

General Employees' Co-operative Credit Union Limited

Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

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Corporate Information

REGISTERED OFFICE

Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Bro. Michael Sayers	-	President
Bro. Kelvin Pompey	-	Vice President
Bro. Meriah Samuel	-	Treasurer
Sis. Fay-Ann Durham - Richards	-	Secretary
Bro. Philmore Isaacs		
Sis. Nekisha Williams		
Bro. Endall Johnson		
Sis. Anika Stapleton		<i>(appointed July 2, 2025)</i>
Bro. Renato Gumbs		

CHIEF EXECUTIVE OFFICER

Maxine Richards - Johnney

SOLICITOR

Baptiste and Company

FINANCIAL INSTITUTIONS

Bank of St. Vincent and the Grenadines Ltd.

AUDITORS

Grant Thornton Limited
Chartered Accountants
Sergeant-Jack Drive
Arnos Vale
St. Vincent



INDEPENDENT AUDITOR'S REPORT

**To the Members of
General Employees' Co-operative Credit Union Limited**

Grant Thornton Limited

Sergeant Jack Drive, Arnos Vale
P.O. Box 345, Kingstown
St. Vincent, W.I.

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F +1 784 456 2184

Opinion

We have audited the financial statements of General Employees' Co-operative Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Credit Union for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on June 17, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2025 Annual Report, but does not include the financial statements and our auditor's report thereon. The 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Chartered Accountants**Audit | Tax | Advisory**

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Grant Thornton

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

Grant Thornton Limited

Chartered Accountants

St. Vincent

July 22, 2026

Chartered Accountants
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General Employees' Co-operative Credit Union Limited

Statement of Financial Position

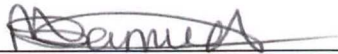
As at December 31, 2025

(in Eastern Caribbean dollars)

	Notes	2025 \$	2024 \$
ASSETS			
Cash resources	6	109,238,801	102,787,402
Inventories	7	7,262,297	8,286,074
Investment securities - amortised cost	8(i)	98,942,895	91,157,671
Investment securities - fair value through profit or loss	8(ii)	2,075,382	2,070,100
Loans to members	9	255,915,412	224,536,672
Right-of-use assets	10	337,202	396,487
Other assets	11	4,043,954	1,547,039
Investment properties	12	13,751,834	13,679,136
Property and equipment	13	12,371,253	12,532,668
TOTAL ASSETS		503,939,030	456,993,249
LIABILITIES			
Other payables	14	9,338,127	8,536,254
Staff pension fund deposit	15	1,538,153	1,428,871
Lease liabilities	16	330,760	390,426
Members' deposits	17	234,386,323	213,232,276
Members' ordinary savings	18	184,979,737	167,354,924
TOTAL LIABILITIES		430,573,100	390,942,751
MEMBERS' EQUITY			
Share capital	19	42,738,407	38,880,210
Statutory reserve	20	13,601,586	12,110,968
Social development fund	21	2,494,934	2,368,501
Statutory development fund	22	30,000	30,000
Revaluation reserve	13	2,718,284	2,718,284
Retained earnings		11,782,719	9,942,535
TOTAL MEMBERS' EQUITY		73,365,930	66,050,498
TOTAL LIABILITIES AND MEMBERS' EQUITY		503,939,030	456,993,249

These financial statements were approved by the Board of Directors and authorised for issue on July 20, 2026, and signed on its behalf by:


Michael Sayers
President


Meriah Samuel
Treasurer

General Employees' Co-operative Credit Union Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

	Notes	2025 \$	2024 \$
Income			
Loan interest		19,239,320	17,633,847
Investment interest	23	3,888,898	3,718,306
		23,128,218	21,352,153
Interest expense		(8,204,319)	(7,049,030)
Net Interest Income		14,923,899	14,303,123
Expected credit losses, net	24	(309,945)	(702,909)
General and administrative expenses	25	(7,923,268)	(7,884,491)
Staff costs	26	(4,863,767)	(4,356,715)
Other operating income, net	27	3,131,359	2,925,647
Operating Profit		4,958,278	4,284,655
Net unrealised gain on FVTPL investments		5,282	9,663
Net Profit for the Year		4,963,560	4,294,318
Total Comprehensive Income		4,963,560	4,294,318

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

General Employees' Co-operative Credit Union Limited

Statement of Changes in Members' Equity For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

	Notes	Share Capital \$	Statutory Reserve \$	Social Development Fund \$	Statutory Development Fund \$	Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance as at January 1, 2024		36,786,983	10,821,081	2,296,822	30,000	2,718,284	8,710,344	61,363,514
Net profit for the year		-	-	-	-	-	4,294,318	4,294,318
Shares issued during the year	19	2,165,204	-	-	-	-	-	2,165,204
Shares redeemed during the year	19	(71,977)	-	-	-	-	-	(71,977)
Net increase in social development fund	21	-	-	71,679	-	-	-	71,679
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	1,288,295	-	-	-	(1,288,295)	-
Entrance fees	20	-	1,592	-	-	-	-	1,592
Dividends paid	19	-	-	-	-	-	(1,743,832)	(1,743,832)
Balance as at December 31, 2024		38,880,210	12,110,968	2,368,501	30,000	2,718,284	9,942,535	66,050,498
Balance as at January 1, 2025		38,880,210	12,110,968	2,368,501	30,000	2,718,284	9,942,535	66,050,498
Net profit for the year		-	-	-	-	-	4,963,560	4,963,560
Shares issued during the year	19	4,026,091	-	-	-	-	-	4,026,091
Shares redeemed during the year	19	(167,894)	-	-	-	-	-	(167,894)
Net increase in social development fund	21	-	-	126,433	-	-	-	126,433
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	1,489,067	-	-	-	(1,489,067)	-
Entrance fees	20	-	1,551	-	-	-	-	1,551
Dividends paid	19	-	-	-	-	-	(1,604,309)	(1,604,309)
Balance as at December 31, 2025		42,738,407	13,601,586	2,494,934	30,000	2,718,284	11,782,719	73,365,930

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

General Employees' Co-operative Credit Union Limited

Statement of Cash Flows

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

	Notes	2025 \$	2024 \$
Cash Flows from Operating Activities			
Profit for the year		4,963,560	4,294,318
Adjustments for:			
Depreciation	13	513,969	933,812
Depreciation on right-of-use assets	10	179,517	139,668
Loss on disposal of property and equipment	27	-	4,567
Net unrealised gain on FVTPL investments		(5,282)	(9,663)
Expected credit loss recoveries on investment securities	24	(192,655)	(124,947)
Expected credit losses on loans and advances and undrawn loan commitments	24	517,229	845,724
Interest income		(23,048,769)	(21,352,153)
Dividend income	23	(79,449)	(27,460)
Lease interest	25	8,389	10,072
Interest expense		8,204,319	7,049,030
Operating loss before working capital changes		(8,939,172)	(8,237,032)
Changes in:			
Loans to members		(31,840,702)	(25,596,998)
Other assets		(2,496,915)	(16,353)
Members' deposits		21,131,938	22,305,641
Staff pension fund deposit		109,282	193,038
Inventories		1,023,777	483,197
Other payables		781,704	1,939,420
Members' ordinary savings		16,908,460	16,232,105
Net cash (used in)/generated from operations		(3,321,628)	7,303,018
Interest received		19,814,702	18,372,200
Lease interest paid		(8,389)	(10,072)
Interest paid		(7,465,857)	(7,039,244)
Net Cash from Operating Activities		9,018,828	18,625,902
Cash Flows from Investing Activities			
Purchase of property and equipment	13	(352,554)	(1,003,572)
Additions to investment properties	12	(72,698)	-
Dividends received		79,449	27,460
Interest received		3,204,265	2,954,739
Change in investment securities		(7,597,865)	(100,898)
Net Cash (Used in)/from Investing Activities		(4,739,403)	1,877,729
Cash Flows from Financing Activities			
Net increase in social development fund	21	126,433	71,679
Statutory development funds paid	22	(30,000)	(30,000)
Net increase in share capital	19	3,858,197	2,093,227
Payment of lease liabilities	16	(179,898)	(150,905)
Entrance fees received	20	1,551	1,592
Dividends paid	19	(1,604,309)	(1,743,832)
Net Cash from Financing Activities		2,171,974	241,761
Increase in Cash Resources		6,451,399	20,745,392
Cash resources – beginning of year		102,787,402	82,042,010
Cash resources – end of year	6	109,238,801	102,787,402

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

General Employees' Co-operative Credit Union Limited

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General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

1. Reporting Entity

The General Employees' Co-operative Credit Union Limited (the "Credit Union") was registered on July 14, 1964, as a Co-operative Society. The Credit Union's operations are subject to the Co-operative Societies Act 2012 of St. Vincent and the Grenadines, and the supervision of the Financial Services Authority and the Co-operatives Unit in the Ministry of National Mobilization, Social Development, Family, Gender Affairs, Persons with Disabilities and Labour. The Credit Union's registered office is situated in Kingstown, St. Vincent and the Grenadines.

The Credit Union's principal objectives are to promote thrift and savings among its members and make loans to members exclusively for provident and productive purposes.

