INTRODUCTION

The IMF gave estimates for very modest economic growth in the T&T Economy of 0.8%, supported by non-energy sector activity and continued volatility in global energy prices. According to the CSO, unemployment moved from 5.4% in Q1 2025 to 4.3% in Q4 2025. The Central Bank of Trinidad & Tobago also released a risk assessment report in mid 2025 which projected a significant increase in loan delinquency within the overall financial sector in the coming year (2026).

The Credit Union was also severely impacted by high staff turnover this year as a result of persons seeking opportunities for their growth and development. However, those challenges were overcome thanks to the efforts of ex-team members Omega Zephyrine and Aaliyah Ishmael who assisted the Office to regularize operations. Mr. Nigel Parris was also engaged to perform the role of GM, performing admirably to restore confidence in our services.

The Society has again been impacted by delinquent loans, which necessitated an increased IFRS 9 Loan loan provision of $0.6M.

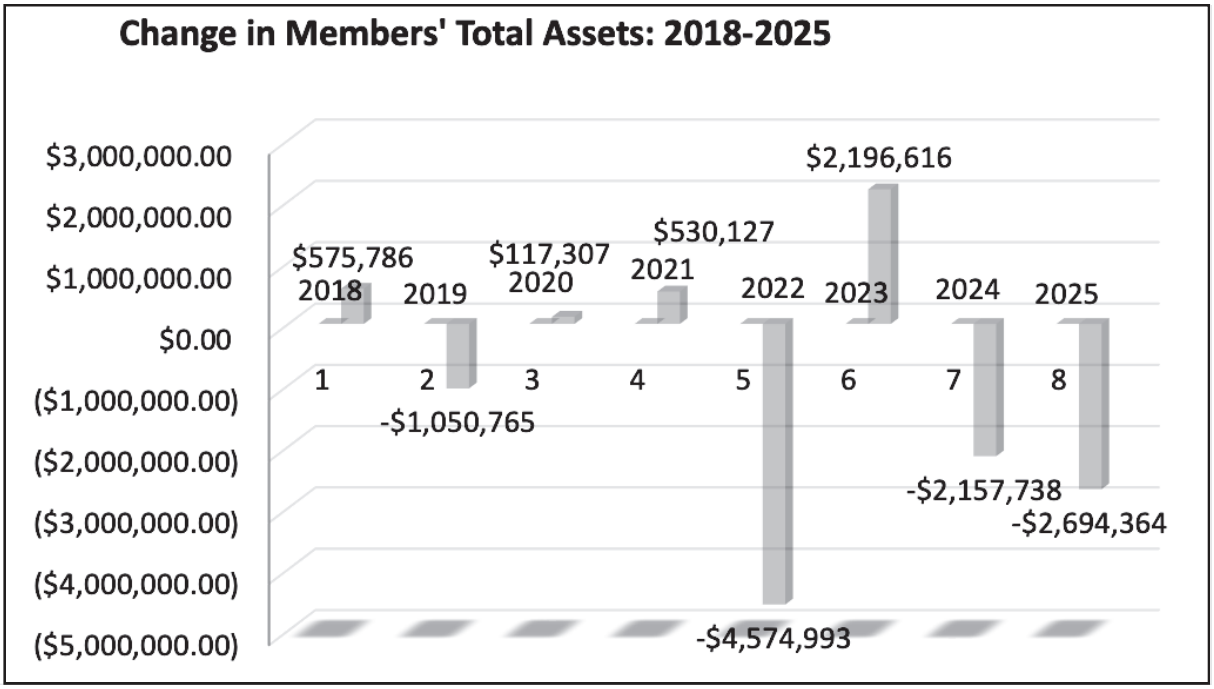
See financial analysis below:

PERFORMANCE HIGHLIGHTS

- Decrease in Total Assets of $2.694M or 2.1% (2025: $128.116M; 2024: $130.811M);
    - Decrease in Investments of $0.255M or 0.31% (2025: $82.895M; 2024: $83.149M);
    - Increase in Comprehensive Income of $0.280M or 3.5% (2025: $8.295M; 2024: $8.015M);
    - Increase in Expenses of $0.202M or 4.70% (2025: $4.545M; 2024: $4.343M);
    - Increase in Net Surplus of $0.078M or 2.1 % (2025: $3.750M; 2024: $3.672M);
    - Decrease in Total Member Loans of $1.047M or 2.98% (2025: $34.090M; 2024: $35.137M);
    - Decrease in Members' Shares of $1.000M or 1.1% (2025: $91.639M; 2024: $92.639M).

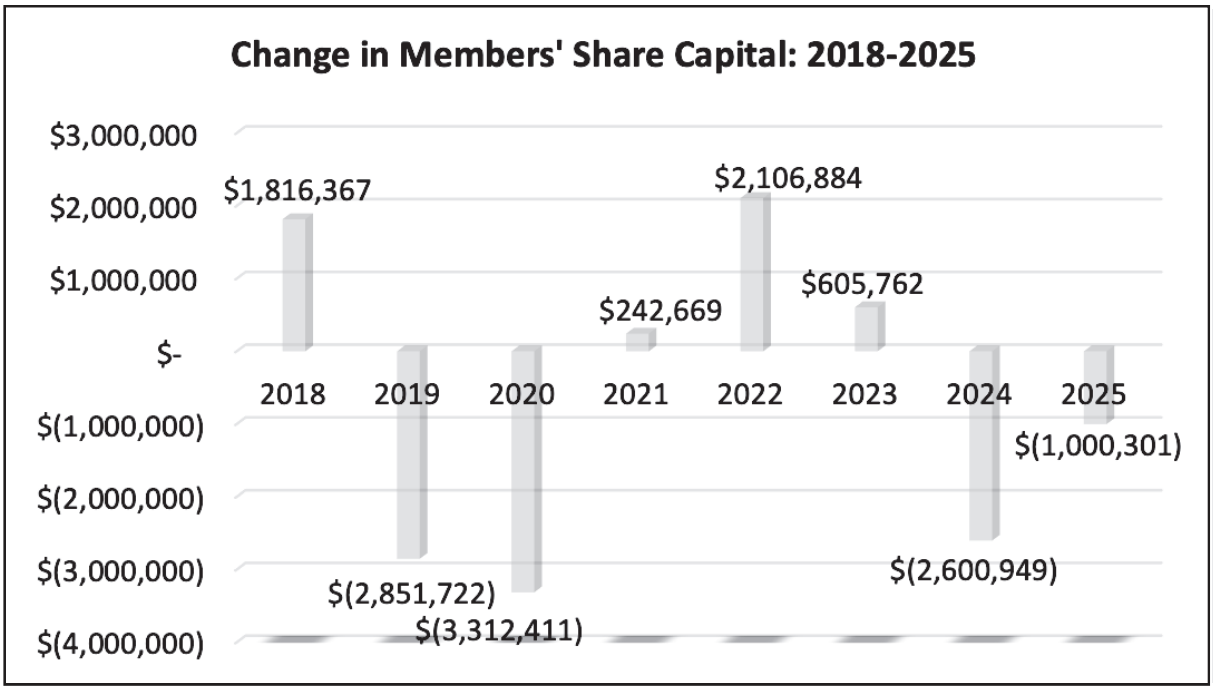
MOVEMENT IN TOTAL ASSETS

Total Assets decreased by $2.694M or 2.1% (2025: @128.116M; 2024: $130.811M). This movement derived mainly from the following: A decrease in the Members' Loan portfolio of $1.05M or 2.98%, an overall decrease in investments and cash equivalents of $0.255M or 0.31%, along with a decrease of cash at hand & bank of approximately $1.4M, in order to increase short term investments to year-end.



