MARIGOT CO-OPERATIVE CREDIT UNION LTD.

70th Annual General Meeting

ANNUAL REPORT 2025

Stronger Together, Focused on the Future

Credit Union Prayer

Lord, make me an instrument of thy peace
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.

O divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For its is in pardoning that we are pardoned;
And it is in dying that we are born to eternal life.

Bless O Lord our deliberations, and grant that
Whatever we may say and do, will have thy
Blessing and guidance Through Jesus Christ
Our Lord,
Amen.

Who We Are

01

Our Mission

An Innovative Financial Establishment to serve the community of Marigot and environs by providing competitive financial services, ensuring maximum member satisfaction.

02

Our Co-operate Values

- * Self-help
- * Self responsibility
- * Democracy
- * Equality
- * Solidarity

03

Our Co-operative Identity

Our Cooperative is an autonomous association of persons united voluntarily to meet their common financial, economic, social and cultural needs and aspirations through a jointly owned and democratically controlled institution.

04

Our Ethical Value

- Honesty
- Openness and transparency
- Good governance
- Professionalism
- Objectivity
- Confidentiality
- Social responsibility
- Caring and concern for members
- Doing things right and doing the right things at all times
- Discipline and professional ethics

03

Our Co-operative Principle

- Voluntary and open membership
- Democratic member control
- Autonomy and independence
- Education training and information
- Cooperation with all cooperatives
- Concern for the community
- Cooperation with all non-governmental organizations and civic groups

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Standing Orders

1. (a) A Member shall stand and identify his / herself when addressing the Chair.
   (b) Speeches to be clear and relevant to the subject before the meeting.

2. A Member shall address the meeting when called upon by the Chairman to do so. After which he/ she shall immediately take his / her seat.

3. No Member shall address the meeting except through the Chairman.

4. A Member may not speak twice on the same subject except:
   (a) The mover of a motion – has the right to reply.
   (b) He rises to object or explain (with the permission of the Chair).

5. The mover of the "Procedural Motion" (Adjournment lay on the table, Motion to postpone) to have no right to reply.

6. No Speeches to be made after the "Question" has been put and carried or negated.

7. A Member rising on a "Point of Order" to state the point clearly and concisely,
   (a) Point of Order must have relevance to the "Standing Order".
   (b) A Member should not "Call" another Member "to Order" but may draw the a attention of the Chair to a "Breach Order".

8. A question should not be put to vote if a Member desires to speak on it or move an amendment to it – except that of a "Procedural Motion: The Previous Question", "Proceed to the Next Business" or Closure: That the question be "Now Put" may be move at any time.

9. Only one amendment should be before the Meeting at one and the same time.

10. When a motion is withdrawn any amendment to it falls.

11. The Chairman to have the right to a "casting vote".

12. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote the Amendment is lost.

13. Provision to be made for the protection by the Chairman from vilification (personal abuse).

14. No Member shall impute improper motives against another Member.

Notice & Agenda

NOTICE

Notice is hereby given that the seventieth (70^{h}) Annual General Meeting of the Marigot Co-operative Credit Union Limited will be held on Thursday 30th July 2026 at 5:00 pm at the Wills Strathmore Stevens School, Marigot, Commonwealth of Dominica.

AGENDA

1. Ascertainment of Quorum
2. Call to Order
3. Prayer
4. Apologies of Absence
5. Adoption of Agenda
6. Welcome and Opening Remarks
7. Reading and Confirmation of the Minutes of the 69th AGM
8. Matters Arising from the Minutes
9. Reports and Discussion thereof:
   (i) Board of Directors
   (ii) Treasurer and Auditor
   (iii) Credit Committee
   (iv) Supervisory Committee
   (v) Nominations Committee

10. Election of Officers
11. Unfinished Business
12. New Business
    (i)Appropriation of Surplus
    (ii)Appointment of Auditor

13. Any other Business
14. Vote of Thanks
15. Adjournment

MIRIAM DIDIER
SECRETARY
For and on behalf of the Board of Directors

Marigot Co-operative Credit Union Ltd.

