

Financial Statements of

**NATIONAL WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**

For the year ended December 31, 2025

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**  
Financial Statements

For the year ended December 31, 2025

**C O N T E N T S**

---

	<b>Page</b>
Independent Auditors' Report	1 – 2
Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Changes in Members' Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 39
Independent Auditors' Report on Supplementary Information	40
Statement of Profit or Loss – Nassau, Head Office	41
Statement of Operating Expenses – Nassau, Head Office	42 – 43
Statement of Profit or Loss – Freeport Branch	44
Statement of Operating Expenses – Freeport Branch	45 – 46
Statement of Profit or Loss – Andros Branch	47
Statement of Operating Expenses – Andros Branch	48 – 49
Statement of Profit or Loss – Berry Islands Branch	50
Statement of Operating Expenses – Berry Islands Branch	51 – 52

## INDEPENDENT AUDITORS' REPORT

To the Members of:  
**National Workers Co-operative Credit Union Limited**

### *Opinion*

We have audited the financial statements of National Workers Co-operative Credit Union Limited (the "Credit Union"), 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 statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 International Financial Reporting Standards (IFRSs).

### *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 *Auditors' 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 Bahamas, 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 Information*

Management is responsible for the other information. The other information obtained at the date of this auditors' report is information included in the Credit Union's Annual Report but does not include the financial statements and our auditors' report thereon.

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 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## INDEPENDENT AUDITORS' REPORT (Continued)

### *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

The Directors are responsible for overseeing the Credit Union's financial reporting process.

### *Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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.

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.

*Ecovis Bahamas*  
Chartered Accountants  
Nassau, The Bahamas

April 24, 2026

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**  
Statement of Financial Position

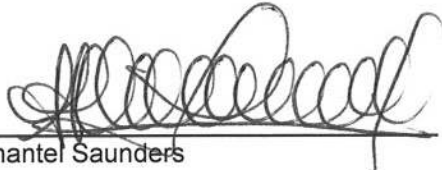
As at December 31, 2025  
(Expressed in Bahamian dollars)


	Notes	2025	2024
<b>ASSETS</b>			
Cash and cash equivalents	5	\$ 3,663,034	\$ 4,034,056
Deposits and short-term investments	6	5,398,464	5,324,646
Other assets	7	1,321,272	1,163,879
Deposits with the League	8	15,361,269	15,172,571
Financial investments	9	9,604,169	9,478,986
Loans receivable	10, 23	30,358,412	29,189,041
Right-of-use assets	11(a)	296,698	429,998
Investment properties	12	2,351,000	2,351,000
Property and equipment	13	4,894,357	5,076,246
<b>TOTAL ASSETS</b>		<b>\$ 73,248,675</b>	<b>\$ 72,220,423</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>LIABILITIES</b>			
Lease liability	11(b)	\$ 312,619	\$ 445,919
Other liabilities	14	1,034,840	878,471
Members and other deposits	15, 23	65,805,588	64,230,137
<b>Total liabilities</b>		<b>67,153,047</b>	<b>65,554,527</b>
<b>MEMBERS' EQUITY</b>			
Qualifying shares	16, 23	2,144,822	2,044,487
Statutory reserve	17(a)	4,295,784	4,295,784
Fair value reserve	17(b)	875,075	779,792
Revaluation reserve	17(c)	2,249,371	2,249,371
Accumulated deficit		(3,469,424)	(2,703,538)
<b>Total members' equity</b>		<b>6,095,628</b>	<b>6,665,896</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		<b>\$ 73,248,675</b>	<b>\$ 72,220,423</b>

See notes to the financial statements.

These financial statements were approved on behalf of the Board and authorized for issue on April 24, 2026, and signed on its behalf by:

  
\_\_\_\_\_  
Kevin Hanna  
Chairman

  
\_\_\_\_\_  
Shantel Saunders  
Treasurer

  
\_\_\_\_\_  
Darrin M. Woods  
Secretary

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>INTEREST INCOME</b>			
Loan interest income	<b>18, 23</b>	\$ 3,097,448	\$ 2,848,619
Investment interest income	<b>19</b>	498,882	507,416
Interest on deposits with the League	<b>8</b>	218,461	215,476
<b>Total interest income</b>		<b>3,814,791</b>	<b>3,571,511</b>
<b>INTEREST EXPENSE</b>			
Deposit interest expense	<b>20, 23</b>	932,259	950,679
<b>Total interest expense</b>		<b>932,259</b>	<b>950,679</b>
<b>NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT</b>			
		2,882,532	2,620,832
(Decrease)/increase in provision for loan impairment	<b>10</b>	(699,056)	16,176
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT</b>			
		2,183,476	2,637,008
Other income	<b>21</b>	1,117,705	1,870,978
<b>NET INTEREST AND OTHER INCOME</b>		<b>3,301,181</b>	<b>4,507,986</b>
<b>OPERATING EXPENSES</b>			
Personnel	<b>22, 23</b>	2,007,715	1,980,568
Occupancy	<b>22</b>	517,787	481,221
Depreciation and amortization	<b>22</b>	418,397	428,348
Members' security	<b>22</b>	292,312	348,028
General business	<b>22</b>	518,066	469,552
Computer expense	<b>22</b>	169,114	160,279
Organizational	<b>22</b>	100,976	88,250
Marketing	<b>22</b>	42,700	35,636
<b>Total operating expenses</b>		<b>4,067,067</b>	<b>3,991,882</b>
<b>(LOSS)/INCOME FOR THE YEAR</b>		<b>(765,886)</b>	<b>516,104</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value change on equity securities	<b>17(ii)</b>	95,283	174,026
Revaluation gain on land and buildings	<b>13, 17(iii)</b>	-	2,094,854
<b>Net other comprehensive income for the year</b>		<b>95,283</b>	<b>2,268,880</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		<b>\$ (670,603)</b>	<b>\$ 2,784,984</b>

See notes to the financial statements.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Changes in Members' Equity

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	Notes	Qualifying Shares	Statutory Reserve Fund	Fair Value Reserve	Revaluation Reserve	Accumulated Deficit	Total
<b>Balance as at December 31, 2023</b>		<b>\$ 2,093,532</b>	<b>\$ 4,295,784</b>	<b>\$ 605,766</b>	<b>\$ 154,517</b>	<b>\$ (3,219,642)</b>	<b>\$ 3,929,957</b>
<b><i>Comprehensive income for the year</i></b>							
Profit for the year		-	-	-	-	516,104	516,104
Fair value profit on marketable securities	17(ii)	-	-	174,026	2,094,854	-	2,268,880
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>174,026</b>	<b>2,094,854</b>	<b>516,104</b>	<b>2,784,984</b>
<b><i>Transactions with members</i></b>							
Net decrease in par value per share	16	(49,045)	-	-	-	-	(49,045)
<b>Total transactions with members</b>		<b>(49,045)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49,045)</b>
<b>Balance as at December 31, 2024</b>		<b>2,044,487</b>	<b>4,295,784</b>	<b>779,792</b>	<b>2,249,371</b>	<b>(2,703,538)</b>	<b>6,665,896</b>
<b><i>Comprehensive loss for the year</i></b>							
Loss for the year		-	-	-	-	(765,886)	(765,886)
Other comprehensive income	17(ii), 17(iii)	-	-	95,283	-	-	95,283
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>95,283</b>	<b>-</b>	<b>(765,886)</b>	<b>(670,603)</b>
<b><i>Transactions with members</i></b>							
Net increase in par value per share	16	100,335	-	-	-	-	100,335
<b>Total transactions with members</b>		<b>100,335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,335</b>
<b>Balance as at December 31, 2025</b>		<b>\$ 2,144,822</b>	<b>\$ 4,295,784</b>	<b>\$ 875,075</b>	<b>\$ 2,249,371</b>	<b>\$ (3,469,424)</b>	<b>\$ 6,095,628</b>

See notes to the financial statements.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Cash Flows

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>			
Net (loss)/profit for the year		\$ (765,886)	\$ 516,104
<i>Adjustments for:</i>			
Interest income		(3,814,791)	(3,571,511)
Interest expense		932,259	950,679
Provision for loan impairment and expected credit losses	<b>10(e)</b>	968,227	145,990
Increase in fair value of investment properties	<b>12</b>	-	(824,226)
Depreciation and amortization	<b>11, 13</b>	418,397	428,348
		(2,261,794)	(2,354,616)
<b>Changes in operating assets and liabilities:</b>			
Interest received		3,541,632	3,720,274
Interest paid		(1,022,650)	(1,103,672)
Increase in other assets		(174,967)	(373,920)
Net increase in loans receivable		(1,989,836)	(1,777,708)
Increase in other liabilities		156,369	103,648
Increase in members and other deposits		1,665,842	593,039
<b>Net cash used in operating activities</b>		<b>(85,404)</b>	<b>(1,192,955)</b>
<b>Cash flows from investing activities:</b>			
Net acquisition of financial investments		(132,871)	(30,619)
Acquisition of property and equipment	<b>13</b>	(65,826)	(123,379)
<b>Net cash used in investing activities</b>		<b>(198,697)</b>	<b>(153,998)</b>
<b>Cash flows from financing activities:</b>			
Net issuance to qualifying shares	<b>16</b>	100,335	(49,045)
Payment of lease liabilities	<b>11(b)</b>	(187,256)	(183,336)
<b>Net cash used in financing activities</b>		<b>(86,921)</b>	<b>(232,381)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(371,022)</b>	<b>(1,579,334)</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>4,034,056</b>	<b>5,613,390</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>		<b>\$ 3,663,034</b>	<b>\$ 4,034,056</b>
<b>Supplemental cash flow information:</b>			
Dividends received		\$ 26,733	\$ 25,671

See notes to the financial statements.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)*

---

### 1. INCORPORATION AND ACTIVITIES

The National Workers Co-operative Credit Union Limited (the "Credit Union") was established in 1976 under the provisions of The Commonwealth of The Bahamas Cooperative Societies Act, 2005 (the "2005 Act").