MOVEMENT IN MEMBERS' SHARES

Members' Shares decreased by $1.000M or 1.1% (2025: $91.639M; 2024: $92.639M). The society was again impacted by member requests to net-off loans to shareholding as a result of delinquency, or otherwise opting to reduce their debt load, as well as competition and the withdrawal of shares to meet expenses. Members with overdue loan balances agreed to pay off arrears and in some cases – fully cleared outstanding loans. The 1-2-3 loan again helped in stemming the reduction in shareholding. Current year results show a 72% shareholding to total asset ratio in 2025 (2024: 70.8%; 2023: 71.6%).



MOVEMENT IN INCOME

In 2025, Member Loan Interest contributed 55.5% or $4.114M to Gross Income of $7.411M, while Investment and Other Income contributed 44.5% or $3.297M excluding fair value movement (Gain: $0.9M). For 2024, Member Loan Interest contributed 48.1% or $4.128M to Gross Income of $8.587M, while Investment and Other Income contributed 51.9% or $4.458M excluding fair value movement (2023: Loan Interest: 58.6%; Investment & Other Income: 41.4%).

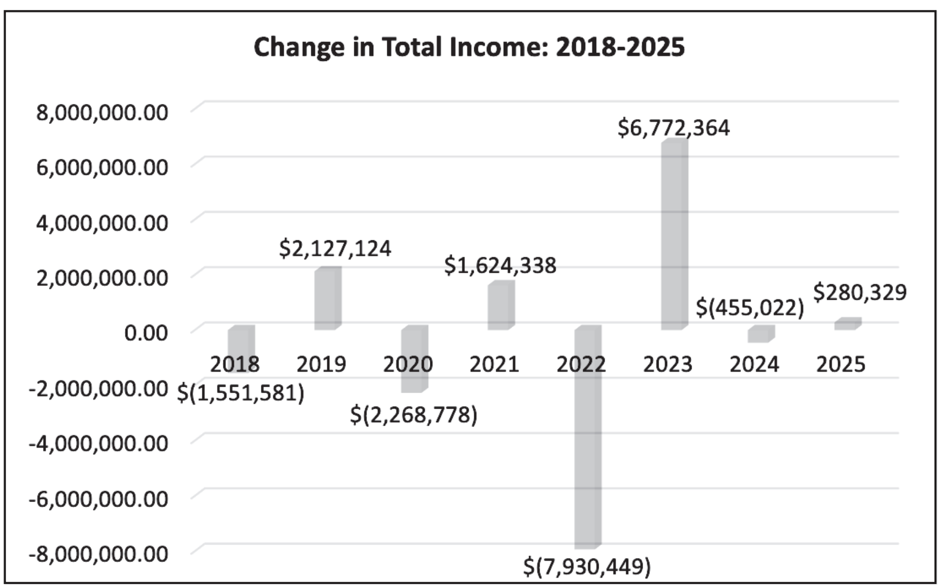
Member loan take-up this year totalled $8.89M (2024: $8.8M; 2023: $11.8M; 2022: $11.9M; 2021: $8.0M; 2020: $7.2M). This clearly reflects saturation among borrowing members. It further highlights the need to increase the number of members using the full services of the Society.

In 2025, Total Income before fair value movement decreased by $1.176M or 13.7% (2024: Decreased by $1.023M or 13.5%; 2023: Increased by $1.339M or 21.5% over 2022), mainly as a result of steady but reduced performance of the Investment Portfolio.

Member loan interest income was unimpressive but steady at $4.114M (2024: $4.128M; 2023: $4.435M; 2022: $4.089M) and the Investment Portfolio saw good returns on account of positive performance in managed equity funds and increased investment in fixed income instruments over the past three (3) years. The managed portfolio increased in asset value by $0.435M or 2.12% over 2024 (2025: 20.973M; 2024: $20.538M; 2023:$19.3M; 2022: $16.3M; 2021: $18.5M; 2020: $14.4M; 2019: $13.3M).

The Board will continue with the following strategies to improve performance:

- Investment in systems (Security & Access) to facilitate enhanced online services, education and ease of access for members, including change-out of present servers & infrastructure. Changing out our older servers was challenging because of reduced USD resources in the Country during 2025.
- Marketing and repositioning the Society in order to stimulate membership growth & enrolment for the Society's service offerings and loan take up through effective marketing of our products and services and supporting our Credit Committee to provide quality loans to our Members
- Maintaining quality investments to optimize the use of cash resources, with a healthy mix of equities and fixed income investments.



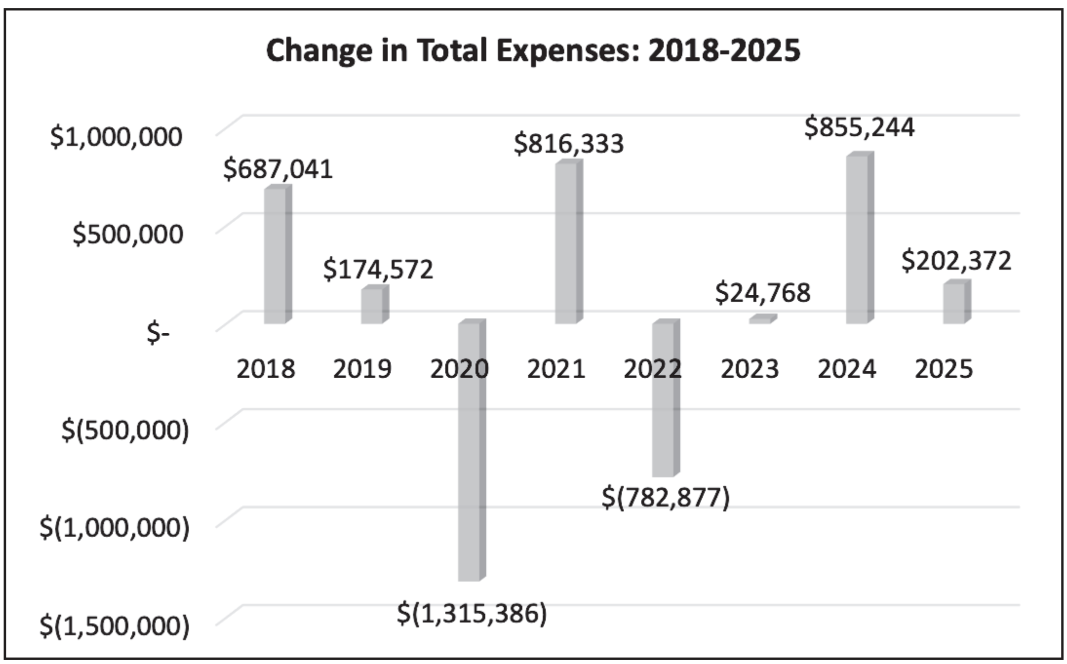
MOVEMENT IN EXPENSES

Expenses increased by $0.202M or 4.7% to $4.545M in 2025 (2024: $4.343M; 2023: $3.488M; 2022: $3.463M; 2021: $4.246M; 2020: $3.429M; 2019: $4.745M; 2018: $4.570M). Some movements to note:

a. Management moved our IFRS9 Provisioning from the general bucket approach to the specific methodology since fy 2023 to present (2025).