Board of Directors

Portia Tyson
President

Nichola James-Charles
Vice President

Nanda Thomas
Treasurer

Dernel Dailey-Alexander
Secertary

Don Gordon
Assistant Treasurer

Miriam Didier
Assistant Secretary

Velma Joseph
Director

Dayne Charles
Director

Dr. Smith Telemaque
Director

BOARD OF DIRECTORS REPORT

FOR THE YEAR ENDED DECEMBER 31ST 2025

Ms. Portia Tyson
President

1.0 Introductory and Opening Remarks

It is with great pleasure that the Board of Directors presents to the 70th Annual General Meeting the Report of the Marigot Co-operative Credit Union Ltd. for the financial year ended December 31st, 2025. As we reflect on the year under review, we do so with a deep sense of gratitude for the continued trust, commitment and support of our members, staff, volunteers and all stakeholders who contribute to the success of our institution.

The year 2025 was one of progress, renewal and purposeful action. Through the collective efforts of our members, Board, management and staff, , MCCU continued to strengthen its financial position and advance its mission of improving the economic well-being of our membership. Notable achievements during the year included the appointment of a new General Manager, continued improvements in our loan portfolio, a reduction in delinquency levels, the attainment of a significant milestone of over $50 million in loans, and the revitalization of our marketing efforts, resulting in a stronger presence within the communities we serve.

While challenges remain, your Board remains committed to prudent governance, sound financial management and strategic decision-making. We recognize that the strength of our Credit Union lies in the spirit of cooperation that has guided us for more than seven decades. It is through this shared commitment that we have been able to build resilience, create opportunities and position MCCU for continued growth and sustainability.

It is therefore with confidence and optimism that we present this report under the theme "Stronger **Together, Focused on the Future,"** a theme that reflects both the progress we have achieved and our determination to build an even stronger Credit Union for generations to come.

2.0 Overview

The year 2025 represented a period of significant operational progress and organizational transformation for the Marigot Co-operative Credit Union Ltd. Despite continued economic pressures, financial hardships experienced by many members, increasing competition within the financial services sector, staffing challenges and the uncertainties surrounding the Dominica Co-operative Societies League Ltd., the Society remained resilient and continued to strengthen its core operations. Through prudent management, sound governance and the unwavering support of our members, the Credit Union achieved notable operational improvements while laying a solid foundation for future growth.

The year also marked an important leadership transition with the retirement of former General Manager, Mr. Reginald Robin, whose years of dedicated service contributed significantly to the growth and development of the Society. The Board subsequently appointed Mr. Vincent Simon as General Manager, ushering in a renewed focus on operational excellence, strategic growth and organizational transformation.

Operationally, the Society delivered one of its strongest performances in recent years. Total assets increased from $65.2 million in 2024 to approximately $68.0 million at the end of 2025, while the loan portfolio surpassed the historic milestone of $50 million for the first time in the Credit Union's history. Membership also continued its steady growth, increasing by 125 members to a total of 7,171. Furthermore, through strengthened collection efforts, enhanced monitoring and disciplined portfolio management, delinquency was significantly reduced from 21% in 2024 to 15% at the end of 2025. These achievements reflect the continued commitment of the Board, Management and Staff to improving the overall performance and long-term sustainability of the Society.

Notwithstanding these positive operational results, the Society's audited financial statements were significantly impacted by the recognition of an expected credit loss impairment of approximately $1.49 million against its investment in the Dominica Co-operative Societies League Ltd. This impairment was recognized in accordance with International Financial Reporting Standards (IFRS 9) following developments affecting the League during the year. While this non-cash accounting adjustment resulted in the Society reporting a deficit for the financial year, it should not be interpreted as a deterioration in the underlying operations of the Credit Union. Rather, it reflects the prudent application of accounting standards and the Board's commitment to transparent financial reporting.

Throughout the year, the Society continued to enhance member engagement and strengthen its presence within the communities it serves. The successful "70 in ah 25" Independence Loan Promotion generated considerable member interest, while increased community outreach, expanded social media engagement, sponsorship of schools and community events, and direct engagement with local businesses reinforced the Credit Union's commitment to serving the evolving needs of its membership.

The Board and Management also remained focused on positioning the Society for the future. Considerable emphasis was placed on strengthening risk management practices, improving operational efficiency, enhancing staffing within key departments and developing the Society's 2026–2028 Strategic Plan, which provides a clear roadmap for sustainable growth, innovation and member value creation.