On May 12, 2015, the government enacted The Bahamas Co-operative Credit Unions Act, 2015 (the "2015 Act") which superseded the 2005 Act. Under the 2015 Act, The Central Bank of The Bahamas is responsible for the administration of all co-operative credit unions. Effective June 1, 2015, the Credit Union was granted a Certificate of Continuance by The Central Bank of The Bahamas to continue as a co-operative credit union.

The Credit Union's primary purpose is to:

- Promote thrift among its members by affording them an opportunity to accumulate savings.
- Create for its members a source of credit for provident or productive purposes at reasonable rates of interest.
- Provide the opportunity for members to use and control their money for their mutual benefit in accordance with co-operative principles.

The Credit Union is affiliated with The Bahamas Co-operative League Limited (the "League") and The Caribbean Confederation of Credit Union.

The registered office of the Credit Union is located on Tonique Williams-Darling Highway, Nassau, The Bahamas.

### 2. LAWS AND REGULATIONS

During the year ended December 31, 2015, the Bahamas Co-operative Credit Unions Act, 2015 and the Bahamas Co-operative Credit Unions Regulations, 2015 came into effect. The Act transferred the regulation of credit unions in the Bahamas to The Central Bank of The Bahamas.

This regulatory framework affects these financial statements, and the effects are disclosed in the financial statements and the relevant notes:

- a) Section 65(1) of the Bahamas Co-operative Credit Unions Act, 2015 states that "*where a co-operative credit union realizes an annual surplus from its transactions, that co-operative credit union shall establish and maintain a statutory reserve fund as may be prescribed by regulations*".
- b) Section 122 of the Bahamas Co-operative Credit Unions Act, 2015 exempts the Credit Union from stamp duty relating to the execution of documents in The Bahamas, including loans granted.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- a) **Statement of compliance** – The Credit Union's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").
- b) **Basis of preparation** – These financial statements have been prepared under the historical cost convention except for certain financial investments which have been measured at fair value.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) **Adoption of new and revised standards** – Certain new standards, and amendments to existing standards have been issued by the IASB, the effect on the Credit Union's financial statements are set out below:

i) Adoption of amended standard effective January 1, 2025

There were no new or amended standards that are effective during the year that are relevant to the Credit Union's financial statements.

ii) New and amendments to existing standards published but not yet effective

The following new standards and amendments to existing standards have been issued but are not yet effective and have not been adopted early. The Credit Union intends to adopt these standards when they become effective:

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026). These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual periods beginning on or after July 1, 2027) – This standard will focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
  - and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Credit Union is currently assessing the impact of this standard.

d) **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements of the Credit Union are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Bahamian dollars, which is the Credit Union's functional and reporting currency.

Transactions and balances

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 year-end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the statement of comprehensive income.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

- e) **Cash and cash equivalents** – Cash and cash equivalents are carried in the statement of financial position at amortized cost using the effective interest method. Cash and cash equivalents comprise cash in banks and short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.
- f) **Time deposits with banks** – Time deposits with banks represent deposits at banks with original maturities of more than 90 days. These deposits are recognized in the statement of financial position at amortized cost using the effective interest method.
- g) **Deposits with the League** – Deposits with the League represent the proceeds of the statutory reserve fund and the liquidity reserve fund, which are deposited with and administered by the League, as required by the Act. Other deposits are also held at the League. These deposits are carried at amortized cost using the effective interest method in the statement of financial position.
- h) **Other receivables and prepayments** – Other receivables and prepayments which include refundable deposits, prepaid expenses, interest receivable and other receivables, are carried at cost in the statement of financial position, net of allowance for impairment, due to their short-term nature.
- i) **Non-performing financial assets** – All loans to members on which principal or interest payments are overdue in excess of thirty (30) days are classified by management as non-performing and monitored closely for impairment.
- j) **Offsetting financial instruments** – Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.
- k) **Financial instruments** – A financial instrument is any contract that gives rise to both a financial asset of one enterprise and financial liability or equity of another enterprise.

i) Recognition and derecognition

Financial assets and financial liabilities are recognized when the Credit Union becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognized in profit or loss are presented within net interest and other income and provision for loan impairment and expected credit losses.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### k) *Financial instruments (Continued)*

##### iii) Subsequent measurement of financial assets

###### Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Credit Union's cash and cash equivalents, time deposits with banks, deposits with the League, loans receivable, other assets and financial investments in debt securities fall into this category.

###### Financial assets at fair value through other comprehensive income (FVTOCI)

The Credit Union accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will not be recycled upon derecognition of the asset.

The Credit Union's financial investments in equity securities and investment in the League are classified as financial assets at FVTOCI.

##### iv) Classification and subsequent measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Credit Unions' financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Credit Union designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within "interest income" or "interest expense".

The Credit Union's financial liabilities include members' regular deposits, other deposits and other liabilities which are measured at amortized cost using the effective interest rate method. Discounting, however, is omitted where the effect of discounting is immaterial.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### k) *Financial instruments (Continued)*

##### v) Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the "expected credit loss (ECL) model". This replaces IAS 39's "incurred loss model". Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVTOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Credit Union first identifying a credit loss event. Instead, the Credit Union considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

To comply with IFRS 9, the Credit Union have estimated forward-looking losses for all outstanding loans. How the losses are estimated depends upon the performance of the loan. Three stages were recognized as shown below:

- Stage 1: Performing loans - 12-month loss forecast;
- Stage 2: Significantly increased risk and not low risk - Lifetime loss forecast; and
- Stage 3: Impaired loans - Lifetime loss forecast.

The model structure follows a Basel II approach (Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD)) with the addition of probability of attrition (PA) to facilitate lifetime loss forecasting considering both PD and PA provides a competing risks approach necessary for accurate long-range forecasting.

The models are estimated in stages: vintage decomposition, macroeconomic correlations, and loan-level discrete time survival modeling. Each stage provides necessary inputs to the next.

Vintage decomposition is performed with an Age-Period-Cohort (APC) algorithm. The APC algorithm provides the decomposition components: (1) a lifecycle function versus the age of the account, (2) a vintage function versus loan origination date quantifying unique risk scaling by vintage, and (3) an environment function versus calendar date that captures systematic affects across all accounts on a given date, most commonly macroeconomic drivers. The APC algorithm produces these estimates non-parametrically, so it does not explain what changes in underwriting might drive changes in the vintage function or what macroeconomic changes may cause the observed movements in the environment function. To provide an explanation, additional modeling is done.

In a second phase, a model is built to represent the environmental component as a function of factors such as macroeconomic indicators like house prices and unemployment. Similarly, to explain how shifts in underwriting affect the vintage function, a multi-horizon survival model (MSM) is created with the APC lifecycle and environment as inputs alongside origination or behavioral scoring factors. The coefficients of the MSM are also functions of forecast horizon to capture the changing value of the information with time.

To create forecasts, macroeconomic scenarios are used to extend the environment function. This future estimate of the environment function is combined with lifecycle and credit quality for a given account in order to create forecasts.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### k) **Financial instruments** (Continued)

##### vi) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

##### vii) Fair value measurement hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Credit Union's financial assets at FVTPL are classified within Level 1 and 2.

l) **Provisions** – Provisions for restructuring costs and legal claims are recognized when the Credit Union 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 the amount has been reliably estimated.

m) **Related parties** – Related parties represent entities or individuals who can exercise significant influence or control over the operations and policies of the Credit Union. In these financial statements, current and past members of the Board of Directors, committee members (one year past), management staff and their close relatives are classified as related parties.

The Credit Union is a member of the League and has a representative on the Board of Directors. Accordingly, the League is considered a related party in these financial statements.

All related party transactions and balances are shown as such in these financial statements.

n) **Investment properties** – Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Credit Union, are classified as investment properties. Investment properties comprise office buildings leased out under operating lease agreements and land which is held for capital appreciation.

Some properties may be partially occupied by the Credit Union, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Credit Union can be sold separately, the Credit Union accounts for the portions separately. The portion that is owner-occupied is accounted for as property, and equipment under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40.

When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied. The Credit Union considers the owner-occupied portion as insignificant when the property is more than 5% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Credit Union uses the size of the property measured in square feet.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### n) **Investment properties** (Continued)

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

##### Initial Measurement

Investment properties are initially measured at cost, including transaction costs directly attributable to the acquisition.

##### Fair Value Model

Investment properties are carried using the fair value method. Under the fair value model, investment properties are measured at fair value at each reporting date. Changes in fair value are recognized in profit or loss for the period in which they arise. Fair value is determined by independent appraisals who are licensed as required by the laws of The Bahamas.

#### o) **Leases**

##### The Credit Union as a lessor

The Credit Union leases out its investment properties. The Credit Union has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income arising is accounted for on a straight-line basis over the lease term and is included in profits/(losses) on rental properties in the statement of comprehensive income (see Note 11).

##### The Credit Union as a lessee

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 assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Credit Union has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Credit Union has the right to direct the use of the asset. The Credit Union has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

- p) **Property, plant and equipment** – Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, if any, except for land and buildings. Historical cost includes expenditure that is directly attributed to the acquisition of an item.

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

Land and buildings are measured at fair value less accumulated depreciation and impairment losses, recognized after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate costs over the estimated useful lives as follows:

Buildings	-	30 years
Building improvements	-	5 years
Leasehold improvements	-	5 years
Furniture and equipment	-	5 years
Computer hardware and software	-	5 years
Automobiles	-	5 years

The asset's useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Assets that are subject to depreciation 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 its value in use.