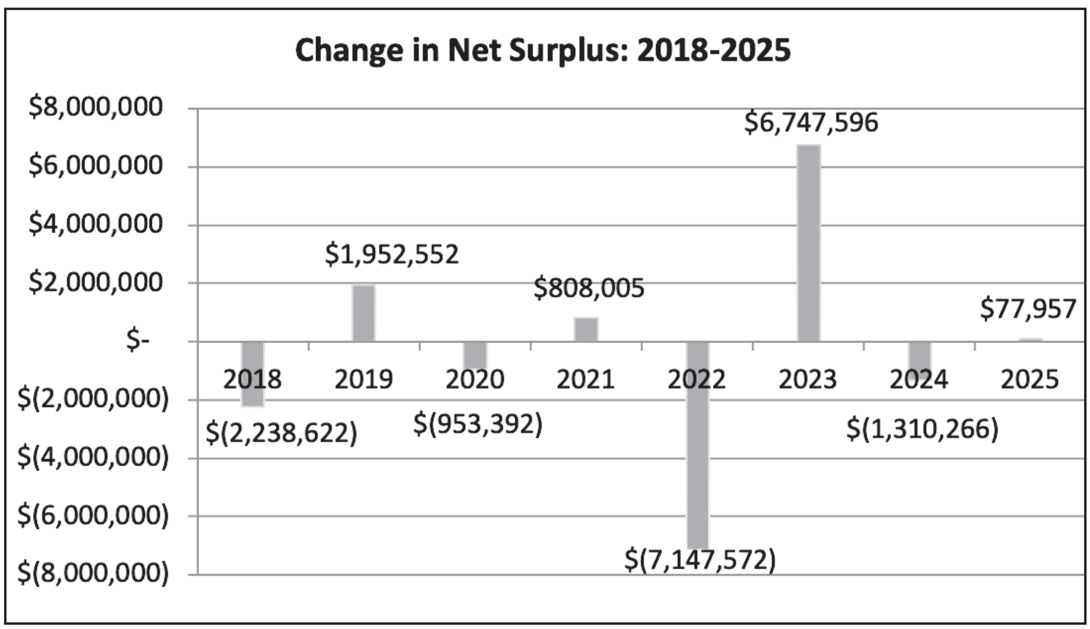
b. There was a resultant increased charge of $0.623M (2024: charge of $0.5M; 2023: reversal of $45K; 2022: charge of $0.152M; 2021: $0.329M) bringing the overall Doubtful Debt Provision to $1.01M (see Note 7 at bottom of page 30-financials), together with a net decrease (write back reversal) on the IFRS9 provision for the possibility of Investment losses of $0.01M again this year, deriving a total IFRS Provision Movement of $0.614M for 2025 (2024: $0.5M; 2023: $0.21M; 2022: -$0.15M; $0 for 2021).

c. AGM Expenses for fy 2025 (2024 AGM) of $0.27M remained consistent with fy 2024 ($0.27M). This constitutes 6% of total expenses and 9.5% of the surplus before unrealized gains for 2025.



MOVEMENT IN NET SURPLUS

At the end of 2025, the Credit Union realized a net surplus before fair value adjustments of $2.866M (2024: $4.244M; 2023: $4.076M; 2022: $2.761M; 2021: $3.680M; 2020: $3.472M; 2019: $3.574M). Loan interest income continues to remain flat and the Investment Portfolio performed reasonably well, given the economic uncertainty at home and elsewhere. In the present circumstances (economic stagnation), 2025 was good but not great. The Office Team and Credit Committee worked diligently to manage the fall-out caused by the lack-lustre micro economy and assisted Members who could not meet their loan obligations. However, there are a handful of Members whose arrears continue to cause significant pain to the Credit Union. The past year was our hardest on the Office and Governance in terms of managing loan delinquency. We continue to exercise care and diligence in serving you, our valued Membership. Your board continues to drive positive change toward continuous improvement in our service.



PEARLS ANALYSIS

	Prudential	Years	
DETAILS	**Standard**	**DEC 2025**	**DEC 2024**
		$	**$**
FINANCIAL RATIOS			
PROTECTION			
Solvency (Net Value of Assets/Total Shares & Deposits)	>110%	119.8%	118.4%
Members Loan / Members Shares	80 - 90%	37.2%	37.9%
EFFECTIVE FINANCIAL STRUCTURE			
Members Loan / Total Asset	70 - 80 %	26.6%	26.9%
Liquid Investments/Total Assets	Max 20%	13.0%	12.2%
Savings Deposits/Total Assets	70-80%	11.9%	13.6%
Member Share Capital/Total Assets	10-20%	71.5%	70.8%
ASSET QUALITY			
Total Loan Delinquency > 1yr/Gross Loan Portfolio (net of provision > 1 year)	<=5%	2.0%	1.5%
Non-Earning Assets/Total Assets	<=5%	5.8%	5.5%
Loan interest /Avg. Members Loan *	12%	11.9%	11.6%
Total Operating Expense/Avg Total Assets	5%	3.5%	3.3%
CAPITAL ADEQUACY RATIO			
Capital ratio			
(Surplus/Equity + Funds) / Total Assets	8 - 10%	16.3%	15.3%
Net Return on Total Asset			
Loan Income only /Avg. Total Asset	> 3%	3.2%	3.1%

CONCLUSION

The financial services space continues to be challenged – mainly as a result of mixed economic conditions (sluggish economy, criminality, reduced employment opportunities) and shocks to the overall finances of T&T and the World Economy. However, our Credit Union remains strong as reflected in the financial metrics. Thanks to our membership for making us stronger.

After statutory transfers, the Board of Directors recommends a dividend of 3.0% for the year 2025 (distribution: full dividend to deposit account for payment in cash as required), with a 5.0% patronage rebate of interest paid on loans in 2025.

Thanks to Almighty God for another successful year and decent financial performance. Thanks also to our General Manager & Office Team, The Board and Committees for each playing their part toward our collective stability.

Again, thanks to you, our valued Members for confidence in your Credit Union.
God's blessings to all.

My Credit Union, my ONLY CHOICE!

Anthony De Freitas
Treasurer

TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
BUDGETED INCOME AND EXPENDITURE: 2025 & 2026

DETAILS	2025 BUDGET $	2025 ACTUAL $	2025 VARIANCE $	2026 BUDGET $
Income				
Interest on loans	4,155,000	4,114,034	40,966	4,257,000
Investment Income	3,800,000	3,166,971	633,029	3,630,000
Miscellaneous Income	78,000	80,361	(2,361)	80,000
Loan Recovery	167,000	49,675	117,325	120,000
Rental Income	0	0	0	0
TOTAL INCOME	**8,200,000**	**7,411,041**	**788,959**	**8,087,000**
Annual General Meeting	250,000	273,085	(23,085)	280,000
Audit Fee	80,000	68,672	11,328	75,000
Bank/Investment Charges and Interest	22,000	27,749	(5,749)	25,000
Board, Committee Expenses	60,000	65,089	(5,089)	60,000
Building and Equiptment Maintenance	565,000	258,436	306,564	300,000
Car Park Facility	48,000	56,125	(8,125)	69,600
Computer Services, Supplies	116,000	107,605	8,395	110,000
Credit Union Week	55,000	38,757	16,243	40,000
CUNA Insurance	485,000	441,935	43,065	456,000
Deposit Insurance		432	(432)	3,000
Depreciation	371,000	274,524	96,476	204,000
Donations	35,000	15,750	19,250	20,000
Education	90,000	80,794	9,206	90,000
Expected Credit Loss(IFRS 9)	335,000	622,668	(287,668)	350,000
Green Fund Levy	25,000	21,933	3,067	24,261
Impairment on Investments	35,000	(8,838)	43,838	45,000
Insurance	73,000	78,279	(5,279)	70,000
Interest on Members' Deposit	232,000	136,448	95,552	148,000
Investment Loss			0	
Leagues Dues	16,000	15,795	205	16,000
Marketing and Promotion	135,000	40,445	94,555	50,000
Meeting and Conferences	45,000	44,384	616	45,000
Miscellaneous	0	(400)	400	
Officers' Allowance	213,000	255,670	(42,670)	233,000
Office Expenses	72,000	67,873	4,127	70,000
Professional Services	391,000	460,503	(69,503)	450,000
Salaries and Staff Benefit	1,175,000	787,924	387,076	1,150,000
Security Fees	135,000	132,733	2,267	134,000
Social Functions	35,000	30,931	4,069	30,000
Special General Meeting				
Stabilization Fund	18,000		18,000	
Stationery and Printing/Postage	42,000	24,078	17,922	25,000
land & Building Taxes				
Utilities	128,000	125,988	2,012	132,000
TOTAL EXPENSES	**5,282,000**	**4,545,367**	**736,633**	**4,704,861**
NET SURPLUS				
(ATTRIBUTABLE - MEMBERS)	**2,918,000**	**2,865,674**	**52,326**	**3,382,139**
Unrealized Gain/(Loss) On Investment	**900,000**	**884,250**	**15,750**	**700,000**
Total Comprehensive Income	**3,818,000**	**3,749,924**	**68,076**	**4,082,139**