As we present this report under the theme **"Stronger Together, Focused on the Future,"** we do so with confidence in the underlying strength of our institution and optimism for the years ahead. The pages that follow outline both the achievements and challenges experienced during the year and demonstrate the Board's continued commitment to transparency, prudent stewardship and protecting the long-term interests of our members.

3.0 Our Membership

Our members continue to be the foundation upon which the Marigot Co-operative Credit Union is built. As a member-owned financial institution, we recognize that our greatest strength lies not in our assets or financial performance alone, but in the trust, loyalty and commitment of the members we serve. It is through your continued patronage, participation and support that MCCU has been able to remain resilient and continue its journey of growth and development.

The Board is pleased to report that membership increased from 7,046 members in 2024 to 7,171 members at the end of 2025, representing a net growth of 125 members. We extend a warm welcome to all new members who joined the MCCU family during the year and thank them for placing their confidence in our institution. This growth demonstrates the continued relevance of the Credit Union within our communities and reflects the confidence that members have in our ability to meet their financial needs.

Throughout the year, the Board and Management remained focused on maintaining strong relationships with our members through improved communication, greater community engagement and the delivery of products and services designed to address your evolving needs. As we continue to grow and strengthen our institution, we remain committed to ensuring that the interests of our members remain at the center of every decision we make.

Under the theme **"Stronger Together, Focused on the Future,"** we reaffirm our commitment to serving our members with integrity, professionalism and dedication. We thank you for your continued support and partnership, and we look forward to building an even stronger Credit Union together in the years ahead.

4.0 Human Resource

During the reporting period, MCCU focused on strengthening workforce capacity through recruitment, onboarding, employee training, performance management and employee engagement initiatives. The Credit Union remains committed to investing in the development of its employees through professional training opportunities, coaching and online learning programmes designed to enhance service delivery, operational efficiency and overall organizational performance.

At the close of the 2025 financial year, MCCU employed a total of 36 staff members and recorded an employee turnover rate of 11.11%. During the year, the Credit Union welcomed seven new employees and recognized the retirement of Mr. Roy Andrew, who served as Messenger for twenty years. The Board, Management, and staff extend sincere gratitude to Mr. Andrew for his dedicated service and valuable contribution to the organization.

Several training sessions were conducted for employees and volunteers throughout the year. These sessions were facilitated by both internal resource personnel and external partners, including the Dominica Co-operative Societies League Ltd. (DCSLL).

Training topics included:

- Membership Onboarding
- AML/CFT Policies, Procedures, and Legislation
- Customer Service Excellence
- FATCA and CRS Compliance
- Authentication of Documents
- AML/CFT Annual Refresher Training
- Employee Handbook and Code of Conduct
- MCCU Forms and Procedures
- Strategic Marketing
- Induction Sessions for Committees
- Health Insurance Awareness
- Overview of AML/CFT
- Suspicious Transaction Reporting
- Risk Assessment

Additionally, MCCU continued to support employees pursuing professional development and career advancement through financial assistance in courses and training programmes aligned with departmental and organizational needs.

These initiatives are geared towards promoting effective Human Resource Management practices, employee development initiatives and a positive and collaborative workplace culture. Recognizing the importance of employee engagement and teamwork, several staff activities were organized throughout the year to foster camaraderie and strengthen workplace relationships.

These activities included:

• Games Night
• Karaoke
• Back-to-School Day
• Patriotic Employee Recognition
• Creole Day Best Dressed Male and Female Competition
• Island Tour
• Christmas Colour Fridays.

The Board of Directors, Management, and Staff remain dedicated to fostering a workplace that values professionalism, accountability, continuous learning, and service excellence for the benefit of our members and the wider community.

As we look ahead, MCCU will continue to focus on attracting, developing, and retaining a competent and motivated workforce while supporting the Credit Union's strategic objectives and commitment to excellence.

5.0 Financial Performance

Revenue

The Marigot Co-operative Credit Union Ltd. continued to experience growth in its earnings during the financial year 2025. Interest and Investment Income amounted to $3,893,410, compared to $3,525,231 in 2024, representing an increase of $368,179 or 10.44%. Additionally, Other Income increased to $342,753 from $278,621 in the previous year, an increase of $64,132 or 23.02%. After accounting for Interest Expense of $508,200, total Operating Income increased to $3,727,963, compared to $3,486,225 in 2024, reflecting an overall increase of $241,738 or 6.93%.