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

- q) **Members' regular deposits** – Members' regular deposits represent the deposit holdings of the Credit Union's members, to satisfy membership requirements and facilitate eligibility for loans and other benefits. These deposits earn interest on the first day of the month following such deposits, provided that the amounts paid in on the first day of any month shall earn interest from that day. The rate of interest payable on members' regular deposits is recommended by the Board of Directors, through a resolution to the general membership, and voted on by the members at the annual general meetings.
- r) **Other deposits** – Other deposits represent term and other deposits, savings accounts, and retirement accounts, which are held by members and non-members of the Credit Union. These deposits, if interest bearing, bear interest at rates that are also set by the Board of Directors, but do not require the approval of the general membership at the annual general meetings.
- s) **Qualifying shares** – Qualifying shares are shares required to become a member of the Credit Union as described in the Credit Union's Bye-Laws. Each member of the Credit Union is required to own a minimum of 10 qualifying shares with a par value of \$5 each for an equivalent qualifying share value of \$50. These shares entitle each member to 1 vote at the annual general meetings.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

- t) **Statutory reserve** – This reserve is set up in accordance with the provisions of the Bahamas Co-operative Credit Unions Act, 2015 set out in Note 2(a) to the financial statements. The proceeds of this reserve are deposited with the League and are not available for distribution.
- u) **Fair value reserve** – Fair value reserve represents increases or decreases in the fair values of equity financial investments at FVTOCI reported directly in equity.
- v) **Accumulated deficit** – Accumulated deficit represents the deficit after statutory appropriations and dividends.
- w) **Dividends declaration** – Section 33 (2)(b) of The Bahamas Co-operative Credit Union Act, 2015, states that the Credit Union “shall not pay a dividend or make any payment an account or out of its surplus unless the requirements under section 65 (2)(b) have been complied with”, (see Note 29).
- x) **Interest income and expense recognition** – Interest income and expense are recognized in the statement of comprehensive income for all instruments measured at amortized cost using the effective interest method. Loan origination fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loans. Loan interest income is not recognized on loans that are past due for periods exceeding 90 days.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

- y) **Fees and other income** – Fees and other income are recognized on the accrual basis. Performance-linked fees or fee components are recognized when the performance criteria are fulfilled.
- z) **Operating expenses** – Operating expenses are recognized on the accrual basis in the statement of comprehensive income.
- aa) **League dues and stabilization fees** – The League has fixed its dues at \$12 annually per member, while stabilization fees are set at \$3 annually per member.
- bb) **Employee benefits** – The Credit Union’s employees participate in a defined contribution pension plan, administered by an external party. A defined contribution pension plan is a pension plan under which the Credit Union pays fixed contributions into a separate entity.

The Credit Union has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Credit Union’s contributions are recognized as employee benefits expense in the statement of comprehensive income when they are due.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)*

---

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and contingent assets and contingent liabilities at the statement of financial position date and the income and expenses for the year then ended. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

#### **a) *Expected Credit Losses***

The Credit Union measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for debt investment securities that are determined to have low credit risk at the reporting date and loans and advances where credit risk has not increased significantly since their initial recognition. In particular, management's judgement is required in the estimate of whether credit risk of an instrument has increased significantly, inputs into the ECL quantitative model and in the use of forward-looking information.

The Credit Union assesses whether credit risk on a financial asset has increased significantly considering reasonable and supportable information since initial recognition in order to determine whether a 12-month ECL or lifetime ECL should be recognized. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union 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 Credit Union's historical experience and expert credit assessment.

#### **b) *Property and Equipment***

Depreciation methods, useful lives and residual values require estimation and are reviewed annually and adjusted if appropriate.

#### **c) *Revaluation of property, plant and equipment and investment properties***

Investment properties are carried at fair value, with fair value changes recognized in profit or loss.

Land and buildings included in property and equipment are carried at revalued amounts, with changes in fair value being recognized in other comprehensive income.

The properties are valued by independent appraisers, who were engaged to assess fair values of the properties at the end of the reporting period.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	Interest Rate	2025	2024
Non-interest bearing accounts	0.00%	\$ 1,767,801	\$ 1,974,588
Interest bearing accounts	1.25%	1,193,959	1,086,684
Cash on hand	N/A	701,274	972,784
		<b>\$ 3,663,034</b>	<b>\$ 4,034,056</b>

The Credit Union has an overdraft facility for the Freeport Branch with one of its bankers in the amount of \$85,000, that bears interest at the rate of Bahamas Prime plus 2.5% (effective interest rate 6.75%) per annum and which at the end of the reporting period was unused.

During the year, the Credit Union established a customs bond facility for the Freeport Branch with another one of its bankers in the amount of \$10,000. Both of these facilities are secured by the hypothecation of fixed deposits in Note 6 below.

**6. DEPOSITS AND SHORT-TERM INVESTMENTS**

Deposits and short-term investments are comprised of the following:

	Interest Rate	2025	2024
Fidelity Bank Bahamas Limited	1.00%	\$ 5,245,900	\$ 5,172,188
Scotiabank (Bahamas) Limited	0.03%-0.08%	142,564	142,458
Bank of the Bahamas Limited	2.50%	10,000	10,000
		5,398,464	5,324,646
Restricted (Note 5)		(95,000)	(95,000)
		<b>\$ 5,303,464</b>	<b>\$ 5,229,646</b>

The restricted deposits represent amounts hypothecated for the overdraft and customs bond facilities at the Freeport Branch in Note 5 above.

**7. OTHER ASSETS**

Other assets represent the following:

	2025	2024
Prepaid expenses	\$ 654,197	\$ 620,451
Accounts receivable and refundable	379,231	238,010
Investment interest receivable	129,803	147,377
Other assets	131,427	131,427
Vault difference	26,614	26,614
	<b>\$ 1,321,272</b>	<b>\$ 1,163,879</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

**8. DEPOSITS WITH THE LEAGUE**

Deposits with the League are comprised of the following:

	Interest Rate	2025	2024
<b><u>Statutory reserve deposits (i)</u></b>	1.44%		
<i>Balance, beginning of year</i>		\$ 7,848,640	\$ 7,736,629
Interest earned during the year		113,631	112,011
<i>Balance, end of year</i>		7,962,271	7,848,640
<b><u>Liquidity reserve deposits (ii)</u></b>	1.44%		
<i>Balance, beginning of year</i>		7,039,020	6,938,387
Interest earned during the year		102,092	100,633
<i>Balance, end of year</i>		7,141,112	7,039,020
<b><u>Dormant account deposits</u></b>	1.00%		
Deposit for dormant accounts (Note 14)		255,148	282,079
Interest earned during the year		2,738	2,832
<i>Balance, end of year</i>		257,886	284,911
<b>TOTAL DEPOSITS AT THE LEAGUE</b>		<b>\$ 15,361,269</b>	<b>\$ 15,172,571</b>
Total interest earned during the year		<b>\$ 218,461</b>	<b>\$ 215,476</b>

i) **Statutory reserve deposits** – Section 65(1) of the Act requires that annual amounts be transferred from retained earnings to the statutory reserves, before the payment of dividends. The proceeds of this reserve are held at the League. At the end of the reporting period, the surplus in the statutory reserve fund is as follows:

	2025	2024
Statutory reserve deposits with the League	\$ 7,962,271	\$ 7,848,640
Requirement (10% of total assets)	(7,324,868)	(7,222,042)
<i>Surplus in statutory reserve deposits</i>	<b>\$ 637,404</b>	<b>\$ 626,598</b>

ii) **Liquidity reserve deposits** – Section 65(2) of the Act stipulates that not less than 10% of the Credit Union's members' deposits are kept in a "liquidity reserve fund". The proceeds of the liquidity reserve fund are deposited with the League. At the end of the reporting period, the surplus in the liquidity reserve fund is as follows:

	2025	2024
Liquidity reserve deposits with the League	\$ 7,141,112	\$ 7,039,020
Requirement (10% of members' deposits)	(6,580,559)	(6,423,014)
<i>Surplus in liquidity reserve deposits</i>	<b>\$ 560,553</b>	<b>\$ 616,006</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***9. FINANCIAL INVESTMENTS**

Financial investments are comprised of the following:

	Interest Rate (%)	2025	2024
<b><u>Debt securities - Amortized cost</u></b>			
<i>Bahamas Government Registered Stocks:</i>			
Maturing in 2050	5.290 - 6.250	\$ 3,049,900	\$ 3,049,900
Maturing in 2033	5.400	2,000,000	2,000,000
Maturing in 2040	5.900	1,000,000	1,000,000
Maturing in 2032	5.432	500,000	500,000
Maturing in 2040	5.300	425,900	425,900
Maturing in 2041	6.000	400,000	400,000
Maturing in 2037	4.875	200,000	200,000
Maturing in 2025	4.531	-	102,000
<i>Total Bahamas Government Registered Stocks</i>		7,575,800	7,677,800
<i>Corporate Bonds:</i>			
Bahamas First Holdings Limited (Oct-2040/Oct-2025)	6.250	100,000	100,000
Total Corporate Bonds		100,000	100,000
Total debt securities		7,675,800	7,777,800
<b><u>Equity securities - FVTOCI</u></b>			
<i>Quoted investments:</i>			
CFAL Money Market Investment Fund A		993,107	837,806
Freeport Oil Holdings Company Limited		493,200	460,800
Famguard Corporation Limited		142,800	120,750
Emera Incorporated		55,008	41,815
CFAL Balanced Fund Limited		41,304	39,465
		1,725,419	1,500,636
<i>Unquoted investments:</i>			
FOCOL Holdings Limited Preference Shares B prime plus 1.75%		88,000	88,000
The Bahamas Co-operative League Limited		71,750	69,350
FOCOL Holdings Limited Preference Shares A prime plus 1.75%		43,200	43,200
		202,950	200,550
Total equities securities		1,928,369	1,701,186
<b>Total</b>		<b>\$9,604,169</b>	<b>\$9,478,986</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***10. LOANS RECEIVABLE**

The Credit Union has a lien on the shares, deposits and savings of all members with outstanding loan balances. Interest is charged at various rates per month on the outstanding principal balance of members' loans over the term of the loan. The rate of interest charged is based on the type of loan. In most instances, loans are repaid via salary deductions, which are established at the time the various loans are granted.