RECEIPTS	2025	2024
Accounts Payable- Suppliers/Accrued Charges	240	-
Accounts Receivable	-	527,775
Administration Fees-Cuna	80,353	76,877
Annual General Meeting Expenses	426	-
Bank Charges	0	1,092
Bank Interest	8,206	-
Board Of Directors Education Expense	-	14,923
Board Of Directors Expense	-	462
Children's Social Activities	-	502
Credit Union Week Expense	1,140	-
CUNA FIP Insurance Plan	106,282	2
Deposit 4 -Advance Protector	2,738	35,662
Education Expenses	1,352	-
Entrance Fees	285	1,796
Fcb Clearing Account	106,108	135
Interest Receivable	890,279	18,090
Interest Receivable On Member Loans	611,357	-
Investment Income	308,270	850,422
Investment Interest	-	82,623
Investments	3,616,463	17,975,470
Loan Interest	-	522,215
Medicard Health	-	502
Members' Clearing	516,672	294,043
Members' Deposits	987,174	1,642,732
Members' FIP Deposits	539,000	576,720
Members' Loan	2,954,577	2,516,624
Members' Payroll	14,587,174	15,205,622
Members' Receivables	285	200
Members' Shares	1,477,373	1,689,024
Members' Tex Med Deposits	191,137	189,524
Office Expenses	5,002	459
Other Income	8	-
Overs/Short Deposits	532	401
Personnel Cost	46,512	-
Prepayments	1,593	3,008,424
Professional Services	731	-
RBL Clearing Account	1,075,000	25,520
Staff Training	750	-
Stationery & Printing	1,153	-
Texmed Receivables	-	225
TOTAL RECEIPTS	**28,118,175**	**45,258,066**

PAYMENTS		
Accounts Payable- Suppliers/Accrued Charges	470,901	940,194
Accounts Receivable	55,044	1,100
Advance Payment Protector Clearing	28,282	27,437
Annual General Meeting Expenses	268,202	275,088
Audit Fees	75,188	79,401
Bank Charges	17,736	18,359
Board Of Directors Education Expense	23,664	20,427
Board Of Directors Expense	57,902	67,091
Building Repairs & Maintenance	372,079	78,669
Car Park Rental	50,500	48,000
Children's Social Activities	23,472	28,550
Computer Services & Supplies	8,350	788

PAYMENTS (cont'd)

Credit Union Project	55,004	
Credit Union Week Expense	39,897	70,744
CUNA FIP Insurance Plan	837,659	411,379
Cuna Insurance	145,896	
Cuna Life	-	1,320
Deposit Insurance	432	
Donation	15,750	22,520
Education Expenses	41,622	18,535
Fcb Clearing Account	106,108	23,053
Fixed Assets	100,121	93,954
Inland Revenue-Penalty	168	
Green Fund Levy	-	31,846
Investment Interest	-	621
Investments	1,841,498	19,204,150
Janitorial & Sanitation	2,363	11,004
League Dues	15,795	15,795
Marketing & Promotions	28,310	2,841
Medicard Health	134	3,504
Meeting & Conferences	46,660	26,231
Members' Clearing	565,076	302,543
Members' Deposits	7,676,917	7,061,559
Members' FIP Deposits	385,905	294,483
Members' Loan	9,590,479	9,328,132
Members' Receivables	3,000	
Members' Shares	4,003,407	5,113,313
Members' Social Activities	7,164	30,796
Members' Tex Med Deposits	362	7,587
Miscellaneous Expenses	142	-
Office Expenses	56,185	36,545
Overs/Short Deposits	420	100
Personnel Cost	849,361	897,333
Postage	-	100
Prepayments	185,636	3,139,367
Professional And Developmental Cost	3,686	7,564
Professional Services	216,364	115,224
RBL Clearing Account	4,068	25,520
Security Services	129,234	115,644
Staff Allowances	12,089	
Staff Grant	-	700
Staff Training	23,710	4,414
Stationery & Printing	25,231	11,479
Texmed Receivables	1,071,532	893,922
Travelling & Subsistence	16,522	60
Utilities	75,987	61,010
TOTAL PAYMENTS	**29,631,212**	**48,969,995**
NET SURPLUS / (DEFICIT)	**(1,513,037)**	**(3,711,929)**
CLOSING BALANCE	**2,648,116**	**4,161,153**
REPRESENTED BY:		
Cash in hand	34,639	225,544
Republic Bank Limited	1,731,487	2,474,437
First Citizens Bank Limited	419,302	1,299,517
JMMB Bank Limited	462,687	161,655
	2,648,116	**4,161,153**

Financial Statements of

TEXTEL CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

December 31, 2025

TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
Financial Statements for the year ended December 31, 2025

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85 Henry Street, Port of Spain, Trinidad, West Indies. Telephone: 627-6503, 624-1244 • Fax: 627-2915
Website: www.textelcu.com

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of **TEXTEL Credit Union Co-Operative Society Limited**, which comprise the statement of financial position as at **December 31, 2025**, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information;
- Ensuring that the Society keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Designing, implementing and maintaining a system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and which provides for the security of the Society's assets and the prevention and detection of fraud;
- Monitoring and evaluating the effectiveness of the system of internal control on an ongoing basis and taking corrective action to address any deficiencies identified;
- Producing reliable financial reporting that complies with applicable laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilized International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago.

Nothing has come to the attention of management to indicate that the Society will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorized for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

General Manager
Date: August 12, 2026.

Treasurer
Date: August 12, 2026.

Madan Ramnarine and Company Limited

Chartered Accountants

#6 Xavier Street Extension,
Chaguanas, Trinidad, W.I.

Tel:665-1707
Email: admin@mramnarineco.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TEXTEL Credit Union Co-operative Society Limited ("the Society")**, which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in members' equity and reserves and statement of cash flows for the year then ended, and notes comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do 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. When we read the Society's 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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 Society's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

#6 Xavier Street Extension, Chaguanas, Trinidad, W.I.
Tel:665-1707
Email: admin@mramnarineco.com

Those charged with governance are responsible for overseeing the Society'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 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 judgement and maintain professional scepticism 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 Society'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 Society'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 Society to cease to continue as a going concern.

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

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

Madan Ramnarine & Co Ltd

MADAN RAMNARINE & COMPANY LIMITED
CHARTERED ACCOUNTANTS

CHAGUANAS, TRINIDAD

August 12, 2026.

TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
Statement of Financial Position
December 31, 2025

	Notes	2025	2024
		$	**$**
ASSETS			
Property, plant and equipment	5	7,385,226	7,212,190
Receivables and prepayments	6	1,098,201	1,150,729
Members' loans	7	34,090,104	35,137,315
Investment securities:			
- measured at fair value through profit or loss	8(a)	20,972,926	20,537,779
- measured at amortised cost	8(b)	45,280,949	46,674,606
Cash and cash equivalents	9	19,288,769	20,097,920
Total assets		128,116,175	130,810,539
LIABILITIES AND MEMBERS' EQUITY & RESERVES			
Liabilities			
Payables and accruals	10	365,193	312,796
Members' shares		91,638,650	92,638,951
Members' deposits		15,275,183	17,800,193
		107,279,026	110,751,940
Members' Equity & Reserves			
Reserve fund		11,171,082	10,884,210
Education fund		538,247	614,041
Credit union projects		543,750	543,750
Undivided earnings		8,584,070	8,016,599
Total Members' Equity & Reserves		20,837,149	20,058,599
Total Liabilities and Members' Equity & Reserves		128,116,175	130,810,539

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

On August 12, 2026, the Board of Directors of TEXTEL Credit Union Co-operative Society Limited authorised these financial statements for issue.

On behalf of the Board

Maria Borahzh ______ President   Anthony De Freitas ______ Treasurer

Anika Millington ______ Member of the Supervisory Committee

TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
Statement of Comprehensive Income
For the year ended December 31, 2025

	Notes	2025 $	2024 $
INCOME			
Interest on members' loans		4,114,034	4,128,310
Income from investments		3,166,971	4,374,127
Other income		130,036	84,134
Total income		7,411,041	8,586,571
EXPENDITURE			
Administrative expenses	12	2,187,979	1,922,543
CUNA insurance		441,935	454,451
Depreciation	5	274,524	268,296
Education		80,794	58,346
Expected credit loss on members' loans (IFRS 9)	7	622,668	495,996
Reversal of impairment of investments (IFRS 9)	8(b)	(8,938)	(11,609)
Green fund levy		21,933	35,259
Interest on members' deposits		136,448	188,951
Personnel		787,924	930,662
Total expenditure		4,545,267	4,342,895
Net surplus attributable to members for the year before fair value gain/(loss)		2,865,774	4,243,676
Net gain/(loss) on investments measured at fair value through profit or loss		884,150	(571,709)
Net surplus attributable to members for the year		3,749,924	3,671,967

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

TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Statement of Changes in Members' Equity & Reserves

For the year ended December 31, 2025

	Reserve Fund $	Education Fund $	Credit Union Projects $	Undivided Earnings $	Total $
Year ended December 31, 2025					
Balance at January 1, 2025	10,884,210	614,041	543,750	8,016,599	20,058,599
Membership fees	305	-	-	-	305
Net surplus attributable to members for the year	-	-	-	3,749,924	3,749,924
Dividends paid and rebates	-	-	-	(2,971,679)	(2,971,679)
Members' education, training and development expense	-	(80,794)	-	80,794	-
Appropriation of net surplus					
(i) 10% to Reserve fund	286,577	-	-	(286,577)	-
(ii) Transfer to Education fund (up to 5%)	-	5,000	-	(5,000)	-
Balance at December 31, 2025	11,171,092	538,247	543,750	8,584,060	20,837,149
Year ended December 31, 2024					
Balance at January 1, 2024	10,459,717	831,091	543,750	7,989,856	19,824,414
Membership fees	125	-	-	-	125
Net surplus attributable to members for the year	-	-	-	3,671,967	3,671,967
Dividends paid and rebates	-	-	-	(3,437,907)	(3,437,907)
Members' education, training and development expense	-	(222,050)	-	222,050	-
Appropriation of net surplus					
(i) 10% to Reserve fund	424,368	-	-	(424,368)	-
(ii) Transfer to Education fund (up to 5%)	-	5,000	-	(5,000)	-
Balance at December 31, 2024	10,884,210	614,041	543,750	8,016,599	20,058,599

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

TEXTEL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
Statement of Cash Flows
For the year ended December 31, 2025

	Notes	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus attributable to members for the year before net fair value gain		2,865,774	4,243,676
Adjustments to reconcile net surplus to net cash generated from operating activities:			
Members' loans provision written off		(773,681)	-
Expected credit loss provision	7	622,668	495,996
Depreciation	5	274,524	268,296
Operating surplus before working capital changes		2,989,285	5,007,968
Decrease in members' loans		1,198,224	625,660
Decrease in receivables and prepayments		52,528	71,800
(Decrease)/increase in members' deposits		(2,525,010)	20,162
Increase in payables and accruals		52,397	188,864
Net cash generated from operating activities		1,767,424	5,914,454
CASH FLOWS FROM INVESTING ACTIVITIES			
Net change in investments		1,842,660	(14,630,586)
Additions to property, plant and equipment	5	(447,560)	(93,954)
Net cash generated from/(used in) investing activities		1,395,100	(14,724,540)
CASH FLOWS FROM FINANCING ACTIVITIES			
Membership fees		305	125
Dividends paid and rebates		(2,971,679)	(3,437,907)
Net increase/(decrease) in members' shares		(1,000,301)	(2,600,949)
Net cash used in financing activities		(3,971,675)	(6,038,731)
Net decrease in cash and cash equivalents		(809,151)	(14,848,817)
Cash and cash equivalents at beginning of year		20,097,920	34,946,737
Cash and cash equivalents at end of year	9	19,288,769	20,097,920

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

1. REGISTRATION AND ACTIVITIES

Textel Credit Union Co-operative Society Limited is registered in the Republic of Trinidad and Tobago under the Co-operative Societies Act Chapter 81:03. Its registered office is located at #85 Henry Street, Port of Spain. The Society's principal activities are to promote the economic and social welfare of its members, encouraging the spirit and practice of thrift, self-help and co-operation and to promote the development of co-operative ideas.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are stated below:

(a) Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") and are stated in Trinidad and Tobago dollars. These financial statements are stated on the historical cost basis, except for the measurement of investment securities at fair value through profit or loss and certain other financial instruments.

New, revised and amended standards effective January 1, 2025.

There were no new standards, interpretations and amendments, which were applicable in the current year and having a material impact on the financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Society.

The IFRSs which have been issued but are not yet effective are not expected to have a significant impact on the Society's financial statements.

Standards, amendments and interpretations to existing standards early adopted by the Society.

There were no new standards, interpretations and amendments which were early adopted by the Society in the current year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(c) Foreign currency translation

These financial statements are presented in Trinidad and Tobago dollars, which is the Society's functional currency.

Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ('the functional currency'). These financial statements are presented in Trinidad and Tobago dollars, which is the Society's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the measurement 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 of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on the straight-line basis at rates estimated to write-off the assets over their expected useful lives.

Current rates of depreciation are:

Building	2%
Furniture and fittings	10%
Office equipment	20%
Computers & Website	20%

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted, if appropriate.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

(e) Revenue recognition

Interest on Members' loans

Interest on members' loans is recognised using the effective interest method.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income from equities is recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances which are payable on demand.

(g) Financial assets

The Society's financial assets comprise debt instruments and equity instruments.

The Society classifies its financial assets either at amortised cost (AC) or at fair value through profit and loss (FVPTL). The classification depends on the purpose for which financial assets were acquired or originated as well as the type of instrument.

The classification for debt instruments depends on the entity's Business Model for managing those assets. It also requires the entity to examine the contractual terms of the cash flows, i.e. whether these represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). All of the Society's debt instruments are held to collect cash flows and accordingly meet the 'hold to collect' criteria. All debt instruments passing the Business Model and SPPI tests are classified at AC.

Debt securities where the contractual cash flows are SPPI and the objective of the Society's business model is achieved both by collecting contractual cash flows and selling financial assets are classified at Fair Value Through Other Comprehensive Income (FVTOCI). Currently there are no debt instruments classified at FVTOCI.