Interest income on loans remained the Society's primary source of revenue and benefited from the continued expansion of the loan portfolio, which surpassed the historic milestone of $50 million during the year. Income earned from investments and deposits held with other financial institutions, together with other income-generating activities, also contributed positively to the Society's performance.

The increase in revenue demonstrates the continued strength and resilience of the Credit Union's core operations and its capacity to generate sustainable earnings while serving the financial needs of its members. Although the Society's final financial results were materially affected by the expected credit loss recognized against its investment in the Dominica Co-operative Societies League Ltd., the growth in operating income reflects a positive underlying performance for the year under review.

Operating Cost and Interest Expense

Despite the challenges experienced during the year, Management continued to exercise prudent cost control measures while maintaining a high standard of service to members. As a result, operating costs amounted to $2,379,459 for the year under review, compared to $2,518,214 in 2024. This represents a reduction of $138,755 or 5.51%, demonstrating Management's continued commitment to improving operational efficiency and ensuring the prudent utilization of the Society's resources.

Unlike the previous reporting period, the increase in members' savings and deposits was accompanied by strong growth in term deposits. Consequently, interest expense increased to $508,200 compared to $317,627 in 2024, representing an increase of $190,573 or 59.99%. This increase was primarily attributable to the growth in interest-bearing liabilities and reflects the continued confidence of members in the Society and the growth in member deposits.

Overall, total operating expenses, inclusive of interest expense, amounted to $2,887,659 for the financial year 2025, compared to $2,835,841 in 2024, representing an increase of $51,818 or 1.83%. Notwithstanding this modest increase, the Society successfully reduced its core operating costs while continuing to expand its operations and improve member service. Although the Society's final financial results were significantly impacted by the recognition of the expected credit loss impairment against its investment in the Dominica Co-operative Societies League Ltd., the prudent management of operating expenses remained a key contributor to the Credit Union's strong underlying operational performance during the year.

Net Surplus/Loss

The Society's operating performance during 2025 reflected continued improvements in its core business activities, driven by increased operating income, disciplined cost management and significant progress in reducing loan delinquency. However, the audited financial statements for the year were materially impacted by the recognition of an impairment charge of $1,490,506 against the Society's investment in the Dominica Co-operative Societies League Ltd., in accordance with International Financial Reporting Standards (IFRS 9).

The Society recorded a surplus before appropriations of $778,556, compared to $226,266 in 2024. However, following the impairment, the net deficit after appropriations for the year amounted to $675,950, compared to a net surplus of $181,013 recorded in the previous year.

While the impairment significantly affected the Society's reported financial results, it should not be interpreted as a reflection of the Credit Union's underlying operational performance. Excluding the impact of this accounting adjustment, the Society continued to demonstrate strong operating results through increased revenue, reduced operating costs, continued asset growth, expansion of the loan portfolio and a significant reduction in delinquency.

The Board remains committed to prudent financial management, transparency and the protection of members' interests. The impairment has been recognized in keeping with applicable accounting standards and reflects the Board's commitment to presenting a fair and accurate representation of the Society's financial position. Notwithstanding this accounting adjustment, the Marigot Co-operative Credit Union remains a financially stable institution and continues to focus on strengthening its operations, managing risk effectively and delivering long-term value to its members.

Assets

Despite the recognition of a significant impairment against the Society's investment in the Dominica Co-operative Societies League Ltd., the Marigot Co-operative Credit Union Ltd. continued to record growth in its asset base during 2025. Total assets increased to $67,983,464 as at December 31, 2025, compared to $65,229,935 at the end of 2024. This represents an increase of $2,753,529 or 4.22%.

The continued growth in assets was supported primarily by the expansion of the Society's loan portfolio, which surpassed the historic milestone of $50 million, together with movements in other earning assets. This performance reflects the continued confidence of members and the prudent management of the Society's financial resources.

While the impairment recognized during the year reduced the carrying value of the Society's investment with the League, MCCU nevertheless achieved positive overall asset growth. This demonstrates the resilience of the institution and the strength of its underlying operations during the year under review.