2. Basis of Preparation

a. Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), under the historical cost convention, except for fair value through profit or loss (FVTPL) investments, land and buildings and investment properties which have been measured at fair value.

The financial statements have been prepared under the assumption the Credit Union operates on a going concern basis, which assumes the Credit Union will be able to discharge its liabilities as they fall due. In confirming the validity of the going concern basis of preparation, the Credit Union has considered the following specific factors:

- the Credit Union reported a net profit for year of \$4,963,560 (2024: \$4,294,318);
- the Credit Union generated positive operating cash flows of \$9,018,828 (2024: \$18,625,902) in the current year; and
- the Credit Union reported total members' equity of \$73,365,930 (2024: \$66,050,498) as at end of the reporting period.

Based on these factors, management has a reasonable expectation that the Credit Union has and will have adequate resources to continue in operational existence for the foreseeable future.

b. Functional and Presentation Currency

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

c. Use of Judgement and Estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires management to make estimates, based on assumptions and judgments. Management also makes judgments, other than those involving estimations, in the process of applying the accounting policies. The estimates and judgments affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

The estimates and the underlying assumptions, as well as the judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

2. Basis of Preparation ...*Cont'd*

c. Use of Judgement and Estimates ...*Cont'd*

The Credit Union's accounting policies provide scope for financial assets and liabilities to be designated on inception into different accounting categories in certain circumstances, and the Credit Union exercises judgment in carrying out such designation; this judgment relates to whether the instruments meet the criteria for the particular classification. Judgments that have a significant effect on the amounts recognised in the financial statements, and estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year include the following:

Classification of Financial Assets

Note 4(f): classification of financial assets: Judgement is required to assess the business model within which financial assets are held and whether the contractual terms of financial assets are solely payments of principal and interest (SPPI) on the principal amounts outstanding.

Impairment Allowance

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended December 31, 2026, is included in the following notes:

Note 4(f): impairment of financial instruments: determining inputs into the expected credit loss measurement model, including forward-looking information.

Fair Value Measurement

A number of the Credit Union's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities and non-financial assets.

Management performs the significant fair value measurements including Level 3 fair values and reports to the audit committee through the internal auditor.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 - Investment properties
- Note 13 - Property and equipment
- Note 5(a) - Financial risk review
- Note 5(b) - Fair value of financial instruments

Residual Values and Useful lives of Property and Equipment

As noted in **Note 4(d)**, the residual values and useful life of each asset are reviewed at least at each reporting date and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The assumptions regarding residual values give rise to estimation uncertainty.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

3. Changes in Accounting Policies and Disclosures

(a) New Accounting Standards, Amendments and Interpretations

A number of new and amended standards and interpretations are effective for reporting periods beginning on or after January 1, 2025, but they did not have a material effect on the Credit Union's financial statements.

See the applicable notes for further details on how these amendments affect the Credit Union.

Lack of Exchangeability (Amendments to IAS 21)

The amendments, which were effective for annual reporting periods beginning on or after January 1, 2025, contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

These amendments did not have any significant impact on these financial statements and therefore the disclosures have not been made. Accordingly, the Credit Union has made no changes to its material accounting policies in 2025.

(b) New Standards, Interpretations and Amendments not yet Effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after January 1, 2026 and earlier application is permitted; however, the Credit Union has not early adopted the following new or amended standards in preparing these financial statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments to IFRS 9 and IFRS 7 (effective January 1, 2026)

The amendments:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e. when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarifies how to assess the contractual cash flow characteristics of financial assets that include Environmental, Social and Governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at Fair value through other comprehensive income.

IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027)

IFRS 18 introduces new categories and subtotals in the Statement of income. It also requires disclosure of management defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of income

An entity will be required to classify all income and expenses within its Statement of income into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

3. Changes in Accounting Policies and Disclosures ...Cont'd

(b) New Standards, Interpretations and Amendments not yet Effective ...Cont'd

IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027) ...Cont'd

Main business activities

For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.

Management-defined performance measures

IFRS 18 introduces the concept of a Management-defined Performance Measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS Accounting Standard.

Location of information, aggregation and disaggregation

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

Consequential amendments to other accounting standards

Narrow-scope amendments have been made to IAS 7 *Statement of cash flows*, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss'. The optionality around classification of cash flows from dividends and interest in the Statement of cash flows has also largely been removed.

IAS 33 *Earnings per Share* is amended to include additional requirements that permit entities to disclose additional amounts per share, only if the numerator used in the calculation meets specified criteria. The numerator must be:

- An amount attributable to ordinary equity holders of the parent entity; and
- A total or subtotal identified by IFRS 18 or an MPM as defined by IFRS 18.

Some requirements previously included within IAS 1 *Presentation of Financial Statements* have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which has been renamed IAS 8 *Basis of Preparation of Financial Statements*. IAS 34 *Interim Financial Reporting* has been amended to require disclosure of MPMs.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027)

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS Accounting Standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS Accounting Standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS Accounting Standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

3. Changes in Accounting Policies and Disclosures ...*Cont'd*

(b) New Standards, Interpretations and Amendments not yet Effective ...*Cont'd*

Improvements to IFRS Accounting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS Accounting Standards. The following amendments are applicable to annual periods beginning on or after January 1, 2026, and may be applicable to the Credit Union.

- **IFRS 7** Financial Instruments: Disclosures – Gain or loss on derecognition
- **IFRS 7** Financial Instruments: Disclosures – Disclosure of deferred difference between fair value and transaction price
- **IFRS 7** Financial Instruments: Disclosures – Introduction and credit risk disclosures
- **IFRS 9** Financial Instruments – Lessee derecognition of lease liabilities
- **IFRS 9** Financial Instruments – Transaction price I
- **IAS 7** Statement of Cashflows – Cost Method

4. Material Accounting Policies

a. Foreign Currency Translation

These financial statements are expressed in Eastern Caribbean dollars. The Eastern Caribbean dollar is the Credit Union's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currencies classified as amortised cost are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss.

Translation differences on monetary items, such as equities held at fair value are recognised through profit or loss, and are reported as part of the fair value gain or loss. Translation differences on monetary items, such as equities classified as fair value through other comprehensive income, are included in the fair value in other comprehensive income and ultimately accounted for in reserves in equity.

b. Cash Resources

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

c. Inventories

Inventories represent property held for sale and is stated at the lower of cost and net realizable value. The Credit Union's inventories arise when there is a change in the use of investment properties evidenced by the commencement of development with a view to sell, and the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realizable value. Cost includes design cost, materials, direct labour, other direct costs, and related construction overheads and borrowing costs for the development of all those qualifying assets, which is allocated to individual lots on an average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

d. Property and Equipment

Land and buildings are stated at the most recent valuation less subsequent depreciation for buildings. Valuations are performed every five years by independent professional valuers. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property and equipment are stated at historic cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Changes in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Land is not depreciated. Leasehold improvements are amortised over the term of the lease or the life of the improvements whichever is shorter. Depreciation of other assets is calculated using a straight-line method, at rates which are expected to write-off the cost or valuation of the assets over their estimated useful lives at the following annual rates:

Freehold buildings	2%
Furniture and equipment	20%
Computer equipment & software	20%
Motor vehicles	20%

Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining the profit or loss. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

Repairs and maintenance are charged to the profit or loss account when the expenditure is incurred.

e. Investment Properties

Investment properties are properties, land or buildings or part thereof or both owned by the Credit Union, to earn rentals or for capital appreciation or both. Any property interest held under an operating lease, which is used to earn rental income, and the Credit Union assumes substantially all the risks and rewards incidental to ownership is recognised as an investment property.

Investment properties are accounted for under the fair value model. The fair value of investment properties is determined by reference to independent notional market approach valuations. Changes in fair market valuation of investment properties are reflected in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

f. IFRS 9 Financial Instruments

Recognition and Initial Measurement

The Credit Union recognises a financial instrument when it becomes a party to the contractual terms of the instrument. All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Classification categories of financial assets

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

- Amortised cost;
- Fair value through profit or loss (FVTPL); or
- Fair value through other comprehensive income (FVOCI).

In the current and prior period, the Credit Union does not have any financial assets classified as FVOCI, and also has no debt securities classified as FVTPL.

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

Financial Assets

Under IFRS 9

Deposits with other institutions, treasury bills, loans and advances to members, other assets and investment securities

The Credit Union measures deposits with other institutions, treasury bills, loans and advances to members, other assets and investment securities at amortised cost if the following criteria are met:

- the financial asset is held within a business model with the objective to hold the financial asset in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Equity Instruments

Equity instruments under IFRS 9 are always reported at fair value since they fail the SPPI test. Where the Credit Union's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as investment income when the Credit Union's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(loss) in the statement of profit or loss as applicable. Impairment losses (and reversal of investment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Business Model Assessment

With the adoption of IFRS 9, the business model test was used by the Credit Union to migrate the instruments along with the SPPI test to the new reporting classification. The assessment was done by reviewing the investments under the existing IAS 39 classification and selecting the business model that best suits the individual instruments in the respective classification.