On initial recognition, the Society has the option to irrevocably classify equity securities which are not held for trading at FVTOCI. All other instruments are carried at Fair Value Through Profit or Loss (FTVPL). The Society currently has no instruments in the FVTOCI category and accordingly has classified all equity instruments at FVTPL.

The Society reclassifies debt investments when and only when its business model for managing those assets changes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

(i) Amortised cost

Financial assets measured at amortised cost comprise all debt instruments, including corporate bonds, notes and repurchase agreements and other receivables.

These are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument. These are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

Refer to Note 2(k) for further information on members' loans.

(ii) Fair value through profit or loss

Financial assets measured at fair value through profit or loss include equity instruments.

These financial assets are investments that are intended to be held for trading to generate profit from fluctuations in price. These financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition.

After initial recognition, investments which are classified at FVTPL are measured at fair value with gains or losses on revaluation recognised in the statement of comprehensive income within 'Net unrealised gain on investments measured at fair value' in the period in which it arises.

In limited circumstances, cost might be used as an estimate of fair value, where information is insufficient to determine fair value; or where there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value within that range.

(iii) Impairment of financial assets

At the reporting date, the Society assesses on a forward-looking basis, the credit losses associated with its financial assets measured at amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

The Society measures loss allowances on its debt instruments at an amount equal to lifetime credit losses, except in the following cases, for which the amounts are recognised on the basis of twelve (12) months' credit losses.

For receivables, the Society applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of receivables.

(h) Impairment of non-financial assets

The carrying amount of the Society's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is adjusted to reflect the revised estimate.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

(i) Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are remeasured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Accounts receivable

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(k) Members' loans

Members' loans are initially measured at cost, net of loan origination fees and inclusive of transaction costs incurred. They are subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans.

Impairment provisions for loans to members are recognised based on the three stage approach within IFRS 9 as follows:

Stage 1 represents twelve (12) month expected credit losses (gross interest)

- Applicable when no significant increase in credit risk
- Entities continue to recognise twelve (12) month expected losses that are updated to each reporting date
- Presentation of interest on gross basis.

Stage 2 represents lifetime expected credit losses (gross interest)

- Application in case of significant increase in credit risk
- Recognition of lifetime expected losses
- Presentation of interest on gross basis

Stage 3 represents lifetime expected credit losses (net interest)

- Application in case of credit impairment
- Recognition of lifetime expected losses
- Presentation of interest on net basis

The Society maintained a loan loss provision, which in management's opinion, is adequate to absorb all incurred credit-related losses in its loan portfolio. Provisions for loan losses are calculated using a formula method taking into account recent loss experience.

Loans are written off after all the necessary legal procedures have been completed and the amount of the loss can be fully determined.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxation

The surplus arising from the Society is exempt from income tax, as per the Co-operative Societies Act Chapter 81:03, sections 76-77.

(m) Members' deposits

Members' deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Members' deposits are subsequently measured at amortised cost, using the effective interest rate method.

(n) Members' shares

According to the Bye-Laws of Textel Credit Union Co-operative Society Limited, the capital of the Society may be composed of an unlimited number of shares of $5 each. In accordance with International Financial Reporting Interpretations Committee (IFRIC) Interpretation 2, redeemable shares have been treated as liabilities.

(o) Dividends

Dividends are recommended by the Board of Directors and approved by the members at the Annual General Meeting following the year to which they relate. Dividends are an appropriation of undivided earnings and are recognised in the statement of changes in members' equity and reserves in the period when paid.

The dividends are computed on the basis of the average number of shares in issue throughout the year, the average being determined on the basis of the number of shares in issue at the end of each month.

(p) Accounts payable

Accounts payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

When 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 obligations may be small.

(r) Comparative figures

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

(s) Reserve Fund

Section 47(2) of the Co-operative Societies Act 1971 requires that at least 10% of the net surplus of the Society for the year is to be transferred to a reserve fund. In accordance with Bye-Law 16 of the Society, this reserve fund may be used only with the approval of the Commissioner of Co-operative Development for bad loans and other losses sustained through extraordinary circumstances over which the Society had no control.

(t) Education Fund

In accordance with Bye-Law 17 of the Society, the education fund shall be used for the education and training of the members and staff of the Society or any other organisations or persons which qualify under the Society's education policy. Bye-Law 14 of the Society establishes that an amount up to 5% of the net surplus for the year may be credited to the Education Fund.

3. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in equity investments, securities and bonds.

Financial Instruments

The following table summarises the carrying amounts and fair values of the Society's financial assets and liabilities:

	2025	
	Carrying Value $	**Fair Value $**
Financial assets		
Cash and cash equivalents	19,288,769	19,288,769
Investment securities	66,253,875	66,253,875
Receivables and prepayments	1,098,201	1,098,201
Members' loans	34,090,104	34,090,104
	120,730,949	120,730,949
Financial Liabilities		
Payables and accruals	365,193	365,193
Members' deposits	15,275,183	15,275,183
Members' shares	91,638,650	91,638,650
	107,279,026	107,279,026

	2024	
	Carrying Value $	**Fair Value $**
Financial assets		
Cash and cash equivalents	20,097,920	20,097,920
Investment securities	67,212,385	67,212,385
Receivables and prepayments	1,150,729	1,150,729
Members' loans	35,137,315	35,137,315
	123,598,349	123,598,349
Financial Liabilities		
Payables and accruals	312,796	312,796
Members' deposits	17,800,193	17,800,193
Members' shares	92,638,951	92,638,951
	110,751,940	110,751,940

3. FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments (continued)

The Society is exposed to interest rate risk, credit risk, currency risk, liquidity risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, deposits and other funding instruments. The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

`	Due on Demand	Due in 1 year	Due 1-5 years	Due over 5 years	Non-interest bearing	Total
As at December 31, 2025						
Assets						
Cash and Cash equivalents	19,254,130	-	-	-	34,639	19,288,769
Investments securities	-	14,518,428	23,609,119	7,214,957	20,972,926	66,315,430
Receivables and prepayments	-	-	-	-	1,098,201	1,098,201
Members loans	-	540,847	10,913,577	22,635,680	-	34,090,104
Liabilities						
Payables and accruals	-	-	-	-	(365,193)	(365,193)
Members' deposits	(15,275,183)	-	-	-	-	(15,275,183)
Members' shares	-	-	-	-	(91,638,650)	(91,638,650)
Interest Sensitivity Gap	**3,978,947**	**15,059,275**	**34,522,696**	**29,850,637**	**(69,898,077)**	**13,513,478**
As at December 31, 2024						
Assets						
Cash and Cash equivalents	19,872,376	-	-	-	225,544	20,097,920
Investments securities	-	10,880,198	28,649,945	7,214,957	20,537,779	67,282,879
Receivables and prepayments	-	-	-	-	1,150,729	1,150,729
Members loans	-	787,021	11,113,261	23,237,033	-	35,137,315
Liabilities						
Payables and accruals	-	-	-	-	(312,796)	(312,796)
Members' deposits	(17,800,193)	-	-	-	-	(17,800,193)
Members' shares	-	-	-	-	(92,638,951)	(92,638,951)
Interest Sensitivity Gap	**2,072,183**	**11,667,219**	**39,763,206**	**30,451,990**	**(71,037,695)**	**12,916,903**

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Society's loans to members and other banks, and investment debt securities. The Society relies heavily on a written Loan and Investment Policy Manual, which sets out in detail the current policies governing the lending and investment function and provides a comprehensive framework for prudent risk management of the credit function.