**a) Loans receivable after provision for credit losses consist of the following:**

	2025	2024
Consumer	\$ 15,162,588	\$ 15,261,758
Revolving line of credit	7,258,781	4,433,113
Debt consolidation	4,611,486	5,407,590
Mortgage	4,559,958	4,721,036
Auto	293,747	133,661
Loans in collection	113,840	53,406
	32,000,400	30,010,564
Interest receivable	556,170	614,217
	32,556,570	30,624,781
Less: allowance for credit losses	(2,198,158)	(1,435,740)
	\$ 30,358,412	\$ 29,189,041

**b) The movement of loans receivable during the year is as follows:**

	2025	2024
<i>Balance, beginning of year</i>	\$ 30,010,564	\$ 31,360,192
Add: disbursements during the year	8,697,232	8,015,425
	38,707,796	39,375,617
Less: repayments and transfers during the year	(6,707,396)	(9,365,053)
	32,000,400	30,010,564
Interest receivable	556,170	614,217
	32,556,570	30,624,781
Less: allowance for credit losses	(2,198,158)	(1,435,740)
<i>Balance, end of year</i>	\$ 30,358,412	\$ 29,189,041

**c) Non-accrual loans receivable consists of the following:**

	2025	2024
Residential mortgages	\$ 1,895,678	\$ 1,951,236
Demand loans	1,669,372	1,656,635
	\$ 3,565,050	\$ 3,607,871

Loans receivable classified as non-accrual represent 11.14% (2024: 12.03%) of the total gross loans.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***10. LOANS RECEIVABLE (Continued)****d) Concentration of loans receivable is as follows:**

	%	2025	%	2024
\$0 - \$100,000	90	\$ 28,882,218	89	\$ 26,768,992
\$100,001 - \$300,000	8	2,363,972	8	2,491,331
\$300,001 - \$500,000	2	754,210	3	750,241
	100	32,000,400	100	30,010,564
Accrued interest receivable		556,170		614,217
Less: allowance for credit losses		(2,198,158)		(1,435,740)
		\$ 30,358,412		\$ 29,189,041

**e) The movement on the provision for loan impairment during the year is as follows:**

	2025	2024
<i>Balance, beginning of year</i>	\$ 1,435,740	\$ 4,734,780
Net provision during the year	968,227	145,990
Loans written-off	(205,809)	(3,445,030)
<i>Balance, end of year</i>	\$ 2,198,158	\$ 1,435,740
Provided for during the year	\$ 968,227	\$ 145,990
Direct write-off*	64,901	-
Recoveries of bad debts	(334,072)	(162,166)
<i>Impairment losses reported in profit or loss</i>	\$ 699,056	\$ (16,176)

\* Included in direct write-off is an amount of \$48,920, which is a reduction of the loan of one of the board of directors.

**f) Reconciliation of Regulatory loss provision and IFRS Expected Credit Losses provision:**

	2025	2024
IFRS Expected Credit Losses (Note g)	\$ 2,198,158	\$ 1,435,740
Regulatory loan loss provision (Note h)	1,240,888	712,977
Difference	\$ 957,270	\$ 722,763

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

**10. LOANS RECEIVABLE (Continued)**

**g) Impairment under IFRS:**

The movement in the ECL determined under IFRS is as follows:

	12-Month ECL	Lifetime Non-credit Impaired	Lifetime Credit Impaired	2025	2024
	Stage 1	Stage 2	Stage 3		
<i>Balance, beginning of year</i>	\$ 89,985	\$ 24,126	\$ 1,321,629	\$ 1,435,740	\$ 4,734,780
Net provision during the year	1,731	(1,815)	968,311	968,227	145,990
Loans written-off	-	-	(205,809)	(205,809)	(3,445,030)
<i>Balance, end of year</i>	\$ 91,716	\$ 22,311	\$ 2,084,131	\$ 2,198,158	\$ 1,435,740

**h) Delinquent loans:**

The loan loss provision derived below as at the reporting date is consistent with the loan loss provisioning in Regulations Section 7:

As at December 31, 2025						
Days in Arrears	Number of Accounts	Delinquent Loans	Value of Security	Exposure	PEARLS Loan Loss Provision	Provision Rate
1 to 30 days	2	\$ 29,904	\$ 14,601	\$ 15,303	\$ -	0%
31 to 90 days	81	928,769	487,909	440,860	154,301	35%
91 to 180 days	89	681,350	192,737	488,613	171,015	35%
181 to 365 days	112	678,205	112,666	565,539	197,939	35%
> 365 days	123	3,559,057	2,841,423	717,634	717,634	100%
	407	\$ 5,877,285	\$ 3,649,336	\$ 2,227,949	\$ 1,240,888	

As at December 31, 2024						
Days in Arrears	Number of Accounts	Delinquent Loans	Value of Security	Exposure	PEARLS Loan Loss Provision	Provision Rate
1 to 30 days	1	\$ 5,576	\$ 429	\$ 5,147	\$ -	0%
31 to 90 days	81	549,218	229,859	319,359	111,776	35%
91 to 180 days	45	457,903	111,666	346,237	121,183	35%
181 to 365 days	67	503,042	47,950	455,092	159,282	35%
> 365 days	62	3,173,511	2,852,775	320,736	320,736	100%
	256	\$ 4,689,250	\$ 3,242,679	\$ 1,446,571	\$ 712,977	

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***11. LEASES**

Details of the amounts recognized in the statement of financial position and the statement of profit or loss and other comprehensive income for the Credit Union's right-of-use assets and the corresponding lease liability are set out below:

**a) Right-of-use assets**

	2025	2024
<i>Balance, beginning of year</i>	\$ 429,998	\$ 551,430
Addition for new leases	37,382	55,659
Amortization expense recognized in profit or loss	(170,682)	(177,091)
<i>Balance, end of year</i>	\$ 296,698	\$ 429,998

**b) Lease liability**

	2025	2024
<i>Balance, beginning of year</i>	\$ 445,919	\$ 562,710
Adjustment for the remeasurement of lease liabilities	-	(8,888)
Addition for new leases signed	37,382	55,659
Interest expense recognized in profit or loss	16,574	19,774
Lease payments during the year	(187,256)	(183,336)
<i>Balance, end of year</i>	\$ 312,619	\$ 445,919

*Maturity analysis:*

The future minimum lease payments under this lease at the reporting period are as follows:

No later than one year	\$ 161,276	\$ 155,700
Later than one year and not later than five years	151,343	290,219
	\$ 312,619	\$ 445,919

**c) Amounts recognized in profit or loss**

	2025	2024
Amortization of right-of-use asset	\$ 170,682	\$ 177,091
Interest on lease liability	16,574	19,774
	\$ 187,256	\$ 196,865

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***12. INVESTMENT PROPERTIES****a) Investment properties consist of the following:**

	2025	2024
<b>Balance at January 1</b>	\$ 2,351,000	\$ 654,676
Transfer from property and equipment	-	872,098
Net gain from fair value adjustments	-	824,226
<b>Balance at December 31</b>	<b>\$ 2,351,000</b>	<b>\$ 2,351,000</b>

**b) Details of the Credit Union's investment properties consist of the following:**

	2025	2024
<b>Unoccupied land</b>		
JFK*	\$ 692,000	\$ 692,000
Exuma	371,000	371,000
San Salvador	280,000	280,000
Hollywood Subdivision	100,000	100,000
Nassau Village	25,000	25,000
<b>Total vacant properties</b>	<b>1,468,000</b>	<b>1,468,000</b>
<b>Rental Property - East Bay/Okra Hill</b>		
Land	234,000	234,000
Building	649,000	649,000
<b>Total rental properties</b>	<b>883,000</b>	<b>883,000</b>
	<b>\$ 2,351,000</b>	<b>\$ 2,351,000</b>

Rental income earned from investment properties during the year totaled \$226,354 (2024: \$209,183) and is included in other income (See Note 21) in the statement of comprehensive income.

The Credit Union's policy is to obtain independent appraisals every three (3) years. For the year ended December 31, 2024, the fair values of the properties were based on valuations performed by independent Appraisers, who are licensed by the Bahamas Real Estate Association.

The investment properties fall into the Level 3 categories of the fair value hierarchy.

\* The property on JFK Drive was purchased in 2013 to construct the Credit Union's future main office. The Credit Union incurred architectural design and other preliminary costs related to construction totaling \$317,694. These costs were classified as construction-in-progress. A site inspection performed by a third party resulted in the identification of topography and other issues. The total cost to resolve the issues is currently unknown. The project has since been put on hold and the Board of Directors instructed its legal counsel to pursue legal action for the recovery of all costs incurred related to the project including \$750,000 for the tract of land, and \$1,400,000 in damages and losses.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***13. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	Land	Buildings	Furniture and Fixtures	Leasehold Improvements	Computer System	Vehicles	Construction in Progress	Total
<b><u>Cost</u></b>								
Balance at December 31, 2023	\$ 1,129,597	\$3,238,686	\$ 755,355	\$ 177,766	\$ 689,156	\$ 85,428	\$ 317,694	\$ 6,393,682
Additions	-	84,347	23,476	-	15,556	-	-	123,379
Disposal	-	-	-	-	-	(15,000)	-	(15,000)
Transferred to investment properties	(872,098)	-	-	-	-	-	(317,694)	(1,189,792)
Revaluation adjustment	752,016	1,342,838	-	-	-	-	-	2,094,854
Balance at December 31, 2024	1,009,515	4,665,871	778,831	177,766	704,712	70,428	-	7,407,123
Additions	-	-	21,171	10,181	34,474	-	-	65,826
Balance at December 31, 2025	1,009,515	4,665,871	800,002	187,947	739,186	70,428	-	7,472,949
<b><u>Accumulated depreciation</u></b>								
Balance at December 31, 2023	-	685,545	548,045	141,730	633,872	85,428	-	2,094,620
Additions	-	183,254	36,427	7,844	23,732	-	-	251,257
Disposal	-	-	-	-	-	(15,000)	-	(15,000)
Balance at December 31, 2024	-	868,799	584,472	149,574	657,604	70,428	-	2,330,877
Additions	-	186,513	35,938	8,193	17,071	-	-	247,715
Balance at December 31, 2025	-	1,055,312	620,410	157,767	674,675	70,428	-	2,578,592
<b><u>Carrying value</u></b>								
As at December 31, 2025	\$ 1,009,515	\$3,610,559	\$ 179,592	\$ 30,180	\$ 64,511	\$ -	\$ -	\$ 4,894,357
As at December 31, 2024	\$ 1,009,515	\$3,797,072	\$ 194,359	\$ 28,192	\$ 47,108	\$ -	\$ -	\$ 5,076,246

During the year ended December 31, 2024, the Board of Directors changed the purpose of certain properties held from holding to build offices, to hold for capital appreciation. This resulted in the transfer of properties out of the property and equipment category, to the investment properties.

