revised Edition 2011, Requirement No. 2/2013. All loans are recognized when cash is advanced to borrowers.

Loans are assessed at year end for objective evidence that the loans are impaired. Evidence for impairment include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy, and adverse changes in the payment status of the borrower.

Provision for loan losses
As required by the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011, Requirement No. 2/2013 loans are individually assessed for losses. Provisions for impairment (loan loss reserve) is built based on the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011, Requirement No. 2/2013. The loan loss reserve is increased by the impairment losses recognized and decreased by the amount of write-offs, net of recoveries. All loans are recognized when cash is advanced to borrowers.

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

The loan loss reserve is management's best estimates, as guided by the Credit Unions Act, Chapter 314, Revised Edition 2011, Requirement No. 2/2013 of losses incurred on the loan portfolio at the statement of financial position date. Management's judgement is required in making assumptions and estimates when calculating allowances on each loan. The underlying assumptions and estimates in management's assessment can change from period to period and may significantly affect the results of the Credit Union's operations.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial instruments - recognition and measurement (continued)

Prepayments and deposits
Prepayments and deposits are initially recognized at fair value which is represented by the original payments advanced or assets exchanged. Subsequently, prepayments and deposits are measured at the statement date using the effective interest rate method.

Members' term deposits
Members' term deposits are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

Shares
Mandatory shares are the minimum number of shares a person must have in order to be considered a member of the Credit Union. These are reflected in equity on the statement of financial position. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Non-mandatory shares are additional shares held by members of the credit union. These may require a one-month notice period to be withdrawn at any time and may be used as collateral for loans by members. These are reflected as current liabilities on the statement of financial position.

Accounts payable
Accounts payable is recognized on the accrual basis, when goods have been received or services have been rendered.

Determination of fair value
The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We determine fair value by incorporating all factors that market participants would consider in setting a price, including commonly accepted valuation approaches. Where an investment does not have an active market and observable prices or inputs are not available, management judgement is required to determine fair values by assessing other relevant sources of information such as historical data and information from similar transactions.

Borrowings
All borrowings, including current and non-current debt, are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently remeasured using the effective interest rate method. Borrowings are classified as current liabilities unless the Credit Union has the right to defer payment for more than 12 months after the statement of financial position date.

Loan interest income
Interest income on loans receivable is recognized in the statement of comprehensive income on an accrual basis.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial instruments - recognition and measurement (continued)

Investment interest income
Investment interest income is recognized on the accrual basis using the effective interest rate method.

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

Offsetting financial assets and financial liabilities
Financial assets and financial liabilities are offset on the statement of financial position when there exists both a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

De-recognition of financial assets and liabilities
Financial assets are derecognized on the statement of financial position when the Credit Union's contractual rights to the cash flows from the assets have expired, when the Credit Union retains the right to receive the cash flows of the assets but assume an obligation to pay those cash flows to a third party, or when the Credit Union has transferred the contractual rights to receive the cash flows to a third party.

Financial liabilities are derecognized on the statement of financial position when the Credit Union's obligation specified in the contract expires, is discharged, or is cancelled. The difference between the carrying amount of the financial liability and the consideration paid is recognized in the statement of comprehensive income.

Rental income
Rental income from investment property is recognized on the statement of comprehensive income.

Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated in Belize dollars at midday rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the statement of comprehensive income. Non-monetary assets and liabilities in foreign denominations are translated into Belize dollars at historical rates.

2. Summary of significant accounting policies, judgements and estimates (continued)

Employee benefit obligations

Termination benefit - severance
The Credit Union has recognized termination benefits in accordance with the labour laws of Belize which states that employees with at least five years or more of continuous employment are entitled to a minimum of one week's pay for each year of service prior to May 2011 and two week's pay for each year of service subsequently.

Termination benefit - pension
The Credit Union has available on a voluntary basis, a defined contribution pension plan for all permanent employees. The pension plan is financially separate from the Credit Union and is funded by contributions from both employees and the Credit Union at a matched fixed rate of 5% of monthly salary. The Credit Union's contributions to the defined contribution plan are expensed monthly. For fiscal 2020, pension costs amounted to $87,571 (2019 - $77,528).

Property and equipment

Property and equipment includes land, building, motor vehicles, furniture, fixtures, computer equipment, generator, and other equipment. Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and the initial estimate of any disposal costs.

Property and equipment are carried at cost and are depreciated using the straight line method at the following rates:

Building	40 years
Furniture and fixtures	20 years
Office, computer, and other equipment	5, 10 and 20 years
Motor vehicle	10 years

Land is not amortized as the useful life cannot be estimated. Property is not amortized until it is available for use.

Leasehold improvements are amortized on a straight-line basis over the lesser of their estimated useful life or the initial lease term.

Property and equipment are assessed for indicators of impairment at each reporting date. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal.

2. Summary of significant accounting policies, judgements and estimates (continued)

Provisions

Provisions are liabilities of uncertain timing or amount and are recognized when the Credit Union has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgement is required to determine whether a present obligation exists and in estimating the probability, timing and amount of any cash outflows. Provisions are recorded related to litigation, future employee benefits, the allowance for off-balance sheet items and other items. Provisions are recorded on the basis of all available information at the end of the reporting period. In the event that results differ from management expectations, the Credit Union may incur expenses in excess of the provisions recognized.