Adherence to these guidelines is expected to communicate the Society's lending and investment philosophy; provide policy guidelines to team members involved in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

For risk management reporting purposes, the Society considers and consolidates all elements of credit risk exposure - e.g. individual obligor default risk, regional and industry sector risk.

The market risk in respect of changes in the value of financial assets measured at FVTPL arising from changes in market credit spreads applied to debt securities is managed as a component of market risk.

(i) Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to management and the Credit Committee. The loans and finance departments, reporting to the respective committees, are responsible for managing the Society's credit risk, including the following:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to Loan Officers and larger facilities require approval by the Credit Committee or the Board of Directors, as appropriate.
- Reviewing and assessing credit risk: Credit Committee assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans, financial guarantees and similar exposures), and by issuer, credit rating band and market liquidity (for investment securities).
- Developing and maintaining the Society's Credit Scores used to categorise exposures according to the degree of risk of default. The responsibility for setting risk scores lies with the final approving executive or committee, as appropriate. Risk scores are subject to regular reviews by the Society's Board.
- Developing and maintaining the Society's processes for measuring the ECL: This includes processes for:
  - initial approval, regular validation and back-testing of the models used;
  - incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, regional risk and product types. Regular reports on the credit quality of local portfolios are provided to the Credit Committee, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowance.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Society in the management of credit risk.

3. FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments (continued)

(b) Credit risk (continued)

(ii) Significant increase in credit risk

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

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default ("PD") as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

(iii) Generating the term structure of PD

Historical patterns are a primary input into the determination of the term structure of PD for exposures. The Society collects performance and default information about its credit risk exposures. The Society analyses the data collected and estimates the remaining lifetime PD of exposures.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of other key factors (e.g. period of employment, debt service ratio, securitisation of loan) on the risk of default.

(iv) Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by stages and include quantitative changes in PDs and qualitative factors.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Society's policy, instalments in arrears are determined to have increased significantly.

Using its credit judgement and, where possible, relevant historical experience, the Society may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

The Society monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria align with the point in time when an asset becomes more than 30 days past due.

3. FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments (continued)

(b) Credit risk (continued)

(v) Definition of default

The Society considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as realising security (if any is held);
- The borrower is past due more than 90 days on any material credit obligation to the Society;
- The Society agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amounts owing;
- The Society has filed for the borrower's bankruptcy in connection with the credit obligation; or
- The borrower has sought or been placed in bankruptcy resulting in the delay or avoidance of repayment of the amount owing.

In assessing whether a borrower is in default, the Society considers indicators that are:

- Qualitative - e.g. breaches of covenant;
- Quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Society; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Society for regulatory purposes.

(vi) Incorporation of forward-looking information

The Society incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Society formulates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

The Society has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past five (5) years.

(vii) Measurement of ECL

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

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

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

3. FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments (continued)

(b) Credit risk (continued)

(vii) Measurement of ECL (continued)

PD represents the probability of occurrence of an event of default of the credit exposure, in a defined time lag (i.e. 1 year). The Society intends to strengthen this model by using rating tools tailored to the various categories of loans and exposures. These statistical models will be based on internally compiled data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD represents the percentage of the estimated loss, and thus the expected rate of recovery, at the date of occurrence of the default event of the credit exposure. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the measure of the exposure at the time of the event of default of the credit exposure. The Society derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and future expectations.

As described above, and subject to using a maximum of a twelve (12)-month PD for financial assets for which credit risk has not significantly increased, the Society measures ECL considering the risk of default over the maximum contractual period (including any borrower’s extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Society considers a longer period. The maximum contractual period extends to the date at which the Society has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- date of initial recognition (vintage);
- remaining term to maturity.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Society has limited historical data, external benchmark information is used to supplement the internally available data.

(c) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Society's measurement currency. The Society is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3. FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments (continued)

(d) Liquidity risk

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Society has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Society is able to make daily calls on its available cash resources to settle financial and other liabilities.

	Due on demand	Up to one year	One to five years	Total
As at December 31, 2025				
Liabilities				
Payables and accruals	-	365,193	-	365,193
Members' shares	91,638,650	-	-	91,638,650
Members' deposits	15,275,183	-	-	15,275,183
Total Liabilities	**106,913,833**	**365,193**	**-**	**107,279,026**

	Due on demand	Up to one year	One to five years	Total
As at December 31, 2024				
Liabilities				
Payables and accruals	-	312,796	-	312,796
Members' shares	92,638,951	-	-	92,638,951
Members' deposits	17,800,193	-	-	17,800,193
Total Liabilities	**110,439,144**	**312,796**	**-**	**110,751,940**

(e) Operational risk

Operational risk is derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. Supervisory controls are also installed to minimise human error.

(f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Commissioner for Co-operative Development division, as well as by the monitoring controls applied by the Society.

(g) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Society's operations (whether true or false) may result in a reduction of its membership, reduction in revenue and legal cases against the Society. The Society engages in public social endeavours to engender trust and minimise this risk.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Society's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Society makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the statement of comprehensive income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- Whether investments are classified as fair value through profit and loss or amortised cost.
- Which depreciation method for property, plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the statement of financial position date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Impairment of assets

Management assesses at each statement of financial position date whether the assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

(b) Property, plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditure to be capitalised and in estimating the useful lives and residual value of these assets.

(c) Estimation of expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of members defaulting and the resulting losses).

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

- Determining criteria for significant increase in credit risk.
- Choosing appropriate models and assumptions for the measurement of ECL.
- Had there been a 5% shift in the average ECL rate for all financial instruments carried at amortised cost, the Society's ECL allowance would have been higher by $53,583.

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5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings $	Furniture and Fittings $	Office Equipment $	Computers and Website $	Total $
Year ended December 31, 2025					
Cost	9,784,568	113,347	262,193	566,145	10,726,253
Accumulated depreciation	(2,650,587)	(61,832)	(222,894)	(405,714)	(3,341,027)
Balance as at December 31, 2025	7,133,981	51,515	39,299	160,431	7,385,226
Net book value					
Balance at January 1, 2025	6,974,775	62,073	50,275	125,067	7,212,190
Additions	328,441	-	-	119,119	447,560
Depreciation charge	(169,235)	(10,558)	(10,976)	(83,755)	(274,524)
Balance as at December 31, 2025	7,133,981	51,515	39,299	160,431	7,385,226
Year ended December 31, 2024					
Cost	9,456,127	113,347	262,193	447,026	10,278,693
Accumulated depreciation	(2,481,352)	(51,274)	(211,918)	(321,959)	(3,066,503)
Balance as at December 31, 2024	6,974,775	62,073	50,275	125,067	7,212,190
Net book value					
Balance at January 1, 2024	7,140,197	68,119	10,279	167,940	7,386,535
Additions	-	4,264	54,884	34,806	93,954
Depreciation charge	(165,422)	(10,310)	(14,888)	(77,679)	(268,299)
Balance as at December 31, 2024	6,974,775	62,073	50,275	125,067	7,212,190

	2025 $	2024 $
6. RECEIVABLES AND PREPAYMENTS		
Sundry receivables and prepayments	1,098,201	1,150,729
7. MEMBERS' LOANS		
Credit concentration		
Ordinary loans	33,058,256	34,348,458
Vehicle loans	1,384,505	1,247,000
Now loans	134,205	29,270
Education loans	99,887	137,801
Wedding loans	9,720	14,043
Student loans	177,343	174,972
Stress free loans	13,365	28,243
Seasonal loans	222,932	318,650
	35,100,213	36,298,437
Less: Expected credit loss	(1,010,109)	(1,161,122)
Total loans net of expected credit loss	34,090,104	35,137,315
Analysis of movement in loan principal		
Principal balance at the beginning of the year	36,298,437	36,924,097
Principal amount of loans issued	24,797,397	28,663,636
Principal amount of loans repaid	(25,221,941)	(29,289,296)
Principal amount of loans written off	(773,681)	-
Principal balance at the end of the year	35,100,213	36,298,437
Credit quality of loan portfolio:		
Principal neither past due nor impaired	31,038,976	29,194,877
Principal which is past due but not impaired	2,339,119	3,793,531
Principal which is impaired	1,722,118	3,310,029
Gross loans	35,100,213	36,298,437
Less: Provision for loan losses	(1,010,109)	(1,161,122)
Total loans net of provision for loan losses	34,090,104	35,137,315

	2025	2024
	$	$

7. MEMBERS' LOANS (continued)

Loans past due but not impaired

	2025	2024
31-90 days	2,315,291	3,793,531
91-365 days	23,828	-
	2,339,119	3,793,531

The table below shows the staging of loans to members and the related expected credit losses under IFRS 9 as at December 31, 2025.