Also, the land and buildings were appraised during the year ended December 31, 2024, resulting in a revaluation gain of \$2,094,854. The gain is carried in other comprehensive income, and the revaluation reserve in equity.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***14. OTHER LIABILITIES**

Other liabilities consist of the following:

	<b>2025</b>	<b>2024</b>
Members' salary deductions received in advance	\$ 402,913	\$ 346,678
Dormant accounts liabilities (Note 8)	251,483	281,247
Others	133,782	24,574
Accrued expenses	103,713	100,834
Share/loan insurance payable	60,000	56,886
Value Added Tax payable	51,552	38,455
Tenants' deposit	17,297	17,297
Professional and legal fees payable	14,100	12,500
	<b>\$ 1,034,840</b>	<b>\$ 878,471</b>

**15. MEMBERS AND OTHER DEPOSITS**

Concentration of members and other deposits is as follows:

	<b>%</b>	<b>2025</b>	<b>%</b>	<b>2024</b>
\$0 - \$100,000	77	\$ 50,787,944	78	\$ 49,563,207
\$100,001 - \$300,000	14	9,122,531	14	9,288,142
\$300,001 - \$500,000	6	3,825,482	5	3,235,113
\$500,001 and over	3	1,745,613	3	1,729,265
	100	65,481,570	100	63,815,727
Accrued interest payable		324,019		414,410
		<b>\$ 65,805,589</b>		<b>\$ 64,230,137</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***15. MEMBERS AND OTHER DEPOSITS (Continued)**

Members and other deposits consist of the following:

	2025	2024
Members' share deposits (a)	\$ 36,162,249	\$ 33,602,843
Term deposits (b)	16,784,671	17,645,713
Deposit accounts (e)	4,147,946	4,211,734
House plan savings (d)	2,600,562	2,491,077
Educational savings (c)	1,786,555	2,038,710
Retirement savings	1,920,477	1,684,391
Other deposit accounts	531,808	665,356
Vacation club savings	557,533	599,192
Debit card account	506,719	478,630
Christmas savings (f)	306,743	232,121
Back-to-school savings (g)	98,445	91,181
Credit card security account	77,861	74,779
	65,481,569	63,815,727
Accrued interest payable	324,019	414,410
	\$ 65,805,588	\$ 64,230,137

Included in deposits is an amount of \$903,860 (2024: \$903,860) that is attributable to non-members.

- a) *Members' Share Deposits* – This account is the anchor for the Credit Union. Members are encouraged to deposit a minimum of \$20.00 per week or \$80.00 per month. This account can be used as a retirement account as members are discouraged from making withdrawals from this account except under extreme circumstances. This account can also be used as the collateral account for consumer loans. Interest is paid on this account at a range of 1% to 2% per annum depending on the balance of the account.
- b) *Term Deposits* – Term deposits have a minimum duration of one year (2024: one year) and a minimum deposit requirement of \$1,000. The deposits bear interest at rates ranging from 1% to 2% per annum. Non-members rates are 1% less than rates to members.
- c) *Educational Savings* – Educational savings account is designed to assist members preparing for their children's education or for a designated child college expense. A child must be named for this account and must not be over the age of 18 years old. Interest on this account is paid at 2% per annum.
- d) *House Plan Savings* – This account is designed to assist members in saving for the acquisition of a home. Interest is calculated at 2%.
- e) *Deposit Accounts* – This is a regular savings account. There is free access to the balance of this account, and members may use this account for salary deposit or any other saving purpose. No interest is paid on this account.
- f) *Christmas Savings* – The Christmas savings account is an additional savings vehicle for members during the Christmas period. Members can deposit funds into this account at any time during the year. Interest is calculated at 2%.
- g) *Back-to-School Account* – The purpose of this account is to aid members in preparing for school fees and associated expenses that are due at the beginning of each semester/term. Interest is paid on this account at 0.5%.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***16. QUALIFYING SHARES**

The movement in the qualifying shares is as follows:

	<b>2025</b>	<b>2024</b>
<i>Balance, beginning of year</i>	\$ 2,044,255	\$ 2,093,100
Issued and transfers during the year	201,000	192,900
Withdrawals and transfers	(100,855)	(241,745)
	2,144,400	2,044,255
Junior co-operative shares	422	232
<i>Balance, end of year</i>	\$ 2,144,822	\$ 2,044,487

At December 31, 2025, there were 7,148 financial members (2024: 6,811 members) in the Credit Union.

**17. OTHER RESERVES****a) Statutory Reserve**

The movement in the statutory reserve is as follows:

	<b>2025</b>	<b>2024</b>
<i>Balance, beginning of year</i>	\$ 4,295,784	\$ 4,295,784
Transfer from retained earnings	-	-
<i>Balance, end of year</i>	4,295,784	4,295,784
Requirement (10% of total assets)	7,324,868	7,222,042
<i>Deficiency in statutory reserve</i>	\$ (3,029,084)	\$ (2,926,258)

The requirement to hold 10% of the Credit Union's assets in a statutory reserve in members' equity has not been met. The current amount of the statutory reserve in equity is 6.00% (2024: 6.00%) of total assets.

**b) Fair Value Reserve**

The movement in the fair value reserve is as follows:

	<b>2025</b>	<b>2024</b>
<i>Balance, beginning of year</i>	\$ 779,792	\$ 605,766
Net change in fair value of quoted equities during the year	95,283	174,026
<i>Balance, end of year</i>	\$ 875,075	\$ 779,792

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***17. OTHER RESERVES (Continued)****c) Revaluation Reserve**

The movement in the revaluation reserve is as follows:

	<b>2025</b>	<b>2024</b>
<i>Balance, beginning of year</i>	\$ 2,249,371	\$ 154,517
Revaluation of land and buildings	-	2,094,854
<i>Balance, end of year</i>	\$ 2,249,371	\$ 2,249,371

**18. LOAN INTEREST INCOME**

Loan interest income consists of interest earned on loans receivable from members.

	<b>2025</b>	<b>2024</b>
Consumer	\$ 1,846,491	\$ 1,690,571
Debt consolidation	1,085,331	1,012,808
Mortgage	65,551	85,691
Other	50,595	7,627
Revolving line of credit	36,348	37,675
Auto	13,132	14,247
	<b>\$ 3,097,448</b>	<b>\$ 2,848,619</b>

**19. INVESTMENT INTEREST INCOME**

Investment interest income consists of interest earned on investments held by the Credit Union.

	<b>2025</b>	<b>2024</b>
Bahamas Government Registered Stock	\$ 432,892	\$ 434,928
Term deposits	57,390	62,941
Bahamas First Series 2 Corporate Bonds	6,510	6,246
Current accounts	2,090	3,301
	<b>\$ 498,882</b>	<b>\$ 507,416</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***20. DEPOSIT INTEREST EXPENSE**

Interest expense on members' deposits during the year is as follows:

	<b>2025</b>	<b>2024</b>
Members' share deposits	\$ 574,488	\$ 528,642
Term deposits	217,011	282,251
House plan savings	51,363	45,921
Other deposit accounts	39,965	36,622
Educational savings	34,130	41,496
Christmas savings	15,302	15,747
	<b>\$ 932,259</b>	<b>\$ 950,679</b>

Included in interest expense on members' share deposits, is an amount of \$15,818 (2024: \$29,285) that is attributable to one non-member depositor.

**21. OTHER INCOME**

Other income consists of the following:

	<b>2025</b>	<b>2024</b>
Service charges	\$ 823,989	\$ 772,096
Rental (Note 11)	226,354	209,183
Dividends	26,733	25,671
Credits and debit card fees	23,135	(3,946)
Entrance fees	17,494	8,875
Net change in fair value of investment property (Note 12)	-	824,226
Gain on disposal of assets	-	9,399
Liabilities written-off and lease adjustment	-	25,474
	<b>\$ 1,117,705</b>	<b>\$ 1,870,978</b>

Rental income pertains to rentals earned on the Credit Union's investment properties.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***22. OPERATING EXPENSES**

Operating expenses are comprised of the following:

	<b>2025</b>	<b>2024</b>
<b><u>Personnel</u></b>		
Salaries	\$ 1,336,947	\$ 1,325,505
Group health insurance	130,074	133,345
Vacation pay	121,285	122,511
Staff pension (Note 24)	126,865	126,647
Christmas bonus	74,954	77,752
National insurance contribution	79,165	79,672
Other employee benefits	77,955	74,066
Travel	24,289	25,012
Employee training and development	22,502	8,708
Overtime	13,679	7,350
	<b>2,007,715</b>	<b>1,980,568</b>
<b><u>Occupancy</u></b>		
Utilities	222,984	231,026
Security	73,731	57,466
Repairs and maintenance	103,423	88,260
Insurance - building and contents	88,275	83,021
Real property tax	3,910	10,560
Lease liability	16,574	10,888
Property appraisal	8,890	-
	<b>517,787</b>	<b>481,221</b>
<b><u>General business</u></b>		
Professional and legal fees	131,925	111,476
Insurance - general	41,412	39,010
Value Added Tax (VAT)	94,109	90,976
Business license	65,896	58,559
Vehicles	13,600	17,091
Stationery supplies	13,167	11,124
Bank charges	92,641	79,707
Office supplies	11,226	14,945
Equipment maintenance	26,500	23,930
Courier and postage	2,828	3,401
FPO events auditoriom	22,240	14,483
Other expenses	2,522	4,850
	<b>518,066</b>	<b>469,552</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***22. OPERATING EXPENSES (Continued)**