Guaranty Fund

The Guaranty Fund is a reserve mandated by the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011. The Credit Union transfers at least 10% of its surplus prior to any dividend declaration to a statutory reserve, which is to be accumulated until it reaches 10% of total assets and should not be used for any other purpose except upon liquidation of the Credit Union.

Leasing

A lease is an agreement in which the lessor grants the lessee the right to use an asset for an agreed upon period of time in return to a payment or series of payments. A finance lease is a lease that transfers substantially all the risk and rewards incidental to ownership of the leased asset to the lessee, where title may or may not eventually be transferred. An operating lease is a lease other than a financing lease.

Operating leases
The total payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

Finance leases
In the event that the Credit Union is a lessee in a financing lease, the leased asset is recorded to property and equipment and the related lease obligation is recorded as a liability on the statement of financial position. The amount recorded is the lower of the fair value of the leased asset and the minimum lease payments.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial risk management

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

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

Credit risk
The Credit Union takes on exposure to credit risk which is the risk that a counterpart will be unable to pay amounts in full when due. Management structures its credit risk by placing limits on the amount of credit extended in relation to one borrower or group. This is monitored on a revolving basis and subject to annual review. Limits are also regulated by Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011.

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

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

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

The Credit Union takes on interest rate risk in that it pays interest on deposits and that fluctuations in interest rates may affect its capacity to on-lend at competitive rates. The Credit Union manages this risk by maintaining an adequate interest rate spread between interest paid and interest received.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial risk management (continued)

Market risk/interest rate risk (continued)
The Credit Union takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

Liquidity risk
Liquidity risk is the risk that the Credit Union is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The Credit Union manages this risk by closely monitoring customer payments, setting credit limits and by obtaining credit facilities from other sources to ensure cash availability. The Credit Union also maintains highly liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

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

Adoption of standards

The Credit Union adopts newly issued International Financial Reporting Standards in the year stipulated for adoption to the extent they are relevant to its operations. The Credit Union may adopt a standard early if early adoption is permitted. The effect of adoption, if material, is disclosed in the financial statements.

Subsequent events

The Credit Union evaluates subsequent events for recognition and disclosure through 13 July 2020, which is the date the financial statements were available to be issued.

3. Carrying value and fair value of selected financial instruments

Management has not observed any material differences between the carrying value of financial instruments and the fair value. Fair value are computed based on quoted prices for similar instruments and directly observable market inputs with the exception of unlisted securities. Fair value of unlisted securities has been determined using other inputs such as future cash flows or the audited net assets value since market information and comparable sales information is not available.

4. Interest bearing deposits

	2020	2019
Term deposit held with Belize Bank Limited with term of 12 months ending 10 May. Deposits are unsecured and interest is receivable at 2% per annum.	303,404	298,332
Term deposit held with Belize Bank Limited with term of 6 months ending 13 September. Deposits are unsecured and interest is receivable at 0.84% per annum.	167,098	166,309
Term deposit held with Heritage Bank Limited with term of 6 months ending 11 February. Deposits are unsecured and interest is receivable at 0.5% per annum.	541,781	539,062
Interest bearing deposit account held with Holy Redeemer Credit Union Limited with interest rate of 4% per annum payable quarterly.	564,304	542,285
Shares account at Holy Redeemer Credit Union Limited with dividend rate ranging from 3.5% to 6% per annum.	126	126
Total interest bearing deposits	1,576,713	1,546,114

5. Investments

	2020	2019
Held to Maturity:		
Three $996,769 GOB Treasury Bills with certificates No. 32068, 32069, and 32070, and one $4,983,847 GOB Treasury Bill with certificate No. 32059 (Issue No. 1/2020) all maturing 08 April 2020 with interest at 1.30% payable upon maturity. The bills were acquired at a premium of $25,845 which is recognized upon maturity.	7,974,155	2,990,829
Belize Electricity Limited Series 7 debentures with interest rate of 6% per annum payable quarterly, maturity date of 31 March 2028.	484,300	484,300
Belize Electricity Limited Series 5 debentures with interest rate of 7% per annum payable quarterly, maturity date of 31 December 2024.	550,000	550,000
Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturity date of 31 December 2030.	773,100	773,100
	9,781,555	4,798,229

6. Inventory

	2020	2019
Passbooks and covers	-	1,606
	-	1,606

7. Members' loans receivable-net

	2020	2019
Total members' loans before allowance for loan losses	55,821,252	55,794,509
Allowance for loan losses	(4,420,366)	(3,612,039)
	51,400,886	52,182,470

Allowance for loan losses

	2020	2019
At beginning of the year	3,612,039	4,609,203
Additions (note 21)	1,041,740	733,788
Write offs – net of collections	(233,413)	(1,730,952)
At end of the year	4,420,366	3,612,039

Maturity of loans

Loans to members, not including accrued interest, mature as follows:

	2020	2019
Under 1 year	2,181,027	2,560,080
1 to 2 years	5,510,011	5,222,603
2 to 3 years	8,266,375	7,739,207
3 to 4 years	9,556,949	8,631,390
Over 4 years	30,306,890	31,641,229
	55,821,252	55,794,509

Loans past due but not impaired

A loan is considered past due when the borrower has not made a payment by the contractual due date. The table below shows the carrying value of loans at 31 March that are past due but not classified as impaired because they are either i) less than 90 days past due, or ii) fully secured and collection efforts are reasonably expected to result in repayment.