	Stage 1 0-30 days in arrears $	Stage 2 31-90 days in arrears $	Stage 3 >90 days in arrears $	Total $
Principal	31,038,976	2,339,119	1,722,118	35,100,213
Credit losses	(29,090)	(3,696)	(977,323)	(1,010,109)
	31,009,886	2,335,423	744,795	34,090,104

The table below shows the staging of loans to members and the related expected credit losses under IFRS 9 as at December 31, 2024.

	Stage 1 0-30 days in arrears $	Stage 2 31-90 days in arrears $	Stage 3 >90 days in arrears $	Total $
Principal	29,194,877	3,793,531	3,310,029	36,298,437
Credit losses	(22,734)	(3,812)	(1,134,576)	(1,161,122)
	29,172,143	3,789,719	2,175,453	35,137,315

	2025 $	2024 $
Movement in the provision for loan losses:		
Provision for loan losses brought forward	1,161,122	665,126
Principal loan amounts written off during the year	(773,681)	-
Movement in the expected credit loss on loans (IFRS 9)	622,668	495,996
Provision for loan losses	1,010,109	1,161,122

		2025 $	2024 $
8.	**(a) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**		
	Equity Instruments		
	KSBM Asset Management Ltd - Managed Portfolio	19,207,848	18,502,792
	JMMB Securities - Managed Portfolio	1,744,556	2,014,655
	Jamaica Money Market Brokers Group Limited	20,520	20,330
		20,972,924	20,537,777
	Unquoted investments		
	Co-operative Credit Union League of Trinidad & Tobago - 5,000 shares	5,000	5,000
	The Central Finance Facility Co-operative Society of T&T Limited - 1 share	25,000	25,000
		30,000	30,000
	Provision for diminution in value of investments	(29,998)	(29,998)
		2	2
	Sub-total	20,972,926	20,537,779
8.	**(b) INVESTMENT SECURITIES MEASURED AT AMORTISED COST**		
	KCL Capital Market Brokers Limited - Managed Portfolio	6,847,948	4,912,313
	National Investment Funds (NIF) Series A & B 4.50 - 5.7%	5,138,506	5,138,506
	NIPDEC TT$ Fixed Rate Bond	1,000,000	1,000,000
	The National Gas Company of Trinidad & Tobago Bond 2036	822,688	822,688
	Sagicor Financial Corporation Limited - Repo 2022	10,000,000	10,000,000
	KSBM Asset Management Ltd - Bonds	6,307,595	10,348,420
	Telecommunications Services of Trinidad & Tobago 8.3% SNR Secured notes	2,000,000	2,000,000
	KSBM Asset Management Ltd - Repurchase Agreements	7,670,480	5,967,885
	Home Mortgage Bank - Syndicated FRL 5%	2,000,000	3,000,000
	Guardian Asset Management - GORTT 4.875% FRB	3,555,287	3,555,287
		45,342,504	46,745,099
	Deduct: Provision for Impairment	(61,555)	(70,493)
	Sub-total	45,280,949	46,674,606
	Grand total of investments	66,253,875	67,212,385

KSBM Asset Management Ltd, Jamaica Money Market Brokers Group Limited and KCL Capital Market Brokers are brokerage institutions. The investments held through these institutions relate to several individual balances.

	2025 $	2024 $
9. CASH AND CASH EQUIVALENTS		
Cash in hand	34,639	225,544
Republic Bank Limited	1,731,487	2,474,437
First Citizens Bank Limited	419,302	1,299,517
JMMB Bank Limited	462,687	161,655
Cash at bank and in hand	2,648,115	4,161,153
ANSA Merchant Bank Limited - TT$ Income Fund	2,963,504	2,947,729
ANSA Merchant Bank Limited - US$ Income Fund	177,951	170,896
Guardian Group Trust Limited - TT$ Income Fund	1,265,623	1,242,026
RBC Royal Bank (T&T) Limited - TT$ Income & Growth Fund	2,189,408	2,031,714
Republic Bank Limited - TT$ Money Market Fund	1,041,150	1,025,095
Savinvest India Asia - US$ Fund	25,313	25,313
T & T Unit Trust Corporation - US$ Income Fund	242,187	178,599
T & T Unit Trust Corporation - TT$ Income Fund – 2nd Scheme	4,231,542	4,104,753
T & T Unit Trust Corporation - TT$ Income Fund - HYIF	4,251,792	4,124,394
Guardian Asset Management Limited - TT$ Monthly Income Fund	249,992	84,056
Sheppard Securities Cash and Cash Equivalents	2,192	2,192
Short Term Investments	16,640,654	15,936,767
Cash and Cash Equivalents	19,288,769	20,097,920

10. PAYABLES AND ACCRUALS

	2025	2024
Sundry payables and accruals	365,193	312,796

11. RELATED PARTY TRANSACTIONS

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 decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Credit Union.

	2025	2024
	$	**$**
11. RELATED PARTY TRANSACTIONS (continued)		
Statement of Financial Position		
Members' Loans		
Board of Directors	818,415	1,600,377
Members' Shares and Deposits		
Board of Directors	1,940,152	3,574,904
Statement of Comprehensive Income		
Directors and Committee members expenses	365,143	318,189
Key Management Compensation	249,487	262,800
12. ADMINISTRATIVE EXPENSES		
Annual general meeting	273,085	270,970
Bank charges	27,749	23,715
Board & committee meetings	109,473	117,389
Building maintenance	258,436	249,928
Computer services and supplies	107,605	103,327
Credit union week	38,757	61,853
Deposit insurance contributions	432	-
Donations	15,750	22,520
Electricity	76,704	83,070
Insurances	78,279	63,388
League dues and membership fees	15,795	15,795
Marketing and promotions	40,445	2,841
Members' social activities	30,931	37,527
Officers' allowances	255,670	200,800
Office expense	91,551	60,364
Professional	529,175	392,030
Rent	56,125	48,000
Telephone and internet services	48,870	38,829
Security	132,733	127,113
Water rates	414	3,084
	2,187,979	1,922,543

13. FAIR VALUE MEASUREMENTS

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available.

In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

(a) Current assets and liabilities

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

(b) Members' loans

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

(c) Investments

The fair values of investments are determined on the basis of quoted market prices available at December 31, 2025.

Classification of financial instruments at fair value

The Society measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

14. CAPITAL RISK MANAGEMENT

The Credit Union manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Credit Union's overall strategy remains unchanged from previous years.

15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Society has no contingent liabilities and capital commitments as at year end.

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16. SUBSEQUENT EVENTS

The Society evaluated all events that occurred from January 1, 2026, through the date the financial statements were available to be issued. During the period, the Society did not have any subsequent events requiring recognition or disclosure in the financial statements.