The objective of this test was to determine whether an arrangement pays only interest and principal and would then qualify as a basic lending arrangement. An instrument would therefore pass the SPPI test if it does not introduce risks or volatility that is inconsistent with a basic lending arrangement. Conversely, financial assets which have SPPI characteristics but are held within the business model whose objective is both to collect the contractual cash flows and to sell the financial assets ("hold to collect" and sell) are subsequently measured at fair value through other comprehensive income (FVOCI).

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Business Model Assessment ...*Cont'd*

The Credit Union currently holds loans and advances solely for the collection of principal and interest. Based on the business model, it is the Credit Union's intention to hold these instruments until they are fully amortised. However, there may be instances where the Credit Union may need to dispose of a portion of its portfolio to meet liquidity requirements; this is however only done in exceptional circumstances and is not considered to be the sole purpose of negotiating these instruments.

For the held-to-maturity (HTM) instruments the "hold to collect" business model was adopted since the objective is to hold the financial asset and to collect contractual cash flows. The existing fixed income HTM portfolio consists of only bond instruments with fixed contractual cash flows. The money market instrument portfolio includes fixed deposit and treasury bills with fixed contractual cash flows. Since investment disposals for these portfolios are infrequent and incidental to the model's objective, the measurement category used will be amortised cost.

The SPPI Test

As a second step of the classification process, the Credit Union assesses the contractual terms of financial assets to identify whether they meet the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Credit Union applies judgement and considers relevant factors such as the currency in which the financial assets is denominated and the period for which the interest rate is set.

In contrast, the contractual terms that introduce a more than de minimis exposure to risk or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL or FVOCI without recycling.

Debt Instruments Measured at Amortised Cost

Debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost. Interest income on these instruments is recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortised cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortised cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortised cost are presented net of the allowance for credit losses (ECL) in the statement of financial position.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Debt Instruments Measured at Fair Value through Other Comprehensive Income (FVOCI)

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealised gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realised gains and losses are reclassified from OCI and recorded in non-interest income in the statement of income on an average cost basis. Foreign exchange gains and losses that relate to the amortised cost of the debt instrument are recognised in the statement of profit or loss and other comprehensive income.

Premiums, discounts and related transaction costs are amortised over the expected life of the instrument to interest income in the statement of profit and loss and other comprehensive income using the effective interest rate method.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The ECL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the statement of financial position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to provision for credit losses in the statement of profit or loss and other comprehensive income. The accumulated allowance recognised in OCI is recycled to the statement of profit or loss and other comprehensive income upon derecognition of the debt instrument.

Debt Instruments Measured at Fair Value through Profit or Loss (FVTPL)

Debt instruments are measured at FVTPL for assets:

- held for trading purposes;
- held as part of a portfolio managed on a fair value basis; or
- whose cash flows do not represent payments that are SPPI.

These instruments are measured at fair value in the statement of financial position, with transaction costs recognised immediately in the statement of profit or loss and other comprehensive income as part of non-interest income. Realised and unrealised gains and losses are recognised as part of non-interest income in the statement of profit or loss and other comprehensive income.

Debt Instruments Designated at FVTPL

Financial assets classified in this category are those that have been designated by the Credit Union upon initial recognition, and once designated, the designation is irrevocable. The FVTPL designation is available only for those financial assets for which a reliable estimate of fair value can be obtained.

Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Financial assets designated at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recognised in non-interest income in the statement of profit or loss and other comprehensive income.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Impairment of Financial Assets

The Credit Union recognises expected credit losses (ECLs) on the following financial assets that are not measured at FVTPL:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- lease receivables;
- loan commitments.

The measurement of expected credit loss involves increased complex judgement that includes:

Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12 months ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Credit Union applies a three-stage approach based on the change in credit quality since initial recognition.

Expected credit loss impairment model

The Credit Union's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either:

- (i) over the following twelve months; or
- (ii) over the expected life of a financial instrument depending on credit deterioration since origination.

The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

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(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Impairment of Financial Assets ...*Cont'd*

To assess whether there is significant increase in credit risk, the Credit Union compares the risk of default occurring on the asset at the reporting date with the risk of default at initial recognition. It considers available reasonable and supportive forward-looking information. A summary of the assumptions underpinning the assessment of significant increase in credit risk is as follows:

Category	Credit Union Definition of Category	Basis of Recognition of Expected Credit Loss
Stage 1: Performing	Customers who have low risk of default and strong capacity to meet contractual cash flows	12 month expected credit loss. Where the expected lifetime of an asset is less than 12 months, expected losses are measured as its expected lifetime.
Stage 2: Non-Performing	Loans for which there is significant increase in credit risk as evidenced by: - absence of up-to-date financial information on file; - Inadequate credit documentation to support borrowing which may result in losses if not corrected; - Breach of loan covenant; or - Other potential weaknesses that deserve management's attention, but do not expose the Credit Union to significant risk.	Lifetime expected losses
Stage 3: Credit-Impaired	All or most of the weaknesses of 'non-performing' in stage 2. - Full liquidation of collection of debt improbable; - significant financial difficulty of the borrower or issuer; a breach of contract such as a default or being more than 90 days past due; - the restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise; - it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.	Lifetime expected losses
Write-off	Cases in which the Credit Union determines that the borrower does not have assets or source of income that could generate sufficient cash flows to repay the amount subject to write off.	Asset is written off

General Employees' Co-operative Credit Union Limited

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4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Measurement of Expected Credit Losses

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward looking.

ECLs are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Credit Union in accordance with the contract and the cash flows that the Credit Union expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- For undrawn loan commitments: the Credit Union estimates the expected portion of the loan commitment that will be drawn down over its expected life and calculates the ECL as the present value of the difference between the contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- **PD:** The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD:** The Exposure at Default is an estimate of the loss arising at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Incorporation of Forward-Looking Information

The standard requires the incorporation of forward looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Assessment of Significant Increase in Credit Risk (SICR)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Credit Union compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument. In making this assessment, the Credit Union considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that was available.

The assessment of an increase in credit risk included macroeconomic outlook, management judgement, and delinquency and monitoring. With regards to delinquency and monitoring, there was a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

Some of the indicators which were incorporated included:

- i) Internal credit rating
- ii) External credit rating (as far as available)
- iii) Actual or expected significant adverse changes in businesses, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations. This includes but is not limited to evidence of one or more of the following:
 - Delinquency in contractual payments of principal or interest;
 - Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
 - Breach of loan covenants or conditions;
 - Initiation of bankruptcy proceedings; and
 - Deterioration of the borrower's competitive position.
- iv) Actual or expected changes in the operating results of the borrower
- v) Significant increase in credit risk or other financial instrument of the same borrower
- vi) Significant change, including deterioration, in the value of the collateral supporting the obligation
- vii) Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating result of the borrower

Quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime determined PD by comparing the remaining lifetime PD at reporting date with the remaining lifetime PD at the point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

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Notes to the Financial Statements

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4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Assessment of Significant Increase in Credit Risk (SICR) ...*Cont'd*

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Credit Union still considers separately some qualitative factors to assess if credit risk has increased significantly. For loans and advances there is particular focus on assets that are included on a 'watch list' once there is a concern that the creditworthiness of the specific counterparty has deteriorated. Events such as unemployment, bankruptcy or death are also considered.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. Financial assets that are 30 or more days past due and are not credit-impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or churn rate approach is applied to compute expected credit losses, significant increase in credit risk is primarily based on 30 days past due on the contractual payment.

Improvement in Credit Risk/Curing

A period may elapse from the point at which financial instruments enter lifetime expected credit losses (stage 2 and stage 3) and are reclassified back to 12 month expected credit losses (stage 1). For financial assets that are credit impaired (stage 3), a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit impaired. An instrument will no longer be considered credit impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where a significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original transfer criteria are no longer valid. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1.

A forbearance loan can only be removed from the category (cured) if the loan is performing (stage 1 or 2) and a further one-year probation is met.

In order for a forbearance loan to become performing, the following criteria have to be satisfied:

- At least a year has passed with no default upon the forbearance contract terms
- The member is likely to repay its obligations in full without realising security
- The member has no accumulated impairment against amounts outstanding

Subsequent to the criteria above being met, probation continues to assess if regular payments are made by the member and none of the exposures to the customer are more than 30 days past due.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Expected Life

When measuring expected credit loss, the Credit Union considers the maximum contractual period over which the Credit Union is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, extension and rollover options.

Presentation of Allowance for Credit Losses in the Statement of Financial Position

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the financial assets;
- Debt instruments measured at fair value through other comprehensive income: no allowance is recognised in the statement of financial position because the carrying values of these assets is their fair values. However, the allowance determined is presented in accumulated other comprehensive income;
- Off-balance sheet credit risks including undrawn lending commitments, letters of credit and letters of guarantee: as a provision in other liabilities.

Loans and Advances

All non-performing and performing loans and advances are individually reviewed and specific provisions made for the impaired portion based on the realisable value of the loan collateral and discounted by the original effective rate of the loan. The provision made is the difference between the loan balance and the discounted value of the collateral with consideration of supportable forward-looking information. Previously accrued income is reversed and further interest income not accrued. Loans and advances with similar characteristics are assessed for impairment on a group basis. Where possible the Credit Union seeks to restructure loans instead of taking possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms are renegotiated, any impairment is measured using the original effective interest rate and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and the future payments likely to occur. Interest continues to be accrued and is recorded as part of interest income. The loans continue to be subject to an individual or collective impairment assessment.