	30-59 days $	60-89 days $	90 days and greater $	Total $
March 31 2020				
Members' receivable	1,435,422	899,886	2,228,101	4,563,409
March 31 2019				
Members' receivable	741,796	394,177	2,056,700	3,192,673

8. Other receivables and prepayments

	2020	2019
Accrued interest receivable	309,020	406,956
HBL ATM/POS Project (see below)	50,000	50,000
National Payment System	133,600	100,200
Member's legal fees receivable	49,196	38,095
Prepayment - Sharetech	53,078	382,345
Other prepayments and receivables	23,073	8,857
	617,967	986,453

The Credit Union has entered into a Joint Investment Agreement with the Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the formation of the new company is still in process, the investment is classified as other receivables and prepayment at 31 March 2020.

9. Property and equipment

	Land and building	Furniture and fixtures	Motor vehicle	Office, computer and other equipment	Total
Cost					
At 1 April 2019	1,417,791	356,598	250,746	740,028	2,765,163
Additions	8,021	39,287	-	818,664	865,972
Disposals	-	(9,357)	-	(38,044)	(47,401)
At 31 March 2020	1,425,812	386,528	250,746	1,520,648	3,583,734
Accumulated depreciation					
At 1 April 2019	291,989	107,967	5,392	436,446	841,794
Charge for the year	25,455	18,208	25,161	102,315	171,139
Disposals	-	(4,034)	-	(36,016)	(40,050)
At 31 March 2020	317,444	122,141	30,553	502,745	972,883
Net Book Value					
At 31 March 2020	1,108,368	264,387	220,193	1,017,903	2,610,851
At 31 March 2019	1,125,802	248,631	245,354	303,582	1,923,369

10. Members' deposits

	2020	2019
Regular deposits	7,330,163	6,385,587
Term deposits	873,309	860,383
	8,203,472	7,245,970

Members' deposits mature in less than one year.

11. Non-mandatory shares

	2020	2019
At beginning of the year	51,298,445	49,735,523
Net increase in shares	1,863,663	1,562,922
At end of the year	53,162,108	51,298,445

Central Bank of Belize Regulations require that members' share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non-mandatory shares are reflected as current liabilities.

12. Accounts payable and accruals

	2020	2019
HBL payable (ATM Settlement)	263,609	251,186
Accrued Interest	-	659
Members' mortgage legal fees payable	71,539	102,572
Other accounts payable and accruals	477,649	87,222
Social Security payable	10,874	5,528
Other professional fees payable	19,875	53,466
	843,546	500,633

13. Mortgage insurance escrow payable

	2020	2019
Mortgage insurance escrow payable	173,063	219,654

Members are expected to insure their loan amount in excess of the Credit Union's automatic loan protection of $40,000 as protection against any unknown risk. Consequently, the Credit Union assists members by collecting their monthly insurance premiums to cover the amount payable on renewal of the policy. Members' insurance premiums are recorded as a liability until payment is made at renewal.

14. Membership scheme – Sunrise to Sunset Fund

At the annual General Meeting held on 27 May 2006, a motion was approved by the members to create an insurance scheme. Consequently, the "Group Term Fund" was initiated whereby members make a monthly contribution of two dollars. The contributions are invested as directed by the Board of Directors. Beneficiaries are awarded a one-time funeral benefit of $4,000 and can be as initially indicated or subsequently selected by the member.

	2020	2019
At beginning of the year	1,535,170	1,365,333
Increase for the year	386,960	399,944
Claims paid	(202,000)	(220,000)
Actuarial cost	-	(10,107)
At end of the year	1,720,130	1,535,170

15. Membership Scheme – Life savings and loan protection

The Board of Directors made a decision to implement an in-house Membership Scheme for Savings and Loan protection with an opening balance of $57,129 allocated from undivided earnings approved by the Board as of January 2011. This fund offers protection to members for their combined shares and deposits up to a maximum of $8,000 with set percentages tiered by age and for loans up to a maximum of $40,000. The cost of the coverage is borne by the Credit Union at 0.55 cents per thousand on the total insurable balance.

	2020	2019
At beginning of the year	1,493,608	1,369,279
Net increase for the year	590,435	584,928
Claims paid	(146,470)	(460,599)
At end of the year	1,937,573	1,493,608

The Credit Union obtained an actuarial valuation of its Sunrise to Sunset Scheme and Life Savings & Loan Protection Scheme on 10 July 2018 which stated that the recorded policy liabilities represent a reasonable provision based on the application of actuarial techniques to the available data.