	<b>2025</b>	<b>2024</b>
<b><u>Organizational</u></b>		
Board stipend and expenses	\$ 50,056	\$ 41,689
Committees stipend and expenses	28,394	33,307
Annual general meeting	3,445	3,785
Officials development and travel	10,360	1,190
Insurance - Officers liabilities	8,744	6,584
Other expenses	(23)	1,695
	<b>100,976</b>	<b>88,250</b>
<b><u>Depreciation</u></b>		
Furniture and fixtures	35,938	36,427
Building and improvements	186,513	183,254
Computer hardware and software	17,071	23,732
Leasehold improvements and right-of-use assets	178,875	184,935
	<b>418,397</b>	<b>428,348</b>
<b><u>Members' security</u></b>		
Share/loan insurance premium	207,821	262,944
Stabilization fee	20,433	20,931
Deposit insurance	64,058	64,153
	<b>292,312</b>	<b>348,028</b>
<b><u>Computer expense</u></b>		
Computer maintenance	155,573	143,741
Computer stationery supplies	13,541	16,538
	<b>169,114</b>	<b>160,279</b>
<b><u>Marketing</u></b>		
Advertising and promotions	39,575	31,696
Donations	3,125	3,940
	<b>42,700</b>	<b>35,636</b>
	<b>\$4,067,067</b>	<b>\$3,991,882</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***23. RELATED PARTY BALANCES AND TRANSACTIONS**

The following balances and transactions are held or conducted directly or indirectly by or with related parties:

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Loans receivable	\$ 369,806	\$ 461,574
<b>Liabilities</b>		
Interest payable	\$ 145	\$ 146
Term deposits	\$ 30,000	\$ 30,000
Other deposits	\$ 41,759	\$ 42,351
Share deposits	\$ 338,411	\$ 367,973
<b>Equity</b>		
Qualifying shares	\$ 4,200	\$ 4,200
<b>Income</b>		
Interest income on loans receivable	\$ 31,374	\$ 36,324
<b>Expenses</b>		
Interest expense on deposits	\$ 7,765	\$ 7,704
Key management, board and committee compensation	\$ 174,140	\$ 172,890
Direct write-off of loan (Note 10(e))	\$ 48,920	\$ -

**24. PENSION PLAN**

The Credit Union has a Participation Agreement with the Bahamas Hotel and Allied Industries Pension Fund (BHAIPF). BHAIPF is a defined benefit retirement plan (the "Plan") administered by Providence Advisors Limited. The Credit Union contributes an amount equivalent to 5.00% of the employees' weekly salaries to the Plan. Total pension cost charged to operations amounted to \$126,865 (2024: \$126,647).

The Credit Union has no legal or constructive obligations to pay further contributions if the Plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Credit Union's contributions are recognized as employee benefits expense in the statement of comprehensive income when they are due.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

---

### 25. FINANCIAL RISK MANAGEMENT

The Credit Union has exposure to the following risks from its use of financial instruments:

- 25.1. Credit risk
- 25.2. Liquidity risk
- 25.3. Market risk
- 25.4. Interest rate risk

This note presents information about the Credit Union's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Credit Union's risk management framework.

The Credit Union's risk management policies are established to identify and analyze the risks faced by the Credit Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Credit Union's activities.

#### 25.1. Credit risk

Credit risk is the risk of financial loss arising if a customer or counterparty fails to meet its contractual obligations. The Credit Union is exposed to credit risk from deposits and banks and other financial institutions including the League, loans to members, investments in debt securities, and other receivables. The most significant credit risk for the Credit Union is on loan to members.

##### Loans to Members and Credit Policy

The Credit Union controls credit risk by the application of credit approvals, limits, and monitoring procedures. The Credit Union ensures that loans are extended to members with appropriate credit history and an internal mechanism exists to monitor the granting of credit and the management of credit exposures. It is also the Credit Union's policy to trade with recognized and creditworthy third parties. The Board of Directors is responsible for establishing credit policies. The Credit Committee has oversight responsibility for the credit risk management process, including reviewing and assessing credit risk. There is a documented credit policy in place which guides the Credit Union's credit review process. The Credit Committee reports to the Board of Directors on a monthly basis.

*Collateral* – The Credit Union holds collateral against loans, depending on the type of loans and the risk rating assigned to the member. The required collateral is set out in the loan policy manual issued by the Credit Union.

*Write-off policy* – The Credit Union writes off loans and any related allowances for impairment losses when it is determined that the loans are uncollectible.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***25. FINANCIAL RISK MANAGEMENT (Continued)****25.1. Credit risk (Continued)**Maximum exposure to credit risk – Loans to Members

The following table below sets out information about the Credit Union's maximum exposure to credit risk on loans to its members at the end of the reporting date:

<b>As at December 31, 2025</b>				
	<b>Allowance for Credit Losses</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Loans to members before credit losses	\$ 26,100,203	\$ 845,170	\$ 5,055,027	\$ 32,000,400
Allowance for credit losses	(91,716)	(22,311)	(2,084,131)	(2,198,158)
	<b>\$ 26,008,487</b>	<b>\$ 822,859</b>	<b>\$ 2,970,896</b>	<b>\$ 29,802,242</b>
<b>As at December 31, 2024</b>				
	<b>Allowance for Credit Losses</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
Loans to members before credit losses	\$ 25,332,021	\$ 549,218	\$ 4,129,325	\$ 30,010,564
Allowance for credit losses	(89,985)	(24,126)	(1,321,629)	(1,435,740)
	<b>\$ 25,242,036</b>	<b>\$ 525,092</b>	<b>\$ 2,807,696</b>	<b>\$ 28,574,824</b>

**25.2. Liquidity risk**

Liquidity risk is the risk that the Credit Union will not be able to meet its financial obligations as they fall due. The Credit Union's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Credit Union ensures that it has sufficient liquid assets to settle currently maturing obligations. The maturity profile of the Credit Union's financial liabilities and the liquidity gap are disclosed in Note 26.

**25.3. Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Credit Union's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Credit Union is exposed to market risk on investments in that the Credit Union may not be able to readily dispose of its holdings when it chooses and also that the price obtained on disposal may be below that at which the investment is included in the Credit Union's financial statements. The Credit Union's market risk is managed by the Board of Directors through diversification of the investment portfolio across a wide range of financial assets.

**25.4. Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Cash balances and short-term investments are not subject to significant interest rate risk due to their short-term nature. The Credit Union's loans receivable and members' deposits have fixed interest thus there is no significant exposure to interest rate risk on these instruments. The investments in bonds and Bahamas Government Registered Stock have interest rates based on the Bahamas Prime rate of 4.25% which is set by the Central Bank of the Bahamas and is also not considered exposed to significant fluctuations.

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)***26. MATURITY OF SIGNIFICANT ASSETS AND LIABILITIES**

Maturity of significant assets and liabilities consist of the following:

	As at December 31, 2025					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Over 5 Years	Total
<b>Financial assets:</b>						
Cash and cash equivalents	\$ 2,961,760	\$ -	\$ -	\$ -	\$ -	\$ 2,961,760
Short-term investments	2,211,147	24,817	3,162,500	-	-	5,398,464
Other assets	667,075	-	-	-	-	667,075
Deposits with the League	-	-	-	257,886	15,103,383	15,361,269
Financial investments	-	-	-	-	9,604,169	9,604,169
Loans receivable	243,810	152,989	1,324,589	14,082,363	14,554,661	30,358,412
	6,083,792	177,806	4,487,089	14,340,249	39,262,213	64,351,149
<b>Financial liabilities:</b>						
Other liabilities	1,034,840	-	-	-	-	1,034,840
Lease liabilities	40,319	40,319	80,638	151,343	-	312,619
Members and other deposits	52,882,069	2,218,033	4,779,039	5,926,447	-	65,805,588
	53,957,228	2,258,352	4,859,677	6,077,790	-	67,153,047
<b>Liquidity gap</b>	<b>\$ (47,873,436)</b>	<b>\$ (2,080,546)</b>	<b>\$ (372,588)</b>	<b>\$ 8,262,459</b>	<b>\$ 39,262,213</b>	<b>\$ (2,801,898)</b>

	As at December 31, 2024					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Over 5 Years	Total
<b>Financial assets:</b>						
Cash and cash equivalents	\$ 3,061,272	\$ -	\$ -	\$ -	\$ -	\$ 3,061,272
Short-term investments	3,398,625	-	-	1,926,021	-	5,324,646
Other assets	543,428	-	-	-	-	543,428
Deposits with the League	-	-	-	-	15,172,571	15,172,571
Financial investments	-	-	202,000	-	9,276,986	9,478,986
Loans receivable	-	121,303	461,975	15,421,317	13,184,446	29,189,041
	7,003,325	121,303	663,975	17,347,338	37,634,003	62,769,944
<b>Financial liabilities:</b>						
Other liabilities	878,471	-	-	-	-	878,471
Lease liabilities	38,925	38,925	77,850	290,219	-	445,919
Members and other deposits	51,962,918	2,578,339	4,963,406	4,725,474	-	64,230,137
	52,880,314	2,617,264	5,041,256	5,015,693	-	65,554,527
<b>Liquidity gap</b>	<b>\$ (45,876,989)</b>	<b>\$ (2,495,961)</b>	<b>\$ (4,377,281)</b>	<b>\$ 12,331,645</b>	<b>\$ 37,634,003</b>	<b>\$ (2,784,583)</b>

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)*

---

### 27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Most of the Credit Union's financial instruments lack an available trading market. Therefore, these instruments have been fair valued using other valuation techniques and may not necessarily be indicative of the amounts realizable on the settlement of the instruments.

*a) Financial instruments not measured at fair value:*

- i) The fair value of liquid assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- ii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.
- iii) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the provisions for credit losses from both the book and fair values.
- iv) The fair value of members' regular shares and deposits, with no specific maturity is assumed to be the amount payable on demand at the reporting date.
- v) The fair values of all other financial instruments not mentioned above are assumed to approximate their carrying values.