When all efforts have been exhausted to recover a non-performing loan, that loan is deemed uncollectible and written off against the related provision for loan losses.

Investment Securities

The Credit Union assesses at each reporting date whether there is objective evidence that a financial asset is impaired at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Credit Union uses historical information and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve, for instruments at FVOCI, is reclassified to profit or loss. If the fair value of an impaired debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

f. IFRS 9 Financial Instruments ...*Cont'd*

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

g. Leases

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

Credit Union acting as a Lessee

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

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

In addition, the right-of-use asset is periodically reduced by depreciation and impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

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

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

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

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

g. Leases ...*Cont'd*

Credit Union acting as a Lessee ...*Cont'd*

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

The Credit Union presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term Leases and Leases of Low-Value Assets

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

Credit Union acting as a Lessor

At inception or on modification of a contract that contains a lease component, the Credit Union allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

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

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

h. Impairment of Other Non-Financial Assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

i. Non-Derivative Financial Liabilities – Classification, Recognition/Derecognition and Measurement

The Credit Union classifies non-derivative financial liabilities into the other financial liabilities category.

The Credit Union's financial liabilities include member deposits and savings, other payables, and lease liabilities. The Credit Union determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans payable, net of directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. The EIR amortisation, if any, is included in the statement of profit or loss and other comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

j. Revenue Recognition

Interest Income

Interest income is recognised in the statement of profit or loss and other comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest yield method based on the gross carrying amount or amortised cost. Interest income includes coupons earned on fixed income investments and trading securities and accrued discounts and premiums on treasury bills and other discounted instruments.

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

Other Income

The Credit Union earns fees from its members for transaction-based services. Transaction based service fees include commissions, portfolio legal fees, statement rendering, and the sale of transaction books. The Credit Union recognises loan fees at a point in time when the transaction has occurred, including loan and security processing fees.

k. Interest expense

Interest expense is recognised in profit or loss on interest-bearing financial liabilities using the effective interest yield method.

l. Share capital costs

The proceeds from the issue of new shares, except shares redeemable at the option of the holder, are accounted for as equity, net of transaction costs. Shares which are redeemable at the option of the holder are accounted for as financial liabilities.

m. Retained earnings

Retained earnings includes all current and prior period retained profits as reported in the statement of profit or loss and other comprehensive income, net of dividends and appropriated reserves.

Dividends

Dividends on shares, other than those redeemable at the option of the holder, are recognised in equity in the period in which they are approved by the directors. Dividends on shares which are redeemable at the option of the holders are accounted for as a charge in the statement of profit or loss and other comprehensive income in the period they are approved by the directors.

n. Related Parties

Definition of related party

A related party is a person or entity that is related to the Credit Union.

(i) A person or a close member of that person's family is related to the Credit Union if that person:

1. has control or joint control of the Credit Union;
2. has significant influence over the Credit Union; or
3. is a member of the key management personnel of the Credit Union or of a parent of the Credit Union.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

4. Material Accounting Policies ...*Cont'd*

n. Related Parties ...*Cont'd*

(ii) An entity is related to the Credit Union if any of the following conditions applies:

1. The entity and the Credit Union are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
2. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
3. Both entities are joint ventures of the same third party.
4. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
5. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
6. The entity is controlled or jointly controlled by a person identified in (a).
7. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
8. The entity, or any member of a group of which it is a part, provides key management personnel services to the Credit Union or to the parent of the Credit Union.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- dependents of that person or that person's spouse or domestic partner.

o. Provisions

Provisions are recognised when the Credit Union has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

p. Employee benefits

Post-employment benefits – defined contribution plan

The Credit Union pays a fixed percentage into the pension plan for all individual employees. The Credit Union has no legal or constructive obligations to pay contributions beyond its fixed percentage contributions, which are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities measured at the undiscounted amount that the Credit Union expects to pay as a result of the unused entitlement.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management

a. Financial Risk Factors

The Credit Union's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk and operational risk. The Credit Union's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Credit Union's financial performance. The Credit Union has not entered into forward contracts to reduce its risk exposure.

i) Credit Risk

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

The exposure to credit risk is dependent on the degree of failure of counterparties, including its members, banks and other debtors, to honour their obligations to the Credit Union. The Credit Union's credit risk is spread primarily over a diversity of private customers, commercial entities, and government securities.

The Credit Union manages limits and controls concentrations of credit risk whenever they are identified, in particular to individual counterparties and groups, and to industries. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

The Credit Union structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers.

Collateral

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

- i) Mortgages over real properties; and
- ii) Charges over members' deposits and ordinary savings.

The Credit Union's risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Credit Union's credit exposure.

In addition, in order to minimize the credit loss, the Credit Union will seek additional credit collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...*Cont'd*

a. Financial Risk Factors ...*Cont'd*

i) Credit Risk ...*Cont'd*

Impairment and Provisioning Policies

The internal rating systems focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes based on an expected loss model using a three-stage approach. This impairment model measures credit loss allowance using a three-stage approach based on the extent of credit deterioration since initial recognition as summarized below:

Stage 1	Stage 2	Stage 3
Initial Recognition	Significant increase in credit risk (SICR)	Credit-impaired
12 month expected credit loss	Lifetime expected credit loss	Lifetime expected credit loss

The Credit Union's policy requires the review of individual financial assets that are above materiality threshold at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the reporting date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss provision is recognised.

Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit impaired (stage 3).

Instruments will transfer to stage 2 and a lifetime expected credit loss provision recognised when there has been a significant increase in credit risk compared with what was expected at origination.

Maximum credit risk

The following summarises the maximum exposure to credit risk at the reporting date:

	2025 \$	2024 \$
Deposits with commercial banks	102,429,259	97,511,816
Investment securities – amortised cost	98,942,895	91,157,671
Loans to members	255,915,412	224,536,672
Other assets	3,973,786	1,489,663
	461,261,352	414,695,822

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...Cont'd

a. Financial Risk Factors ...Cont'd

i) Credit Risk ...Cont'd

Impairment and Provisioning Policies ...Cont'd

Maximum credit risk ...Cont'd

The exposures set out above are based on net carrying amounts as reported in the statement of financial position, and represent a worst case scenario of credit risk exposure as at December 31, 2025 and 2024 without taking account of any collateral held or other credit enhancements attached.

Loans and advances to members are summarised as follows:

		2025				
		Consumer	Computer	Mortgage	Student	Total
		\$	\$	\$	\$	\$
Gross loans		138,906,699	70,688	120,250,601	2,752,076	261,980,064
Interest receivable		596,586	181	317,189	10,425	924,381
		139,503,285	70,869	120,567,790	2,762,501	262,904,445
Less: ECL allowance		(4,730,843)	(308)	(2,158,358)	(99,524)	(6,989,033)
		134,772,442	70,561	118,409,432	2,662,977	255,915,412

		2024				
		Consumer	Computer	Mortgage	Student	Total
		\$	\$	\$	\$	\$
Gross loans		119,393,904	97,512	107,601,865	3,046,081	230,139,362
Interest receivable		525,892	223	336,551	26,617	889,283
		119,919,796	97,735	107,938,416	3,072,698	231,028,645
Less: ECL allowance		(4,406,926)	(578)	(2,005,313)	(79,156)	(6,491,973)
		115,512,870	97,157	105,933,103	2,993,542	224,536,672

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...Cont'd

a. Financial Risk Factors ...Cont'd

i) Credit Risk ...Cont'd

Loans and advances to members neither past due nor impaired (Stage 1)

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Credit Union.