16. Borrowings

	2020	2019
Social Entrepreneurship Program:		
In March 2013, the Credit Union received a loan of $1,500,000 at 4% interest under the Social Entrepreneurship Program. The loan is repayable in semiannual principal installments of $111,111 plus interest. Only $1,000,000 has been disbursed at 31 March 2019 which matured on 5 March 2020.	-	205,587
Sugar Cane Replanting Program:		
In December 2013, the Credit Union was approved a loan of $2,000,000 at 1% annual interest under the Sugar Cane Replanting Program which was adjusted to $1,500,000 repayable interest only with 3 years grace period on principal followed by annual principal installments of $300,000 plus interest. The loan will mature on 30 September 2021.	-	400,000
Total Borrowings	-	605,587
Repayment of borrowings		
Within 1 year	-	505,587
Within 2-5 Years	-	100,000
	-	605,587

16. Borrowings (continued)

Loan covenants

The Sugar Cane Replanting Program and the Social Entrepreneurship Program loan agreements require the Credit Union to submit audited financial statements within 30 days after the Credit Union's year end. The Credit Union has been granted an extension to submit the financial statements when they are completed.

17. Severance payable

	2020	2019
At the beginning of the year	455,452	266,384
Additions	207,635	196,166
Payments	(663,087)	(7,098)
At end of year	-	455,452

18. Interest income/(expense)

	2020	2019
Interest income		
Personal and business loans	6,266,692	6,534,782
Fixed deposits and investments	284,217	168,272
	6,550,909	6,703,054
Interest expense		
Members' deposits	(23,488)	(23,922)
Net interest income	6,527,421	6,679,132

19. Fee and commission income

	2020	2019
Service charges	631,596	610,083
Credit related fees	266,138	330,063
Commissions	9,911	7,622
	907,645	947,768

20. Other operating income

	2020	2019
Sale of books and covers	4,003	8,517
Rental income	2,275	6,250
Sundries	84,182	93,670
	90,460	108,437

21. Provision for losses

	2020	2019
Provision for loan losses (note 7)	1,041,740	733,788

22. Other operating expenses

	2020	2019
Advertisement and promotion	83,194	59,757
Audit fees	30,267	52,066
ATM	11,773	6,544
Bank charges	31,618	35,471
Cash difference	433	117
Credit union week	7,411	6,078
LS/LP Premium expense	590,435	584,928
Depreciation	171,139	108,502
Donations	15,613	8,315
Education	21,350	76,129
Equipment maintenance	195,024	125,137
General maintenance	76,479	60,544
General meeting	66,891	60,558
Insurance	77,819	70,863
Insurance buildings	12,500	5,952
Legal fees	108,070	58,794
Loan interest	12,722	32,702
Loss on disposal	7,351	13,616
Other	52,151	60,582
Property tax	1,569	1,569
Rent expense	35,750	36,000
Registration fee	1,000	1,000
Security service	36,044	16,758
Severance expense	207,635	195,603
Social activities	21,649	13,616
Social security	56,566	43,104
Staff costs	2,384,393	2,058,762
Stationaries, supplies and postage	43,158	42,066
Strategic planning expense	39,031	2,812
Telephone	57,812	67,600
Travel and subsistence	36,422	54,293
Utilities	75,645	59,813
Vehicle maintenance	23,907	48,535
	4,592,821	4,068,186

23. Taxation

The Credit Union is licensed under the Credit Union Act, Chapter 314 of the Substantive laws of Belize, Revised Edition 2011 and is exempt from taxes on profits, gains, interest and dividends earned.

24. Key management compensation

	2020	2019
Key management compensation	453,076	391,380

25. Related party transactions

At 31 March, the Board of Directors and management have the following transactions and outstanding balances with the Credit Union which are included in members' loans receivable, deposits and shares respectively in the statement of financial position:

	2020	2019
Loans receivable:		
Officers' loans	162,779	187,942
Employees' loans	303,742	455,457
	466,521	643,399

	2020	2019
Deposits:		
Officers' deposits	154,183	136,638
Employees' deposits	323,799	291,873
	477,982	428,511

	2020	2019
Shares:		
Officers' shares	119,743	116,030
Employees' shares	212,770	247,013
	332,513	363,043

	2020	2019
Transactions with related parties:		
Officers' allowance paid	110,081	120,027
Interest income earned from related parties	58,581	91,050
	168,662	211,077

26. Lease commitment

The Credit Union leases a building at $3,000 per month under an annual operating lease agreement which is renewable by written notice 2 months before the lease expires. The lease is for annual periods ending 30 April and has been extended for another year ending 30 April 2021.

The future minimum lease payments under the operating lease are as follows:

Due in next fiscal year	36,000
Due between one and five years	3,000
	39,000

27. Contingent liabilities

Legal matters

In the ordinary course of business, the Credit Union is subject to legal actions.

In the opinion of management the outcome of the following litigation matters existing at 31 March 2020, will not have a material adverse effect on the financial position of the Credit Union.

(i) Supreme Court Claim No. 538 of 2015: Yolanda Gomez vs La Inmaculada Credit Union Limited and the Registrar of Credit Unions (the Governor of the Central Bank).