Liabilities

The Society's liabilities continued to grow during the financial year 2025, reflecting the confidence and trust that members continue to place in their Credit Union. Total liabilities increased from $58,851,450 at the end of 2024 to $62,262,848 as at December 31, 2025, representing an increase of $3,411,398 or 5.80%.

The growth in liabilities was primarily driven by increases in members' savings and deposit balances. Members' Savings and Ordinary Deposits increased from $46,536,906 in 2024 to $48,892,307 in 2025, an increase of $2,355401 or 5.06%. Similarly, Term Deposits grew from $11,757,650 to $12,774,533, representing an increase of $1,016,883 or 8.64%. These increases reflect the continued confidence of members in the Society and their willingness to entrust their financial resources to the Credit Union.

The continued growth in member deposits provides a stable source of funding for the Society's lending and investment activities while reinforcing the strength of its relationship with the membership. The Board and Management remain committed to managing these liabilities prudently, ensuring that the Society maintains adequate liquidity, meets its financial obligations and continues to support the evolving financial needs of its members.

Liquidity Management

The Society continued to benefit from the confidence of its members as evidenced by the continued growth in Savings Deposits and Term Deposits during 2025. Combined, these balances increased by $3,719,487, providing the Society with additional resources to support lending activities, meet members' financial needs and maintain a strong liquidity position.

At the end of 2025, the Marigot Co-operative Credit Union recorded an improvement in its liquidity position, with total liquid resources increasing from $15,595,765 in 2024 to $16,993,381 in 2025. This represents an increase of $1,397,616 or 8.96%. The improvement in liquidity was primarily attributable to enhanced collection efforts, prudent cash flow management and the continued growth in members' savings and deposits.

Maintaining adequate liquidity remains one of the Board's highest priorities, ensuring that the Society is able to meet its financial obligations while continuing to satisfy members' borrowing and withdrawal requirements.

Despite the accounting impact of the impairment recognized during the year, the Society's liquidity position remained strong, reflecting the sound management of its financial resources and the continued confidence of its membership.

The Board and Management will continue to prudently manage the Society's liquid resources, balancing the need to maintain adequate reserves while maximizing opportunities to generate sustainable returns and support the long-term growth and stability of the Credit Union.

Equity

At the end of the financial year 2025, the Marigot Co-operative Credit Union Ltd. reported total Members' Equity of $5,720,616, compared to $6,378,485 at the end of 2024. This represents a reduction of $657,869 or 10.31%.

The reduction in equity was primarily attributable to the recognition of the impairment against the Society's investment in the Dominica Co-operative Societies League Ltd., as required under International Financial Reporting Standards (IFRS 9). This accounting adjustment reduced the Society's accumulated surplus and, consequently, its overall equity position.

Notwithstanding this reduction, the Board wishes to assure members that the impairment does not diminish the Society's operational strength or its commitment to prudent financial management. Throughout the year, the Credit Union continued to strengthen its core operations by expanding its loan portfolio, improving delinquency management, increasing operating income and maintaining a strong liquidity position.

The Board and Management remain committed to rebuilding and strengthening the Society's capital through prudent financial management, sustained profitability and continued growth in the years ahead. We remain confident that the measures implemented under our 2026–2028 Strategic Plan will support the long-term financial resilience and sustainability of the Marigot Co-operative Credit Union.

6.0 Loans

The Marigot Co-operative Credit Union continues to demonstrate sustained growth within its loan portfolio as the Society remains committed to meeting the diverse financial needs of its members. Building upon the strong performance recorded in previous years, the trend of portfolio growth continued throughout 2025.

At the end of 2025, the total loans portfolio stood at $50,093,323 compared to $46,355,605 at the end of 2024. This represents an increase of $3,737,718 or 8.06%. Significantly, the year under review marked a historic milestone for the Society, as the loan portfolio surpassed the $50 million mark for the first time in the Credit Union's history. This achievement reflects the continued confidence of members and the institution's commitment to providing timely and accessible financial solutions.

During the year, the Society disbursed 3,214 loans with a total value of $14,273,731 further demonstrating its commitment to supporting the economic aspirations and financial well-being of its members. Our loan origination over the last several years provides a comparative picture of the progress achieved and highlights the continued growth and relevance of the Credit Union within the communities it serves.