	2025 \$	2024 \$
Stage 1		
Consumer	127,520,807	108,221,481
Computer	67,951	96,731
Mortgage	113,521,367	99,683,836
Student	2,309,398	2,744,099
Total	243,419,523	210,746,147

Loans and advances to members past due but not impaired (Stage 2)

Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. The gross amount of loans and advances by class to members that were past due but not impaired were as follows:

	Stage 2 - 2025				
	Consumer \$	Computer \$	Mortgage \$	Student \$	Total \$
Secured - Past due under 90 days	2,978,091	-	740,180	187,064	3,905,335
Unsecured - Past due 30 to 59 days	612,053	2,737	43,799	-	658,589
Unsecured - Past due 60 to 89 days	316,436	-	-	-	316,436
Total	3,906,580	2,737	783,979	187,064	4,880,360

	Stage 2 - 2024				
	Consumer \$	Computer \$	Mortgage \$	Student \$	Total \$
Secured - Past due under 90 days	1,724,857	733	910,215	-	2,635,805
Unsecured - Past due 30 to 59 days	445,497	-	-	-	445,497
Unsecured - Past due 60 to 89 days	277,787	-	-	-	277,787
Total	2,448,141	733	910,215	-	3,359,089

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...Cont'd

a. Financial Risk Factors ...Cont'd

i) Credit Risk ...Cont'd

Loans and advances to members individually impaired (Stage 3)

	2025 \$	2024 \$
Stage 3		
Consumer	7,479,312	8,724,282
Computer	-	48
Mortgage	5,945,255	7,007,814
Student	255,614	301,982
Total	13,680,181	16,034,126

The following summarises the Credit Union's maximum credit risk exposure to off-balance sheet financial instruments:

	2025 \$	2024 \$
Loan commitments and other related obligations	13,607,938	14,543,204

The table below presents an analysis of the Credit Union's special savings, treasury bills and debt securities, loans to members and other financial assets by rating agency designation at December 31, 2025 and 2024, based on Moody's ratings or equivalent:

	Cash resources \$	Investment securities \$	Loans to members \$	Other assets \$	Total \$
At December 31, 2025					
Lower than A-	-	37,520,715	-	-	37,520,715
Unrated	102,429,259	61,422,180	255,915,412	3,973,786	423,740,637
	102,429,259	98,942,895	255,915,412	3,973,786	461,261,352
	Cash resources \$	Investment securities \$	Loans to members \$	Other assets \$	Total \$
At December 31, 2024					
Lower than A-	-	39,017,770	-	-	39,017,770
Unrated	97,511,816	52,139,901	224,536,672	1,489,663	375,678,052
	97,511,816	91,157,671	224,536,672	1,489,663	414,695,822

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...*Cont'd*

a. Financial Risk Factors ...*Cont'd*

ii) Liquidity Risk

Liquidity risk is the risk that the Credit Union will be unable to meet its payment obligations when they fall due under normal circumstances. The Credit Union monitors its liquidity risk by considering the maturity of both its financial assets and projected cash flows from operations. Where possible, the Credit Union utilises available credit facilities and other financing options.

In order to manage liquidity risks, management seeks to maintain levels of cash in each operating currency, which is sufficient to meet reasonable expectations of its short-term obligations.

The table below analyses the Credit Union's financial liabilities into relevant contractual maturity groupings, as of the reporting date.

At December 31, 2025

Other payables
Staff pension fund deposit
Lease liabilities
Members' deposits
Members' ordinary savings

	0 – 3 Months \$	3 – 12 Months \$	1 – 5 Years \$	Over 5 Years \$	Total \$
9,338,127	-	-	-	-	9,338,127
1,538,153	-	-	-	-	1,538,153
62,213	156,966	118,138	-	-	337,317
218,798,475	16,267,513	-	-	-	235,065,988
181,260,235	3,719,502	-	-	-	184,979,737
410,997,203	20,143,981	118,138	-	-	431,259,322
8,536,254	-	-	-	-	8,536,254
1,428,871	-	-	-	-	1,428,871
29,372	115,067	245,987	-	-	390,426
196,332,508	17,594,426	-	-	-	213,926,934
164,351,775	3,003,149	-	-	-	167,354,924
370,678,780	20,712,642	245,987	-	-	391,637,409

At December 31, 2024

Other payables
Staff pension fund deposit
Lease liabilities
Members' deposits
Members' ordinary savings

General Employees’ Co-operative Credit Union Limited

Notes to the Financial Statements For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...*Cont’d*
a. Financial Risk Factors ...*Cont’d*
ii) Liquidity Risk ...*Cont’d*

Off-balance Sheet Instruments

Loan Commitments and other related obligations

As of the reporting date, the contracted amounts of the Credit Union’s off-balance sheet instruments that commit it to extend credit to members and other facilities **Note 32(b)**, are summarised in the table below:

	2025	2024
	\$	\$
Loan commitments and other related obligations	13,607,938	14,543,204

iii) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Credit Union is mainly exposed to interest rate risk. The Credit Union’s exposure to currency risk is minimal since it does not have any significant foreign currency denominated assets or liabilities.

Interest Rate Risk

Interest rate risk gives rise to fluctuations in cash flows on financial instruments as a result of changes in interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Credit Union takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...*Cont'd*
- a. Financial Risk Factors ...*Cont'd*
- iii) Market Risk ...*Cont'd*
- Interest Rate Risk ...*Cont'd*

The table below summarise the Credit Union's exposure to interest rate risks.

	Up to One year \$	Between 1 – 5 years \$	Over 5 years \$	Non-Interest Bearing \$	Total \$
At December 31, 2025					
Financial Assets					
Cash resources	102,429,259	-	-	6,809,542	109,238,801
Investment securities	74,758,402	18,482,105	4,361,551	3,416,219	101,018,277
Loans to members	5,966,241	80,678,401	169,270,770	-	255,915,412
Other assets	-	-	-	3,973,786	3,973,786
Total Financial Assets	183,153,902	99,160,506	173,632,321	14,199,547	470,146,276
Financial Liabilities					
Other payables	-	-	-	9,338,127	9,338,127
Staff pension fund deposit	1,538,153	-	-	-	1,538,153
Members' deposits	234,386,323	-	-	-	234,386,323
Members' ordinary savings	184,979,737	-	-	-	184,979,737
Lease liabilities	213,789	116,971	-	-	330,760
Total Financial Liabilities	421,118,002	116,971	-	9,338,127	430,573,100
Total Interest Re-pricing Gap	(237,964,100)	99,043,535	173,632,321	4,861,420	39,573,176

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...<i>Cont'd</i>							
a.	Financial Risk Factors ... <i>Cont'd</i>						
	iii) Market Risk ... <i>Cont'd</i>						
	Interest Rate Risk ... <i>Cont'd</i>						
At December 31, 2024							
Financial Assets							
Cash resources		97,511,816	-	-	-	5,275,586	102,787,402
Investment securities		61,594,798	23,645,392	4,585,520	-	3,402,061	93,227,771
Loans to members		5,809,281	74,389,254	144,338,137	-	-	224,536,672
Other assets		-	-	-	-	1,489,663	1,489,663
Total Financial Assets		164,915,895	98,034,646	148,923,657	10,167,310	422,041,508	
Financial Liabilities							
Other payables		-	-	-	-	8,536,254	8,536,254
Staff pension fund deposit		1,428,871	-	-	-	-	1,428,871
Members' deposits		213,232,276	-	-	-	-	213,232,276
Members' ordinary savings		167,354,924	-	-	-	-	167,354,924
Lease liabilities		144,439	245,987	-	-	-	390,426
Total Financial Liabilities		382,160,510	245,987	-	-	8,536,254	390,942,751
Total Interest Re-pricing Gap		(217,244,615)	97,788,659	148,923,657	1,631,056	31,098,757	

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...Cont'd

a. Financial Risk Factors ...Cont'd

iii) Market Risk ...Cont'd

Interest Rate Risk ...Cont'd

Cash flow interest rate risk arises from loans and advances to members at variable rates. At December 31, 2025, if variable interest rates had been 0.5% higher/lower with all other variables held constant, profit for the year would have been \$611,116 (2024: \$844,334) higher/lower, mainly as a result of higher/lower interest income on variable rate loans.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Credit Union does not face any such risk since its transactions are substantially in Eastern Caribbean Dollars, which is its functional currency. The United States Dollar, in which the Credit Union also transacts business, is fixed in relation to the Eastern Caribbean Dollar.

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. To manage this price risk arising from investments in equity securities, the Credit Union diversifies its investment portfolio.

iv) Operational Risk

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

While operational risk is inherent to each of the Credit Union's business activities, the exposure is minimised by ensuring that the appropriate infrastructure, controls, systems and human resources are in place. Key policies and procedures used in managing operating risk involve a strong internal audit function, segregation of duties, delegation of authority, and financial and managerial reporting.

Within the Credit Union, mitigation of operating risk is assigned to senior management supported by a well-defined organisational structure that segregates operational and administrative functions. Back-up capabilities are also maintained to ensure on-going service delivery in adverse circumstances.

In addition, periodic reviews are undertaken by the Internal Audit department. The results of the reviews are discussed with the management of the business unit to which they relate, senior management and Board of Directors.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...Cont'd

b. Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by quoted market values, if one exists.

i) Financial Instruments - Fair Value

The table below summarises the carrying amount and fair values of the financial assets and liabilities presented in the Credit Union's statement of financial position:

	Carrying Value		Fair Value	
	2025	2024	2025	2024
	\$	\$	\$	\$
Financial Assets				
Cash resources	109,238,801	102,787,402	109,238,801	102,787,402
Investment securities:				
- Amortised cost	98,942,895	91,157,671	98,942,895	91,157,671
- Fair value through profit or loss	2,075,382	2,070,100	2,075,382	2,070,100
Loans to members	255,915,412	224,536,672	255,915,412	224,536,672
Other assets	3,973,786	1,489,663	3,973,786	1,489,663
	470,146,276	422,041,508	470,146,276	422,041,508
	Carrying Value		Fair Value	
	2025	2024	2025	2024
	\$	\$	\$	\$
Financial Liabilities				
Other payables	9,338,127	8,536,254	9,338,127	8,536,254
Staff pension fund deposit	1,538,153	1,428,871	1,538,153	1,428,871
Lease liabilities	330,760	390,426	330,760	390,426
Members' deposits	234,386,323	213,232,276	234,386,323	213,232,276
Members' ordinary savings	184,979,737	167,354,924	184,979,737	167,354,924
	430,573,100	390,942,751	430,573,100	390,942,751

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...*Cont'd*

b. Fair Value of Financial Assets and Liabilities ...*Cont'd*

i) Financial Instruments - Fair Value ...*Cont'd*

Determination of Fair Value

The following methods and assumptions have been used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value:

Short-term financial assets and liabilities: The carrying value of these financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets are comprised of deposits with other commercial banks, investment securities, interest receivable, and certain other assets. Short-term financial liabilities are comprised of members' deposits and ordinary savings, staff pension fund deposit, current portion of lease liabilities and certain other liabilities.