(ii) Supreme Court Claim No. 723 of 2015: La Inmaculada Credit Union vs Yolanda Gomez.

In the matter of the Claim No. 538, the Board of Directors remain of the firm view that the case is without merit, and it will vigorously contest the claim. It is expected that judgement regarding both claims will be delivered during fiscal 2021.

28. Contractual commitments

(i) In September 2018, the Board of Directors committed a capital investment of $167,000 to Shared Services Network, a company in which the Credit Union is in process of becoming a shareholder. At 31 March 2020, the Credit Union has paid $133,600.

29. Future changes in accounting policies

The Credit Union has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Credit Union:

(i) IFRS 17, Insurance Contracts, was issued in May 2017 and replaces IFRS 4, Insurance Contracts. The new standard established the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It is effective for the annual period commencing 1 April 2021, with early adoption permitted only in conjunction with IFRS 15 and IFRS 9. The Credit Union is assessing the impact of the standard.

30. Subsequent event

The extent of the impact of the ongoing coronavirus pandemic on the Credit Union's operational and financial performance will depend on certain developments, including the duration and spread of the pandemic and its impact on our members and our loans and investment portfolios, and the overall Belizean economy, all of which are uncertain and cannot be predicted. At this point, the extent to which the coronavirus pandemic may materially impact our financial condition, liquidity or results of operations is uncertain.

LA INMACULADA CREDIT UNION LTD.

Membership Terms and Conditions

February 18, 2020

Please take a few minutes to review this document – it contains important information about your account (s), as well as member and credit union responsibility and liability.

INTERPRETATION – You and the credit union shall refer to the Credit Union. I, me, my and us refer to the applicant(s). These terms and conditions shall extend to and be binding on my estate, heirs, executors, administrators, successors and permitted assigns.

TERMS AND CONDITIONS - I understand and agree that these terms and conditions will apply to all accounts opened for me at the credit union and that I should read and retain them. They replace all prior terms and conditions. I understand that you may make changes to these terms and conditions from time to time. If I am a minor or youth under the age of 18, my parent(s) or guardian will be required to sign on my account and they will be provided with a copy of these terms and conditions.

CAPACITY - The credit union will only do business with a member that is competent and is of sound mind, and has the authority to enter in any formal agreement.

FAIR DEALINGS – The credit union is committed to fair dealing and transparency in its member relationships. It will provide relevant and meaningful information in an understandable manner so that I am able to make informed decisions regarding the products and services the credit union offers. To assist the credit union in meeting this commitment, I will identify my financial needs, provide information relevant to those needs and keep that information current at the credit union.

MUTUAL RESPECT – The credit union aims to serve you with its best services; however, we recognize that there may be occasions when we fall short of expectations. We understand that it can be frustrating if something has gone wrong, there has been delay, or when we are simply not able to offer the solution you require. The credit union will always work to resolve these situations as quickly as possible.

We expect and actively monitor that our employees are courteous, understanding and respectful at all times in their communication with you and we expect you to be respectful of our employees.

The credit union would not expect our employees to have to tolerate:

- Aggressive or threatening behavior
- Personal, verbal or written abuse or harassment
- Derogatory remarks
- Inflammatory statements or offensive language
- Remarks of a racial or discriminatory nature

In rare occasions that our employees are treated this way we may restrict the service we give you. These restrictions can range from ceasing the call; abruptly finalizing an appointment or insisting you to take your business elsewhere. The decision will be dependent on the severity of the issue.

ACCOUNT STATEMENTS - The credit union provides you with a statement in which all transactions on your account are recorded. If I change my address or any contact information, I will advise you in writing within 30 days. Likewise, I agree to examine my statement and tell you of any errors, irregularities or forgeries. Unless such errors, irregularities or forgeries are brought to your attention in writing or through email or post, I understand and agree that after 30 days have expired, transactions and balance shown on it are considered correct and that all payment and transactions are genuine and properly charged to my account(s). If I do not contact you within 30 days, I understand I will release the credit union from all claims in respect to account(s) and I will have no claim against you for reimbursement. You may utilize electronic imaging and retention in connection with my account transactions and need not provide me with original instruments.

COLLECTION AND USE OF INFORMATION – In providing financial services to me, I understand you will be periodically collecting and gathering personal, financial and credit information from me to: (i)verify my identity; (ii) understand my needs and eligibility for products and services; (iii) open, maintain and administer my account and provide me with financial services that meet my needs; (iv) obtain credit reports and evaluate my credit rating and credit worthiness; (v) administer and manage security and risk in relation to my account and the financial services provided to me; (vi) comply with legal and regulatory requirements; (vii) assist in dispute resolution; (viii) offer and provide me with other products and services of the credit union and of its affiliates and service suppliers.

I understand that you need my consent to collect, use and disclose information gathered about me except when the law allows you to do so without my consent. For that purpose, I authorize, consent to, and accept this as written notice of your obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information about me at any time for the purpose described including from or with any credit bureau, credit grantor or other entity in connection with my account and any relationships between us or those which you or I wish to establish.