*b) Financial instruments measured at fair value:*

Quoted securities classified as available-for-sale are measured by reference to quoted market prices on the Bahamas International Stock Exchange (BISX).

*c) Fair value hierarchy:*

The following table provides an analysis of financial instruments held at the reporting date that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level consists of listed equity securities traded on the Bahamas International Stock Exchange (BISX).
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This includes government debt securities and other securities with observable inputs.
- 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. The Credit Union has no financial instruments categorized in this level.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

December 31, 2025

(Expressed in Bahamian dollars)

## 27. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

### c) Fair value hierarchy (Continued)

The following table analyzes within the fair value hierarchy the Credit Union's financial assets measured at fair value as at the statement of financial position date:

<b>As at December 31, 2025</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial instruments</u>				
Equity securities	\$1,725,419	\$ 131,200	\$ 71,750	\$1,928,369

<b>As at December 31, 2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial instruments</u>				
Equity securities	\$1,500,636	\$ 131,200	\$ 66,950	\$1,698,786

## 28. LEGAL MATTERS

The Credit Union is involved in several litigations as follows:

- i) The Credit Union has brought actions against several members who are in default of their loan commitments. These actions are ongoing.
- ii) The Credit Union filed a claim against C.A.C. Properties Limited regarding to the JFK Drive property for recovery of all costs incurred related to the project (See Note 12). The trial begun in 2020 but was suspended due to COVID-19. The principal owner from whom subject property was purchased died November 2023. The Board is desirous of an out-of-court settlement with his successor. Dialogue has been open with Mr. Christie's heir who, with respect to the infrastructure installation, confirmed in September 2023 that he received approved stamped drawings from the Ministry of Works; however, he is still waiting for the WSC and BPL approved drawings.

No provisions for contingent assets or liabilities have been recorded in these financial statements for the above legal matters for the reporting period, as the attorneys have not made any assessments of the probability of the success of these matters.

# NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Financial Statements

December 31, 2025

*(Expressed in Bahamian dollars)*

### 29. CAPITAL RISK MANAGEMENT

The Credit Union's objectives when managing capital are as follows:

- To comply with the capital requirements set by the Regulator, the Central Bank of the Bahamas;
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for its members and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Credit Union's Board reviews the capital structure on a monthly basis. As part of the review, the Board considers the provision of the Bahamas Co-operative Credit Unions Act, 2015, Section 65, which states that:

*'Every society shall ensure that –*

- a) Not less than 10% of its members' deposits are kept in a liquidity reserve fund; and*
- b) Statutory reserves, retained earnings and equity shares are at no stage less than 10% of its total assets, except during the phase-in period as permitted by regulations.'*

The table below summarizes the composition of the Credit Union's regulatory capital and the ratios at the reporting date:

	2025	2024
<b>Provision (a)</b>		
Liquidity reserve deposits	\$ 7,141,112	\$ 7,039,020
Members' deposits	\$ 65,805,588	\$ 64,230,137
Actual ratio	11%	11%
Required ratio	10%	10%
Surplus of regulation	1%	1%
<b>Provision (b)</b>		
Regulatory reserves	\$ 2,971,182	\$ 3,169,674
Total assets	\$ 73,248,675	\$ 72,220,423
Actual ratio	4%	4%
Required ratio	10%	10%
Shortfall over regulation	-6%	-6%

### 30. EVENTS AFTER THE REPORTING PERIOD

There were no material events of significance impacting the Credit Union since December 31, 2025 and up to April 24, 2026 that require disclosure in these financial statements.

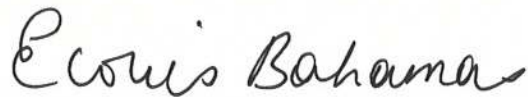
ECOVIS Bahamas • Serenity House • East Bay Street • P.O. Box SS-6229 • Nassau •  
The Bahamas

### **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

The primary purpose of our examination for the year ended December 31, 2025 was to express an opinion on the basic financial statements of National Workers Co-operative Credit Union Limited (the "Credit Union") presented on pages 4 through 39, taken as a whole.

The supplementary information for the year ended December 31, 2025 presented on pages 41 through 52 is not considered necessary for a fair presentation of the Credit Union's financial position and the results of its operations and its cash flows in accordance with International Financial Reporting Standards and is presented for supplementary analysis purposes. Such information has been subjected to the audit procedures applied on the examination of the basic financial statements.

In our opinion, the accompanying supplementary information is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.



**CHARTERED ACCOUNTANTS**

April 24, 2026  
Nassau, The Bahamas

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Statement of Profit or Loss – Nassau, Head Office

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b>INTEREST INCOME</b>		
Loan interest income	\$ 2,172,091	\$ 1,958,980
Investment interest income	317,588	323,055
Interest in deposits with the League	175,791	173,418
<b>Total interest income</b>	<b>2,665,470</b>	<b>2,455,453</b>
<b>INTEREST EXPENSE</b>		
Deposit interest expense	631,039	670,204
<b>Total interest expense</b>	<b>631,039</b>	<b>670,204</b>
<b>NET INTEREST INCOME</b>	<b>2,034,431</b>	<b>1,785,249</b>
<b>OTHER INCOME</b>	<b>600,566</b>	<b>1,415,099</b>
<b>OPERATING EXPENSES</b>		
Personnel	1,315,409	1,291,775
Increase/(decrease) in provision for credit losses	597,785	(96,835)
Occupancy	323,381	293,374
General business	320,923	307,849
Organizational	74,635	59,656
Depreciation	191,747	208,045
Members' security	213,083	255,330
Computer expense	139,416	130,717
Marketing	23,826	13,250
<b>Total operating expenses</b>	<b>3,200,205</b>	<b>2,463,161</b>
<b>NET (LOSS)/PROFIT FOR THE YEAR</b>	<b>(565,208)</b>	<b>737,187</b>
<b>SUMMARY OF RESULTS BY LOCATION</b>		
Nassau Head Office - net comprehensive (loss)/profit	(565,208)	737,187
Freeport Branch - net comprehensive loss	(65,747)	(103,911)
Andros Branch - net comprehensive loss	(80,305)	(24,285)
Berry Islands Branch - net comprehensive loss	(54,626)	(92,887)
<b>NET (LOSS)/PROFIT</b>	<b>\$ (765,886)</b>	<b>\$ 516,104</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Operating Expenses – Nassau, Head Office

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><i>Personnel</i></b>		
Salaries	\$ 812,902	\$ 811,043
Group health insurance	88,618	91,857
Vacation pay	90,980	92,635
Staff pension	104,110	103,546
Christmas bonus	57,600	60,621
National insurance contribution	54,395	56,058
Other employee benefits	64,791	61,643
Travel	7,084	(110)
Employee training and development	21,588	8,471
Overtime	13,341	6,011
	<b>1,315,409</b>	<b>1,291,775</b>
<b>Increase/(decrease) in provision for loan impairment</b>	<b>597,785</b>	<b>(96,835)</b>
<b><i>Occupancy</i></b>		
Utilities	169,500	167,241
Security	25,558	15,798
Repairs and maintenance	69,505	55,976
Insurance - building and contents	35,872	34,120
Real property tax	3,910	10,560
Lease liability	13,456	9,679
Property appraisal	5,580	-
	<b>323,381</b>	<b>293,374</b>
<b><i>General business</i></b>		
Professional and legal fees	106,774	94,491
Insurance - general	14,963	14,673
Value Added Tax (VAT)	65,909	63,539
Business license	44,225	40,304
Vehicles	8,771	11,638
Stationery supplies	11,685	9,357
Bank charges	61,659	44,974
Office supplies	8,043	9,844
Equipment maintenance	16,350	14,025
Courier and postage	229	1,493
Other expenses	(17,685)	3,511
	<b>\$ 320,923</b>	<b>\$ 307,849</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**  
Statement of Operating Expenses – Nassau, Head Office (Continued)

For the year ended December 31, 2025  
(Expressed in Bahamian dollars)

	<b>2025</b>	<b>2024</b>
<b><u>Organizational</u></b>		
Board stipend and expenses	\$ 41,763	\$ 35,249
Committees stipend and expenses	10,740	11,688
Annual general meeting	3,445	3,665
Officials development and travel	10,360	1,190
Insurance - Officers liabilities	8,350	6,169
Other expenses	(23)	1,695
	<b>74,635</b>	<b>59,656</b>
<b><u>Depreciation</u></b>		
Furniture and fixtures	16,292	17,908
Building and improvements	32,120	32,119
Computer hardware and software	9,937	16,050
Leasehold improvements and right-of-use assets	133,398	141,968
	<b>191,747</b>	<b>208,045</b>
<b><u>Members' security</u></b>		
Share/loan insurance premium	152,124	193,529
Stabilization fee	13,557	14,328
Deposit insurance	47,402	47,473
	<b>213,083</b>	<b>255,330</b>
<b><u>Computer expense</u></b>		
Computer maintenance	130,765	119,778
Computer stationery supplies	8,651	10,939
	<b>139,416</b>	<b>130,717</b>
<b><u>Marketing</u></b>		
Advertising and promotions	22,151	10,310
Donations	1,675	2,940
	<b>23,826</b>	<b>13,250</b>
	<b>\$ 3,200,205</b>	<b>\$ 2,463,161</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Profit or Loss – Freeport Branch

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b>INTEREST INCOME</b>		
Loan interest income	\$ 667,931	\$ 646,621
Investment interest income	181,294	184,361
Interest in deposits with the League	42,670	42,058
<b>Total interest income</b>	<b>891,895</b>	<b>873,040</b>
<b>INTEREST EXPENSE</b>		
Deposit interest expense	254,604	240,949
<b>Total interest expense</b>	<b>254,604</b>	<b>240,949</b>
<b>NET INTEREST INCOME</b>	<b>637,291</b>	<b>632,091</b>
<b>OTHER INCOME</b>	<b>331,629</b>	<b>298,927</b>
<b>OPERATING EXPENSES</b>		
Personnel	448,840	446,802
Increase in provision for credit losses	27,755	59,082
Occupancy	148,347	150,378
General business	128,218	91,109
Organizational	19,934	20,315
Depreciation	168,304	164,876
Members' security	60,866	72,291
Computer expense	20,341	18,640
Marketing	12,062	11,436
<b>Total operating expenses</b>	<b>1,034,667</b>	<b>1,034,929</b>
<b>NET LOSS FOR THE YEAR</b>	<b>\$ (65,747)</b>	<b>\$ (103,911)</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Operating Expenses – Freeport Branch