Long-term financial assets and liabilities: The estimated fair value of long-term financial instruments is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining terms of maturity.

Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Credit Union's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges such as Barbados and Eastern Caribbean.
- Level 2 – Quoted prices for identical assets or liabilities in markets that are inactive (for example, over-the-counter transactions) or observable market quotes for similar instruments, or use of valuation techniques where all significant inputs are observable.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...Cont'd

b. Fair Value of Financial Assets and Liabilities ...Cont'd

i) Financial Instruments - Fair Value ...Cont'd

Fair Value Hierarchy ...Cont'd

The hierarchy requires the use of observable market data, when available. The Credit Union considers relevant and observable market prices in its valuations where possible.

The following table presents the Credit Union's financial assets carried at fair value at the reporting date.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2025				
FVTPL – Corporate equity				
Equity securities	381,294	-	1,694,088	2,075,382
Total Financial Assets at Fair Value	381,294	-	1,694,088	2,075,382
At December 31, 2024				
FVTPL – Corporate equity				
Equity securities	349,463	-	1,720,637	2,070,100
Total Financial Assets at Fair Value	349,463	-	1,720,637	2,070,100
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2023	339,800	-	771,437	1,111,237
Purchases	-	-	949,200	949,200
Gain on revaluation	9,663	-	-	9,663
At December 31, 2024	349,463	-	1,720,637	2,070,100
Gain (loss) on revaluation	31,831	-	(26,549)	5,282
At December 31, 2025	381,294	-	1,694,088	2,075,382

The Credit Union's management performs valuations of financial items for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, using discounted cash flows. Valuation processes and fair value changes are undertaken at least every year, in line with the Credit Union's reporting dates.

ii) Non-Financial Instruments measured at Fair Value

Fair Value measurement of Non-Financial Assets

	2025 \$	2024 \$
At December 31, 2025		
Investment properties	13,751,834	13,679,136
Land and buildings	10,802,125	10,902,974
Total Non-Financial Assets at Fair Value	24,553,959	24,582,110

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

5. Financial Risk Management ...*Cont'd*

b. Fair Value of Financial Assets and Liabilities ...*Cont'd*

ii) Non-Financial Instruments measured at Fair Value ...*Cont'd*

Fair value of the Credit Union's real properties was revalued by an independent, professionally qualified property valuator. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee and adopted at the reporting date. The valuation approach used prices and other relevant information generated by market transactions involving identical or comparable assets. Under the market approach, the value is determined based on comparable transactions. Management is of the opinion that these properties' fair value will estimate the current market value.

6. Cash Resources

	2025	2024
	\$	\$
Cash on hand	6,809,542	5,275,586
Current account	19,752,465	13,904,786
Special savings	82,676,794	83,607,030
	109,238,801	102,787,402

The effective interest rate on special savings is 0.75% (2024: 2.00%). All other balances are non-interest bearing.

7. Inventories

	2025	2024
	\$	\$
Balance - beginning of year	8,286,074	8,769,271
Development costs	145,926	70,796
Lands sold	(1,169,703)	(553,993)
Balance - end of year	7,262,297	8,286,074

Inventories comprise land at Peter's Hope held for real estate development, subdivision and sale.

The Credit Union owns property adjoining the lands owned by the National Insurance Services (NIS). Both parties, the NIS and the Credit Union, entered into a Memorandum of Understanding (MOU) that establishes a working relationship for the joint planning and physical infrastructural development of the properties owned by the parties ("the Project"). The MOU establishes and defines the Project activities and provides for, among other things, a framework for project administration and cost allocation. The total size of the proposed development is 57 acres. The Credit Union is the owner of 30 acres and the NIS owns 27 acres. The parties plan to develop and subdivide the lands for residential and commercial purposes with the intention to sell in the ordinary course of business.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

8. Investment Securities

(i) Debt Securities at Amortised Cost

	2025 \$	2024 \$
(a) <i>Treasury bills</i>		
Government of St. Lucia - 365-day treasury bills	1,001,000	1,001,000
Government of Grenada - 365-day treasury bills	6,008,880	6,046,955
Government of Antigua and Barbuda - 365-day treasury bills	4,351,482	4,342,830
Government of St. Vincent and the Grenadines - 91-day treasury bills	9,938,760	4,969,380
Government of Dominica – 91-day treasury bills	4,963,245	1,649,112
	26,263,367	18,009,277
Interest receivable	199,602	167,568
	26,462,969	18,176,845
Less: expected credit losses	(423,513)	(380,440)
	26,039,456	17,796,405
(b) <i>Bonds</i>		
Government of St. Vincent and the Grenadines - 10-year bonds	2,402,700	2,702,700
Government of St. Vincent and the Grenadines – 8-year bonds	4,002,000	4,002,000
Government of St. Vincent and the Grenadines – 7-year bonds	2,645,001	3,787,858
Government of St. Vincent and the Grenadines – 6-year bonds	5,906,000	6,006,000
Government of St. Vincent and the Grenadines – 5-year bonds	2,676,550	6,316,550
Government of St. Vincent and the Grenadines - 4-year bonds	-	1,251,746
First Citizen – 2-year bonds	3,260,280	3,260,280
	20,892,531	27,327,134
Interest receivable	677,737	567,351
	21,570,268	27,894,485
Less: expected credit losses	(225,076)	(476,970)
	21,345,192	27,417,515
(c) <i>Term deposits</i>		
Eastern Caribbean Home Mortgage Bank - 1-year corporate paper	10,331,000	10,331,000
St. Vincent Teachers Co-operative Credit Union - 1-year deposit	3,891,129	3,759,545
Bank of St. Vincent and the Grenadines - 1-year deposit	16,128,476	15,890,124
St. Vincent Police Co-operative Credit Union - 5-year deposit	3,000,000	3,000,000
St. Vincent Co-operative Bank - 1-year term deposit	104,210	103,178
St. Vincent Co-operative League - CFF deposit	870,643	861,989
St. Vincent Co-operative League - 1-year deposit	382,254	378,665
Colonial Life Insurance Company (CLICO)	4	4
First Citizens Investment Services - 1-year deposit	11,341,765	8,722,534
Ariza Credit Union - 3-year deposit	6,030,305	3,254,369
St. Vincent Small and Micro-Finance Co-operative Limited (COMFI)	522,500	522,500
	52,602,286	46,823,908
Interest receivable	483,944	631,660
	53,086,230	47,455,568
Less: expected credit losses	(1,527,983)	(1,511,817)
	51,558,247	45,943,751
Total debt securities at amortised cost	98,942,895	91,157,671

During the year ended December 31, 2025, interest rates varied from 1.00% to 7.5% per annum (2024 – 1.00% to 7.5%).

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

8. Investment Securities ...Cont'd

(ii) Equity Securities at Fair Value through Profit or Loss

	2025 \$	2024 \$
<i>Designated as fair value through profit or loss (FVTPL)</i>		
9,492 preference shares in East Caribbean Home Mortgage Bank	949,200	949,200
17,355 shares in Bank of St. Vincent and the Grenadines Limited	182,228	156,195
71,222 shares in First Caribbean International Bank Limited	199,066	193,268
111,301 shares in St. Vincent Co-operative League	556,507	556,507
404 common shares in East Caribbean Home Mortgage Bank	46,690	73,950
4,666 shares in St. Vincent Brewery Limited	139,980	139,980
100 shares in St. Vincent Building and Loan Association	1,711	1,000
Total equity securities at fair value	2,075,382	2,070,100

The movement in expected credit loss allowance is as follows:

	2025			
	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at January 1, 2025	1,846,727	-	522,500	2,369,227
Provision on investment additions	552,579	-	-	552,579
Provision on matured investments	(1,355,053)	-	-	(1,355,053)
Increases due to change in credit risk	609,819	-	-	609,819
Loss allowance as at December 31, 2025	1,654,072	-	522,500	2,176,572
	2024			
	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at January 1, 2024	1,971,674	-	522,500	2,494,174
Provision on investment additions	935,497	-	-	935,497
Provision on matured investments	(1,464,504)	-	-	(1,464,504)
Increases due to change in credit risk	404,060	-	-	404,060
Loss allowance as at December 31, 2024	1,846,727	-	522,500	2,369,227

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

9. Loans to Members

The Credit Union's loans portfolio are in the following staging categories.