I understand it is necessary to keep my information current and I agree to notify you of any changes in my information.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES – The credit union will disclose information only to the account holder or other authorized persons on the account except where such information is lawfully required or permitted by any law or court of a competent jurisdiction in Belize.

ELECTRONIC COMMUNICATION – if I provide the credit union with the fax number, e-mail address, cell number or contact information for any other electronic communication medium, I consent to and authorize the credit union to communicate with me electronically via that medium and to accept and act upon direction received via that medium. I recognize such electronic communications may not be completely secure and I agree to accept that risk and to take the steps I deem necessary to ensure the medium is secure. I acknowledge and agree that the credit union may, in its sole discretion, require additional instruction, documentation and/or verification before accepting or acting upon any electronic communication from me. I acknowledge and agree that the credit union may not be responsible for any damages I may incur in the event that (i) a third party obtains access to confidential information from my end via the electronic communication exchange; or (ii) the credit union acts upon an unauthorized electronic banking transaction or communication received via that medium.

CLOSING MY ACCOUNT – In line with section 15 subsection 6A (d) of the Money Laundering and Prevention Amendment Act 2016, the credit union may terminate a business relationship if the credit union is unable to undertake ongoing monitoring with respect to any account. Therefore, you may close my account(s) without notice to me if I do not operate my account(s) or conduct business at the credit union in a satisfactory manner, for example if I maintain a balance below $10.00 (Minimum Mandatory Shares) or outstanding service charges or I use the account(s) for illegal purposes or if, in your opinion, there is illegal, unusual, improper or suspicious activity in my account(s). You may close my account(s) without reason by giving me at least a 30-day notice. You may apply any of my funds to any debt of mine to you.

I also accept to abide by the rules and guidelines of this Terms and Agreement and all other governing policies and understand that failure to do so may result in the closing of my account by LICU.

FEES - you may charge your usual fees and charges for the operation of my account(s) and conducting transactions at the rates established by you from time to time and you may debit my account(s) from time to time for the amount of such fees and charges.

DEBIT MY ACCOUNT – you may deduct my account(s) for all cheques bills of exchange, or other instruments and any authorized debit transactions, whether electronic, voice response, written or otherwise, and may carry out any of my instructions in connection with my account(s). You may charge and debit my accounts whether single or jointly owned, for any debt I owe to you, whether it is a joint or sole liability. Should any instruments received by you for my account(s) be lost or stolen or otherwise disappear from any cause, other than your negligence, you may charge them to my account(s).

DEPOSITS – I may make deposits to any of my accounts(s) when you are open for business or via the depository bin services. All funds credited to my account(s) are subject to source of funds verification prior to processing. This may require that I sign a source of funds declaration form and to provide supporting documentation**.** For cheque deposits, these will be subject to cheque clearing and final payment. At your discretion you may place a hold on a deposit to determine if a cheque will be honored when presented for payment. Notwithstanding that a hold may have been placed on a deposit, if a cheque or other credit item is returned to you unpaid for any reason, you may charge the amount of the returned cheque or item, plus any interest which may have accrued and all expenses, fees and charges you may have incurred in attempting to collect the cheque or other item to my account(s).

In addition to any rights of set-off and any similar express or implied rights, the credit union may at any time, as a continuous right, without notice or demand and as its sole an absolute discretion, for freeze, retain for and indemnify itself and appropriate in or towards satisfaction of any liability damages or loss suffered or incurred by the credit union or the affected parties any money in any account of the account holder with the credit union.

INACTIVE/DORMANT ACCOUNTS – My account will be considered inactive if I do not complete a transaction for a period within six months. If my account becomes inactive, you may require me to visit the credit union and present acceptable proof of my identity, proof of address as well as make a deposit to my account(s) of a minimum of $10.00 in order to reactivate my account.

ACCESSING MY ACCOUNT – I understand I may access my account within your branches, through designated automated teller machines (ATMs), Direct Payment Agents, via telephone or through home or mobile banking. I acknowledge that the terms of any ATM or member card agreement and any electronic access agreement also apply when I access my account through automated machines or electronically. I acknowledge that you may require me to come to a branch to conduct a transaction and that you may refuse a deposit to an account or refuse to accept any item for deposit. You may require up to 30 days for me to withdraw monies from my account. Access to my account may be subject

to daily or transactions limits as set by you. You may refuse to release funds in my account if you are required to do so by any legal authority or if in your opinion there is any unusual, improper or suspicious activity in the account and where there is a dispute as to the entitlement to such funds or the ownership of the account. I understand that the credit union may also apply to a court for directions or pay the funds into court. I agree the credit union will be entitled to fully recover any costs or expenses incurred by you arising from any such dispute over the funds in my account.

HOME AND MOBILE BANKING SERVICES – I may access home and mobile banking services by applying first via the LICU's online web portal *www.shareteccu.com/licu* for home banking and thereafter, via LICU's mobile app for mobile services. In order to obtain full access to these services I agree to have my account information fully updated as required by the credit union's policies and procedures. The credit union may charge associated fees in providing home and mobile banking services.