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><u>Personnel</u></b>		
Salaries	\$ 350,645	\$ 346,527
Group health insurance	23,915	23,780
Vacation pay	21,479	21,255
Staff pension	14,776	15,074
Christmas bonus	11,197	11,197
National insurance contribution	15,458	14,740
Other employee benefits	9,099	7,950
Travel	1,733	5,621
Employee training and development	395	237
Overtime	143	421
	<b>448,840</b>	<b>446,802</b>
Increase in provision for loan impairment	27,755	59,082
<b><u>Occupancy</u></b>		
Utilities	44,013	53,667
Security	23,794	22,867
Repairs and maintenance	26,175	26,083
Insurance - building and contents	51,055	47,761
Property appraisal	3,310	-
	<b>148,347</b>	<b>150,378</b>
<b><u>General business</u></b>		
Professional and legal fees	22,872	16,815
Insurance - general	7,501	6,511
Value Added Tax (VAT)	17,845	16,724
Business license	16,440	14,091
Vehicles	4,141	4,609
Stationery supplies	1,482	1,767
Bank charges	1,960	2,579
Office supplies	1,336	1,734
Equipment maintenance	10,150	9,905
Courier and postage	1,548	545
FPO events auditoriom	22,240	14,483
Other expenses	20,703	1,346
	<b>\$ 128,218</b>	<b>\$ 91,109</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**Statement of Operating Expenses – Freeport Branch (*Continued*)

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><u>Organizational</u></b>		
Board stipend and expenses	\$ 7,065	\$ 6,440
Committees stipend and expenses	12,475	13,340
Annual general meeting	-	120
Insurance - Officers liabilities	394	415
	<b>19,934</b>	<b>20,315</b>
<b><u>Depreciation</u></b>		
Furniture and fixtures	10,886	9,879
Building and improvements	154,393	151,135
Computer hardware and software	3,025	3,862
	<b>168,304</b>	<b>164,876</b>
<b><u>Members' security</u></b>		
Share/loan insurance premium	43,356	54,850
Stabilization fee	4,698	4,611
Deposit insurance	12,812	12,830
	<b>60,866</b>	<b>72,291</b>
<b><u>Computer expense</u></b>		
Computer maintenance	18,274	16,787
Computer stationery supplies	2,067	1,853
	<b>20,341</b>	<b>18,640</b>
<b><u>Marketing</u></b>		
Advertising and promotions	11,012	10,636
Donations	1,050	800
	<b>12,062</b>	<b>11,436</b>
	<b>\$ 1,034,667</b>	<b>\$ 1,034,929</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Statement of Profit or Loss – Andros Branch

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b>INTEREST INCOME</b>		
Loan interest income	\$ 182,418	\$ 188,397
<b>Total interest income</b>	<b>182,418</b>	<b>188,397</b>
<b>INTEREST EXPENSE</b>		
Deposit interest expense	24,610	23,818
<b>Total interest expense</b>	<b>24,610</b>	<b>23,818</b>
<b>NET INTEREST INCOME</b>	<b>157,808</b>	<b>164,579</b>
<b>OTHER INCOME</b>	<b>93,565</b>	<b>102,041</b>
<b>OPERATING EXPENSES</b>		
Personnel	136,354	131,843
Increase in provision for credit losses	64,804	21,303
Occupancy	28,358	26,219
General business	45,818	53,550
Organizational	3,042	3,314
Depreciation	39,687	36,670
Members' security	9,714	11,382
Computer expense	3,267	4,636
Marketing	634	1,988
<b>Total operating expenses</b>	<b>331,678</b>	<b>290,905</b>
<b>NET LOSS FOR THE YEAR</b>	<b>\$ (80,305)</b>	<b>\$ (24,285)</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Operating Expenses – Andros Branch

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><u>Personnel</u></b>		
Salaries	\$ 98,370	\$ 92,212
Group health insurance	9,618	8,278
Vacation pay	5,146	4,609
Staff pension	5,051	3,672
Christmas bonus	3,412	3,147
National insurance contribution	5,376	4,987
Other employee benefits	2,313	2,484
Travel	6,791	12,032
Employee training and development	205	-
Overtime	72	422
	<b>136,354</b>	<b>131,843</b>
Increase in provision for loan impairment	<b>64,804</b>	<b>21,303</b>
<b><u>Occupancy</u></b>		
Utilities	4,884	5,132
Security	15,499	15,735
Repairs and maintenance	4,783	3,686
Insurance - building and contents	813	696
Lease liability	2,379	970
	<b>28,358</b>	<b>26,219</b>
<b><u>General business</u></b>		
Professional and legal fees	1,249	85
Insurance - general	9,495	8,943
Value Added Tax (VAT)	6,177	7,511
Business license	3,733	2,881
Vehicles	187	2
Bank charges	23,289	31,991
Office supplies	1,105	1,310
Courier and postage	693	840
Other expenses	(110)	(13)
	<b>45,818</b>	<b>53,550</b>
<b><u>Organizational</u></b>		
Board stipend and expenses	962	-
Committees stipend and expenses	2,080	3,314
	<b>\$ 3,042</b>	<b>\$ 3,314</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**Statement of Operating Expenses – Andros Branch (*Continued*)

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><u>Depreciation</u></b>		
Furniture and fixtures	\$ 5,121	\$ 5,045
Computer hardware and software	2,616	2,185
Leasehold improvements and right-of-use assets	31,950	29,440
	<b>39,687</b>	<b>36,670</b>
<b><u>Members' security</u></b>		
Share/loan insurance premium	6,421	8,233
Stabilization fee	1,371	1,224
Deposit insurance	1,922	1,925
	<b>9,714</b>	<b>11,382</b>
<b><u>Computer expense</u></b>		
Computer maintenance	3,267	3,746
Computer stationery supplies	-	890
	<b>3,267</b>	<b>4,636</b>
<b><u>Marketing</u></b>		
Advertising and promotions	534	1,888
Donations	100	100
	<b>634</b>	<b>1,988</b>
	<b>\$ 331,678</b>	<b>\$ 290,905</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

Statement of Profit or Loss – Berry Islands Branch

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b>INTEREST INCOME</b>		
Loan interest income	\$ 75,008	\$ 54,621
Total interest income	75,008	54,621
<b>INTEREST EXPENSE</b>		
Deposit interest expense	22,006	15,708
Total interest expense	22,006	15,708
<b>NET INTEREST INCOME</b>	<b>53,002</b>	<b>38,913</b>
<b>OTHER INCOME</b>	<b>91,945</b>	<b>54,911</b>
<b>OPERATING EXPENSES</b>		
Personnel	107,112	110,148
Increase in provision for credit losses	8,712	274
Occupancy	17,701	11,250
General business	23,107	17,044
Organizational	3,365	4,965
Depreciation	18,659	18,757
Members' security	8,649	9,025
Computer expense	6,090	6,286
Marketing	6,178	8,962
Total operating expenses	199,573	186,711
<b>NET LOSS FOR THE YEAR</b>	<b>\$ (54,626)</b>	<b>\$ (92,887)</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**

## Statement of Operating Expenses – Berry Islands Branch

For the year ended December 31, 2025

*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><u>Personnel</u></b>		
Salaries	\$ 75,030	\$ 75,723
Group health insurance	7,923	9,430
Vacation pay	3,680	4,012
Staff pension	2,928	4,355
Christmas bonus	2,745	2,787
National insurance contribution	3,936	3,887
Other employee benefits	1,752	1,989
Travel	8,681	7,469
Employee training and development	314	-
Overtime	123	496
	<b>107,112</b>	<b>110,148</b>
Increase in provision for loan impairment	8,712	274
<b><u>Occupancy</u></b>		
Utilities	4,587	4,986
Security	8,880	3,066
Repairs and maintenance	2,960	2,515
Insurance - building and contents	535	444
Lease liability	739	239
	<b>17,701</b>	<b>11,250</b>
<b><u>General business</u></b>		
Professional and legal fees	1,030	85
Insurance - general	9,453	8,883
Value Added Tax (VAT)	4,178	3,202
Business license	1,498	1,283
Vehicles	501	842
Bank charges	5,733	163
Office supplies	742	2,057
Courier and postage	358	523
Other expenses	(386)	6
	<b>23,107</b>	<b>17,044</b>
<b><u>Organizational</u></b>		
Board stipend and expenses	266	-
Committees stipend and expenses	3,099	4,965
	<b>\$ 3,365</b>	<b>\$ 4,965</b>

**NATIONAL WORKERS CO-OPERATIVE CREDIT UNION LIMITED**  
Statement of Operating Expenses – Berry Islands Branch *(Continued)*

For the year ended December 31, 2025  
*(Expressed in Bahamian dollars)*

	<b>2025</b>	<b>2024</b>
<b><u>Depreciation</u></b>		
Furniture and fixtures	\$ 3,639	\$ 3,595
Computer hardware and software	1,493	1,635
Leasehold improvements and right-of-use assets	13,527	13,527
	<b>18,659</b>	<b>18,757</b>
<b><u>Members' security</u></b>		
Share/loan insurance premium	5,920	6,332
Stabilization fee	807	768
Deposit insurance	1,922	1,925
	<b>8,649</b>	<b>9,025</b>
<b><u>Computer expense</u></b>		
Computer maintenance	3,267	3,430
Computer stationery supplies	2,823	2,856
	<b>6,090</b>	<b>6,286</b>
<b><u>Marketing</u></b>		
Advertising and promotions	5,878	8,862
Donations	300	100
	<b>6,178</b>	<b>8,962</b>
	<b>\$ 199,573</b>	<b>\$ 186,711</b>