	2025			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Consumer	127,520,807	3,906,580	7,479,312	138,906,699
Computer	67,951	2,737	-	70,688
Mortgage	113,521,367	783,979	5,945,255	120,250,601
Student	2,309,398	187,064	255,614	2,752,076
Gross loans	243,419,523	4,880,360	13,680,181	261,980,064
Add: Interest receivable	640,284	63,524	220,573	924,381
Gross loans and interest receivable	244,059,807	4,943,884	13,900,754	262,904,445
Less: ECL allowance	(833,715)	(104,763)	(6,050,555)	(6,989,033)
	243,226,092	4,839,121	7,850,199	255,915,412

	2024			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Consumer	108,221,481	2,448,141	8,724,282	119,393,904
Computer	96,731	733	48	97,512
Mortgage	99,683,836	910,215	7,007,814	107,601,865
Student	2,744,099	-	301,982	3,046,081
Gross loans	210,746,147	3,359,089	16,034,126	230,139,362
Add: Interest receivable	666,906	32,956	189,421	889,283
Gross loans and interest receivable	211,413,053	3,392,045	16,223,547	231,028,645
Less: ECL allowance	(761,560)	(52,267)	(5,678,146)	(6,491,973)
	210,651,493	3,339,778	10,545,401	224,536,672

The average yield on loans for the year was 8% (2024: 8.3%).

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

	2025				
	Consumer \$	Computer \$	Mortgage \$	Student \$	Total \$
Balance, beginning of year	4,406,926	578	2,005,313	79,156	6,491,973
Increase in expected credit losses, net	323,917	(270)	153,045	20,368	497,060
Balance, end of year	4,730,843	308	2,158,358	99,524	6,989,033

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

9. Loans to Members ...Cont'd

The movement in the expected credit loss allowance is as follows ...Cont'd:

	2024				
	Consumer	Computer	Mortgage	Student	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	3,657,761	958	1,937,819	51,965	5,648,503
Increase in expected credit losses, net	749,165	(380)	67,494	27,191	843,470
Balance, end of year	4,406,926	578	2,005,313	79,156	6,491,973

10. Right-of-Use Assets

	2025	2024
	\$	\$
Cost		
Balance as at January 1	1,253,331	1,086,058
Additions	120,232	167,273
Balance as at December 31	1,373,563	1,253,331
Accumulated depreciation		
Balance as at January 1	856,844	717,176
Depreciation charge (Note 25)	179,517	139,668
Balance as at December 31	1,036,361	856,844
Net book value as at December 31	337,202	396,487

11. Other Assets

	2025	2024
	\$	\$
ATM receivable	1,255,232	689,597
Rent receivable	438,344	359,534
Prepaid expenses	70,168	57,376
Staff receivables – net	24,816	11,569
Western Union receivable	37,339	26,383
Deposits on fixed assets	386,792	331,605
Others	1,831,263	70,975
	4,043,954	1,547,039

As at December 31, 2025, 'others' primarily relates to investment proceeds of \$1,620,886 received subsequent to the financial year.

General Employees' Co-operative Credit Union Limited

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For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

12. Investment Properties

	Coombs Building \$	Bounty Building \$	Reliance Building \$	Cane Hall (land) \$	River 14 \$	Upper Halifax Street \$	Total \$
Year ended December 31, 2025							
Carrying value, beginning of year	1,313,339	3,195,141	3,382,681	1,276,000	1,481,975	3,030,000	13,679,136
Additions	-	-	-	-	72,698	-	72,698
Carrying value, end of year	1,313,339	3,195,141	3,382,681	1,276,000	1,554,673	3,030,000	13,751,834
Year ended December 31, 2024							
Carrying value, beginning of year	1,313,339	3,195,141	3,382,681	1,276,000	1,481,975	3,030,000	13,679,136
Additions	-	-	-	-	-	-	-
Carrying value, end of year	1,313,339	3,195,141	3,382,681	1,276,000	1,481,975	3,030,000	13,679,136

Investment properties comprise property held for rental and capital appreciation. Rental income from investment properties amounted to \$751,296 (2024: \$747,246) and direct operating expenses amounted to \$209,666 (2024: \$209,533).

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Credit Union's investment property portfolio every three to five years. The various investment properties were last valued between 2021 and 2025.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

13. Property and Equipment

	Land \$	Buildings \$	Furniture and Equipment \$	Computer Equipment & Software \$	Motor Vehicles \$	Leasehold Improvements \$	Work in Progress \$	Total \$
Cost or valuation								
Balance as at January 1, 2024	6,125,238	5,094,907	2,597,816	2,676,450	345,114	172,760	549,214	17,561,499
Additions	90,421	-	488,384	424,767	-	-	-	1,003,572
Disposals	-	-	(193,851)	(42,807)	-	-	-	(236,658)
Balance as at December 31, 2024	6,215,659	5,094,907	2,892,349	3,058,410	345,114	172,760	549,214	18,328,413
Balance as at January 1, 2025	6,215,659	5,094,907	2,892,349	3,058,410	345,114	172,760	549,214	18,328,413
Additions	1,050	-	203,022	148,482	-	-	-	352,554
Disposals	-	-	-	-	-	-	-	-
Balance as at December 31, 2025	6,216,709	5,094,907	3,095,371	3,206,892	345,114	172,760	549,214	18,680,967
Accumulated depreciation								
Balance as at January 1, 2024	-	305,694	2,218,171	2,135,415	270,870	163,874	-	5,094,024
Depreciation for the year (Note 25)	-	101,898	322,372	467,762	37,121	4,659	-	933,812
Disposals	-	-	(191,688)	(40,403)	-	-	-	(232,091)
Balance as at December 31, 2024	-	407,592	2,348,855	2,562,774	307,991	168,533	-	5,795,745
Balance as at January 1, 2025	-	407,592	2,348,855	2,562,774	307,991	168,533	-	5,795,745
Depreciation for the year (Note 25)	-	101,899	197,668	175,873	37,121	1,408	-	513,969
Disposals	-	-	-	-	-	-	-	-
Balance as at December 31, 2025	-	509,491	2,546,523	2,738,647	345,112	169,941	-	6,309,714
Net book value								
As at December 31, 2024	6,215,659	4,687,315	543,494	495,636	37,123	4,227	549,214	12,532,668
As at December 31, 2025	6,216,709	4,585,416	548,848	468,245	2	2,819	549,214	12,371,253

The fair value of land and buildings was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Credit Union's land and buildings every five years. Land and buildings were last valued in 2021. At the time of last valuation, the impact of revaluation changes led to an existing revaluation reserve of \$2,718,284.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

14. Other Payables

	2025	2024
	\$	\$
Accrued expenses	548,311	618,867
ATM payable	3,470,339	2,567,233
Due to COMFI	282,201	282,201
Accrued vacation liability	154,957	130,535
Accrued pension liability	384,758	476,951
Retirement benefit provision	345,108	476,510
Member's Insurance deposit payable	853,828	915,483
ECL provision on undisbursed loans - Note 32(b)	360,208	340,039
Trade and other payables	2,938,417	2,728,435
	9,338,127	8,536,254

15. Staff Retirement Benefit Plan

The Credit Union has a defined contribution retirement plan, which is administered by Colonial Life Insurance Company (Trinidad) Limited (CLICO) for eligible full-time employees. Pursuant to the provisions of the plan, the Credit Union is required to contribute four per cent (4%) of each qualifying employee's salary to the plan. As of the reporting date, CLICO is under judicial management and is insolvent. The Credit Union retains the pension contributions in a deposit account, which at the reporting date amounted to \$1,538,153 (2024: \$1,428,871). The deposit earns interest at the rate of 2% per annum.

16. Lease Liabilities

	2025	2024
	\$	\$
Balance as at January 1	390,426	374,058
Additions	120,232	167,273
	510,658	541,331
Less: Lease payments	(179,898)	(150,905)
Balance as at December 31	330,760	390,426

Maturity analysis

	2025	2024
	\$	\$
Less than one year	213,789	144,439
Between one and five years	116,971	245,987
	330,760	390,426

17. Members' Deposits

	2025	2024
	\$	\$
Term deposits	66,611,295	66,349,776
Saving deposits	166,913,353	146,042,934
	233,524,648	212,392,710
Interest payable on term deposits	861,675	839,566
	234,386,323	213,232,276

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

18. Members' Ordinary Savings

	2025	2024
	\$	\$
Members' ordinary shares	181,260,235	164,351,775
Interest payable on members' ordinary shares	3,719,502	3,003,149
	184,979,737	167,354,924

Members' ordinary savings bear interest at rates not exceeding the rate of interest stipulated by the Eastern Caribbean Central Bank (ECCB).

19. Share Capital

(i) Qualifying shares

	2025	2024
	\$	\$
Authorised number of shares of \$1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance – beginning of year	4,701,073	4,525,846
Issued during the year	2,307,310	207,092
Transfers from equity shares	5,483,796	-
Redeemed during the year	(61,682)	(31,865)
Balance – end of year	12,430,497	4,701,073

(ii) Equity shares

	2025	2024
	\$	\$
Authorised number of shares of \$1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance – beginning of year	34,179,137	32,261,137
Issued during the year	1,718,781	1,958,112
Transfers to qualifying shares	(5,483,796)	-
Redeemed during the year	(106,212)	(40,112)
Balance – end of year	30,307,910	34,179,137
Total share capital	42,738,407	38,880,210

Holders of qualifying and equity shares are entitled to vote at the Credit Union's general meetings and to receive any dividends duly declared. Each shareholder is entitled to one vote.