DISHONOURED CHEQUES – you may debit my account for all dishonored cheques or other items or transactions of any kind which may have been deposited to my account and which are not paid on presentation. I agree to pay any service fees or charges in connection with a dishonored cheque. I waive presentment, protest the notice of the dishonor of each such document where there is an endorser other than me.

INDEMNITY – if statements or receipts are lost, stolen or destroyed by me, I shall accept your records as conclusive proof of the correctness and authenticity of the items or entries so recorded therein and agree to hold you free from all liability and to indemnify and save you harmless from any loss, claim or demand made upon you as a result of such loss, claim or demand.

Due Diligence – I hereby authorize and give consent to the credit union to request any and all reports pertaining to me from any source that the credit union in its sole discretion deems necessary or advisable for due diligence purposes and benefit claims and further consent to the disclosure of information relating to the affairs of my information to or from any such sources and to the transfer of such information or reports to the credit union for due diligence purposes in opening and maintaining the account with the credit union.

RECORDS – you may create and retain such records as necessary to comply with legal and regulatory requirements including retention of telephone or electronic instructions.

LIABILITY OF THE CREDIT UNION – the credit union is not liable for any delay, lost, damage or inconvenience which results from providing a service except where such a loss results from technical problems, errors, system malfunctions for which the credit union is solely responsible. The credit union is not responsible for any failure, error or delay by any third party. Under no circumstances is the credit union responsible for any indirect, consequential, special, aggravated or punitive damages, however, caused to me regardless of how it is caused. The credit union is not responsible for any errors which may result from me incorrectly providing any account number, dollar amount or other information required for the operation of my account.

Unattended Credit Union Facility - I agree that the use of any depository facility, automated teller machine (ATM) or other unattended credit Union facility shall be at my own risk and the credit union shall not be responsible or liable for any losses or damages sustained by me while utilizing such a facility

JOINT ACCOUNTS – if I have a joint account with one or more persons:

a. AND account - where the account is designated as an AND account, both or all signatories are required for any and all loans, withdrawals, request for statements, ATM cards and benefit plan coverages. Such withdrawal or payment is valid and shall release and discharge the credit union from any liability;
b. OR account - where the account is designated as an OR account, either of the account holders' signatures are required for any loan. For withdrawals, request for statements, ATM cards, benefit plan coverages, any of the account holders may apply. Such withdrawal or payment is valid and shall release and discharge the credit union from any liability. I acknowledge each of us will have access to all of the account history and transaction details for this account and I agree to this access being provided by the credit union;
c. Where a joint account is designated as DORMANT, it will require both first and second persons to be present to reactivate said account.
d. The account shall be issued and held jointly with a right of survivorship or tenants in common as per the credit union by-laws.
e. Right of survivorship means that if one of the account holders dies, all monies in the account automatically becomes the property of the survivor. After my death, the credit union's only obligation with respect to the account is to the survivor. Anyone else making a claim against the account must deal with the survivor. Upon the death of the primary account holder, the credit union, in its sole discretion, may require the account

to be closed and reopened in the survivor's name. Despite the above, if one of the account holders dies, the credit union, in its sole discretion, may refuse to release funds in the account until it receives the right direction from the survivor and the legal representatives of the deceased;

f. If both account holders under Right of Survivorship die simultaneously, the named beneficiaries will be honored. In the absence of named beneficiaries, the next of kin as per law will be applied.

g. Joint accounts under "tenants-in-common" is where the account is owned in divisible shares. So each of the co-owners has a quantifiable share. They may own the asset equally, as in 50%/50%, or in any other proportion. When one co-owner dies his share passes to his estate and not to the other co-owner (like in the case of the joint tenant).

h. You will credit the joint account with deposits made or endorsed by any one or more of us, or deposits that you receive from any one or more of us, whether such deposits are payable to one or more of us;

i. I am jointly and severally liable for all charges imposed or payable with respect to my account

THIRD PARTY TRANSACTION – I acknowledge that I may send a third party to conduct transactions on my behalf on my account. I understand that this must be done in writing and can only be done three times consecutively after which I am required to come in person. I also understand that adequate identification documents for both myself and the third party are required. Notwithstanding, the credit union may require further confirmation regarding instructions and may deny request if not satisfied. Such withdrawal by a third party is valid and shall release and discharge the credit union from any liability.

BUSINESS ACCOUNT – any account to be operated for business purposes must provide the following, if applicable: (i) name of corporate entity; (ii) principal place of business and registered office; (iii) mailing address (iv) telephone and email address (v) board resolution authorizing the opening of the account and conferring authority on signatories of the account; (vi) certified copy of Certificate of Incorporation; (vii) normal due diligence documents for all signatories and controlling interest of the business (viii) Certificate of Good standing of the business (ix) any additional documents to verify the identity of the business member as required from time to time.

MINOR ACCOUNT – any account that is opened by a parent or guardian in the name of a minor under the age of 18 is considered a minor account and cannot be closed nor accessed until the child attains the age of 18 and takes charge of the account. As such the account can only be used for the purpose of savings. The parent or guardian under this type of account is designated as the responsible party/custodian and shall have full and unimpeded access to the information on the account.