Dividends

A dividend of 5% (2024: 5%) on equity shares was declared at the Credit Union's Annual General Meeting held on July 2, 2025, in respect of the 2024 financial year. The amount subsequently paid during the year was \$1,604,309 (2024: \$1,743,832).

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

20. Statutory Reserve

Pursuant to the provisions of Article XIX (1) of the By-Laws and Part VII section 124 of the Co-operative Societies Act 2012 (Amended), the Credit Union shall credit all entrance fees and fines collected from members to the statutory reserve. If at the end of each financial year the amount standing to institutional capital, before any declaration of dividend, is less than seven percent (7%) of total assets, the Credit Union shall transfer to statutory reserves for that year not less than thirty percent (30%) of its surplus or such other sum as may be required to increase the institutional capital to seven percent (7%) of total assets.

	2025	2024
	\$	\$
Balance – beginning of year	12,110,968	10,821,081
Entrance fees received in current year	1,551	1,592
Appropriation to statutory reserve	1,489,067	1,288,295
Balance – end of year	13,601,586	12,110,968

During the year ended December 31, 2025, the Credit Union transferred 30% (2024: 30%) of its surplus to the statutory reserve. At the reporting date it was in compliance with the requirements in respect of institutional capital as a percentage of total assets.

21. Social Development Fund

The Social Development Fund is to assist needy members to recover from severe illness/emergencies/natural disasters. Each member is required to make an annual contribution thereto of \$20.

	2025	2024
	\$	\$
Balance – beginning of year	2,368,501	2,296,822
Contributions received	730,960	700,980
Payments from fund	(604,527)	(629,301)
Balance – end of year	2,494,934	2,368,501

22. Statutory Development Fund

In accordance with Article 125 of the Co-operative Societies Act 2012, the Credit Union shall maintain, from annual appropriations not exceeding ten percent of net profits, a Development Fund, which shall be administered by the National League, for the development of registered societies.

	2025	2024
	\$	\$
Balance – beginning of year	30,000	30,000
Payment to National League	(30,000)	(30,000)
Annual transfer of profits	30,000	30,000
Balance – end of year	30,000	30,000

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

23. Investment Income

	2025	2024
	\$	\$
Interest on savings account	610,480	525,635
Interest on investments	3,198,969	3,165,211
Dividend income	79,449	27,460
	<u>3,888,898</u>	<u>3,718,306</u>

24. Expected Credit Losses, Net

	2025	2024
	\$	\$
Loans and advances and undrawn loan commitments	517,229	845,724
Recoveries	(14,629)	(17,868)
Expected credit losses on loans, net of recoveries	502,600	827,856
Investment securities	(192,655)	(124,947)
	<u>309,945</u>	<u>702,909</u>

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

25. General and Administrative Expenses

	2025	2024
	\$	\$
Advertising	421,296	337,769
ATM card embossing cost	4,628	9,893
Audit fees	97,500	100,226
Bank charges	188,488	200,685
Board and committee expenses (Note 31)	251,225	230,835
Credit Union week	34,603	22,990
Cleaning expenses	62,334	56,560
Depreciation (Note 13)	513,969	933,812
Depreciation – Right-of-Use Assets (Note 10)	179,517	139,668
Donations	127,371	91,016
Education and promotion	52,663	77,246
Electricity	192,772	199,495
River 14 expense	170,374	159,975
General insurance	151,673	123,176
Georgetown branch expenses	194,184	160,265
Grenadines expenses	294,073	314,919
Heritage month expenses	1,000	-
Honorarium	9,600	9,600
Insurance on members' shares and loans	2,081,255	1,981,931
League dues	187,217	180,505
Lease interest	8,389	10,072
Licensing fees	502,508	380,602
Meeting expenses	119,020	121,566
Miscellaneous expenses	50,485	813
Motor vehicle expenses	42,061	35,831
Office expenses	376,610	306,744
Professional fees	96,995	186,018
Property tax	-	11,851
Rent	10,650	17,911
Repairs and maintenance	182,483	208,285
Security	203,595	191,034
Social events	119,462	176,240
Social assistance expense	1,045	22,647
School co-operative expense	240	8,678
Scholarships	255,112	221,712
South Rivers branch expense	181,173	156,475
Stationery, postage and office supplies	117,562	100,956
Subscriptions and membership dues	6,485	9,039
Telephone and internet	196,193	184,463
Water and sewerage	18,712	17,312
Convention and summit	218,746	185,676
	7,923,268	7,884,491

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

26. Staff Costs

	2025	2024
	\$	\$
Education assistance	5,308	5,073
Group medical insurance	147,844	141,718
Holiday grant	20,000	12,500
Pension	159,273	157,575
Retirement benefit	203,534	179,673
National Insurance contributions	220,393	168,992
Salaries, wages and bonus	3,724,111	3,344,258
Staff training	139,751	123,327
Travel, phone and entertainment allowances	147,147	120,387
Uniforms	79,606	86,412
Utilities and housing allowance	16,800	16,800
	4,863,767	4,356,715
Number of employees as of reporting date	84	74

27. Other Operating Income, Net

	2025	2024
	\$	\$
Commission income	125,185	121,842
Loss on disposal of property and equipment	-	(4,567)
Income on death benefit plan – net (Note 28)	176,010	87,775
Rental income	846,122	814,847
Loan processing fees	692,893	661,316
Security processing fees	1,079,956	890,638
Gain on sale of land	147,888	66,636
Other income	63,305	287,160
	3,131,359	2,925,647

28. Income on Death Benefit Plan – Net

	2025	2024
	\$	\$
Members' death benefit contributions during the year	1,150,666	1,131,480
Death benefit claims paid during the year	(974,656)	(1,043,705)
	176,010	87,775

29. Income Tax

In accordance with Section 25 of the Income Tax Act 1979, the Credit Union is exempt from income tax.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2025

(in Eastern Caribbean dollars)

30. Short-term Leases and Leases of Low-value Assets

The Credit Union has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and for leases of low-value assets. The Credit Union uses short-term operating leases mainly to secure additional storage space in Southern Grenadines. The Credit Union recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The lease agreements do not impose any covenants, and the leased assets may not be used as security for borrowing purposes. Short-term operating lease expenditure in 2025 totaled Nil (2024: \$6,000).

31. Related Party Balances and Transactions

a. Identity of related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is a member of the key management personnel.

The Credit Union considers the Board of Directors, Committee members and key management personnel as related parties.

Transactions and balances with related parties as identified in (a) are as follows:

	2025 \$	2024 \$
Loans		
Directors and volunteers	5,392,960	5,209,431
Key management personnel	3,724,848	3,548,021
	9,117,808	8,757,452
Interest income earned	523,252	511,571
	2025 \$	2024 \$
Deposits		
Directors and volunteers	2,415,996	2,483,919
Key management personnel	444,948	313,431
	2,860,944	2,797,350
Interest expense incurred	52,229	59,117

b. Key management compensation

	2025 \$	2024 \$
Salaries	1,030,724	981,653
National Insurance Services contributions	37,440	29,688
Board honorarium	9,600	9,600
Board and committee expenses (Note 25)	251,225	230,835
	1,328,989	1,251,776

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

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32. Commitments

a. Capital Commitments

As at December 31, 2025

The Credit Union is committed to capital expenditure contracts amounting to approximately \$3,466 as follows:

	\$
Virtualization and Disaster Recovery Project	<u>3,466</u>

As at December 31, 2024

The Credit Union is committed to capital expenditure contracts amounting to approximately \$390,337 as follows:

	\$
Design of the GECCU Head office	386,871
Virtualization and Disaster Recovery Project	<u>3,466</u>
	<u>390,337</u>

b. Loan Commitments

Loan commitments in respect of undisbursed loans as at December 31, 2025, amounted to \$13,607,938 (2024: \$14,543,204). The related expected credit loss provision is included in Note 14.

33. Capital management objectives

The Credit Union has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve three major objectives:

- exceed regulatory thresholds,
- meet long-term internal capital targets; and
- provide the Credit Union's members with a source of finance.

Capital is managed in accordance with Board-approved policies which is based on regulatory requirements of the Co-operative Societies Act 2012. Management and the Board of Directors develop the capital strategy and oversee the capital management processes of the Credit Union. The Credit Union's management is key in implementing the Credit Union's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal metrics.

The three primary capital ratios used by the Credit Union to assess capital adequacy are as follows:

		2025	2024
	Goals	%	%
Net loans/total assets	Between 70% to 80%	50.78%	49.13%
Institutional capital/total assets	7% minimum	7.5%	5.9%
Total delinquency/gross loan portfolio	Less than 5%	8.60%	8.61%

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Notes to the Financial Statements

For the Year Ended December 31, 2025

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34. Comparatives

Certain comparatives have been amended to conform to the current year's presentation.

35. Subsequent Events

No adjusting or significant non-adjusting events have occurred between December 31, 2025, and the date of authorization of these financial statements.