YOUTH ACCOUNT – any account that is opened by a parent or guardian for a young person age 14 to 18 will be considered a youth account . This type of account can be used for the purpose of savings and regular deposits and can only take on liabilities once the member attains the legal age of 18. The responsible party/custodian has the responsibility to ensure that the deposit funds are used to benefit the youth at all times.

Severability – Any term contained in this Agreement which is or becomes invalid or unenforceable under applicable law or regulation, shall not affect the validity or enforceability of the remaining terms.

CHANGES TO THIS AGREEMENT – you may make changes to this agreement to correct clerical errors without notice to me. You may make other changes to the general terms and conditions if you notify me of such changes. You may give me notice by posting on the credit union's website (if applicable) AND either by mail OR electronically if I bank electronically. My use of any of my account(s) after the effective date of the changes is my acceptance of the changes.

Governing Law – This Agreement and any account of the member with the credit union shall be governed exclusively by the laws of Belize.

This Membership terms and conditions was approved by the LICU Board of Directors at their meeting held on February 18, 2020 and becomes effective immediately.

Current Directors and Officers and their remaining terms in office as at March 31, 2020

BOARD OF DIRECTORS:

President	Ena Martinez	Two (2) years more
Vice President	Belarmino Esquivel	Vacancy
Secretary	Manuel Polanco	Two (2) years more
Assistant Secretary	David Constanza	Vacancy
Treasurer	Cindy Castillo	Vacancy
Director	Teresita Miranda	Two (2) years more
Director	Oscar Gutierrez	Vacancy

SUPERVISORY COMMITTEE:

Chair	Lisa Carballo	Vacancy
Secretary	Dorita Herrarte	Vacancy
Officer	Leandro Osgalla	One (1) year more (Interim)

CREDIT COMMITTEE:

Chair	Javier Moreno	One (1) year more
Secretary	Marcia Tun	One (1) year more
Officer	*Elsie Benavidez	Vacancy (Interim)

*Mrs. Benavidez had to vacate her position in the Credit Committee due to unforeseen circumstances hence the interim position is now being held by Suzannie Cajun.

Credit Union Prayer

Peace Prayer of St. Francis of Assisi

LORD, MAKE ME AN INSTRUMENT OF YOUR PEACE:

WHERE THERE IS HATRED, LET ME SOW LOVE
WHERE THERE IS INJURY, PARDON
WHERE THERE IS DOUBT, FAITH
WHERE THERE IS DESPAIR, HOPE
WHERE THERE IS DARKNESS, LIGHT
AND WHERE THERE IS SADNESS, JOY

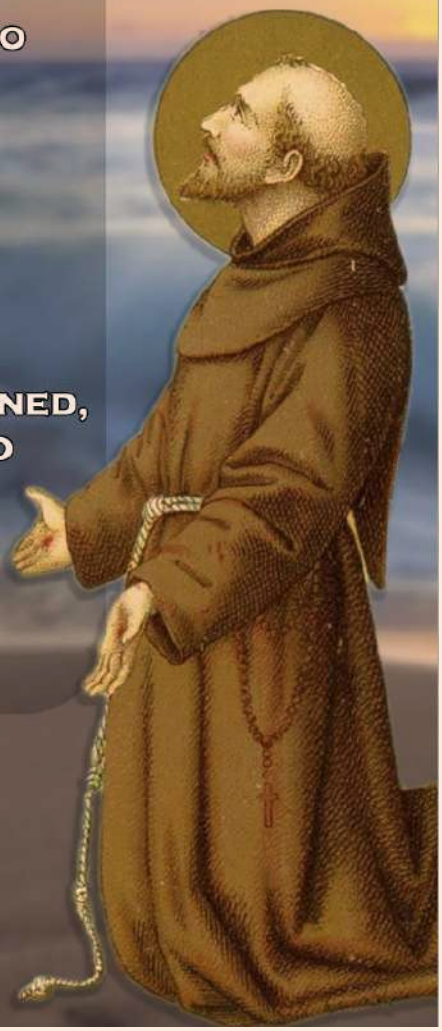
O DIVINE TEACHER, GRANT THAT I MAY NOT SO MUCH SEEK:

TO BE CONSOLED AS TO CONSOLE,
TO BE UNDERSTOOD AS TO UNDERSTAND,
TO BE LOVED AS TO LOVE.

FOR IT IS IN GIVING THAT WE RECEIVE,

IT IS IN PARDONING THAT WE ARE PARDONED,
AND IT IS IN DYING THAT WE ARE BORN TO ETERNAL LIFE.

AMEN.





LICU gives you:

- Yearly Savings Returns (Dividends/Rebates)
- Free Life Savings Coverage up to $8,000
- Free Loan Protection up to $40,000
- Member's Life Coverage (Burial Grant)
- Free 24 hour Depository Bin for payments and savings
- Free Country-wide Point of Sales Service (swipe & pay)
- Country-wide ATM Access
- Special Discounts on RFG Housing Insurance
- Affordable Processing of Land Documents / Legal Instruments
- Over- the- Counter Utility Bill Payments and Top-up
- As a member/owner you have a voice that counts!

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CREDIT UNION LTD.
BELIZE, C.A.

Always at your Service!