7.0 Delinquency Management

Delinquency management continues to be one of the most important priorities of the Marigot Co-operative Credit Union, given that income generated from the loan portfolio remains the Society's primary source of revenue. The Board recognizes the significant credit risk associated with lending activities and remains committed to ensuring that effective strategies are implemented to safeguard the institution's financial stability while supporting members experiencing financial difficulties.

Following the increase in delinquency experienced in 2024, the Board and Management intensified their efforts to address this challenge and improve the overall quality of the loan portfolio. Through strengthened collection procedures, increased monitoring, enhanced member engagement and a renewed focus on accountability, the Society was able to make meaningful progress in reversing the trend observed in the previous year.

As at December 31, 2025, the delinquency ratio stood at 15%, representing a significant improvement over the 21% recorded at the end of 2024. While this ratio remains above the desired PEARLS standard of 5%, the reduction achieved during the year demonstrates the effectiveness of the strategies implemented and reflects Management's unwavering commitment to restoring the health of the loan portfolio.

Among the measures employed during the year were:

- Increased emphasis on early intervention and monitoring of delinquent accounts;
- More frequent contact with members experiencing repayment difficulties;
- Greater emphasis on field visits and personal engagement with delinquent borrowers;
- Offering restructuring arrangements and other workable repayment solutions where appropriate;
- Strengthening the collections function and improving accountability;
- Encouraging members to utilize the various payment methods available, including standing orders, local and international bank transfers;
- Working collaboratively with members to understand their challenges and identify practical solutions.

The Board is encouraged by the progress achieved during the year and remains committed to further reducing delinquency levels in pursuit of the 5% PEARLS benchmark. While we recognize that economic pressures continue to affect many members, we firmly believe that open communication and early intervention are critical to preventing accounts from falling into serious arrears.

We therefore continue to appeal to members experiencing financial difficulties to communicate with their Loans Officer or Collections Officer at the earliest opportunity. The Credit Union remains committed to assisting members in overcoming temporary challenges; however, members must also honor their commitment to repay borrowed funds. This mutually beneficial relationship is essential to ensuring that the Society remains financially sound and able to continue serving present and future generations of members.

8.0 Risk and Compliance

MCCU remains steadfast in its commitment to complying with all regulatory requirements, including the Anti- Money Laundering/ Counter Financing of Terrorism Act (AML/CFT), Foreign Account Tax Compliance Act (FATCA), and Common Reporting Standards Act (CRS). The Compliance Department works in close collaboration with management and staff to ensure that every aspect of the Society's operations aligns with these standards, safeguarding both MCCU and its members.

To reinforce this culture of compliance, annual AML/CFT training was delivered to all employees and volunteers. These sessions included refresher courses, remedial training, and personalized one-on-one instruction. The goal was to ensure that every individual clearly understands their personal legal obligations as well as MCCU's collective responsibilities under ML/TF legislation.

The Board reaffirms its unwavering commitment to cultivating a strong culture of compliance at MCCU by actively engaging in training initiatives and supporting management's compliance efforts. In addition, the Board ensures that the Society's internal policies, procedures and practices remain up-to-date, robust and effective. Through this united approach, the society continues to strengthen its ML/TF framework, ensuring compliance with local and international standards.

9.0 Marketing

The Marigot Co-operative Credit Union continues to operate in an increasingly competitive financial environment where visibility, member engagement and innovation are essential to sustained growth. Recognizing this reality, the Society renewed its focus on marketing during 2025 with the objective of strengthening its presence, enhancing member awareness and promoting the wide range of products and services available to both existing and prospective members.

Throughout the year, the Credit Union benefited from a revitalized marketing function which contributed significantly to improving the Society's visibility and engagement within the communities it serves. Increased emphasis was placed on strengthening the Credit Union's presence across social media platforms, providing timely information to members and promoting the Society's products and services through various communication channels.

The major initiatives undertaken during the year were:

- The successful promotion of the "70 in ah 25" Independence Loan campaign, which generated considerable interest among members and reinforced the Society's commitment to providing relevant and timely financial solutions.
- The continued to support schools.
- Sponsorship of community activities and local events.
- The execution outreach initiatives with local businesses throughout its service areas.

These efforts have helped to strengthen relationships with members and further establish the Credit Union as a trusted financial partner within the communities we serve.

The Board is encouraged by the progress achieved and remains committed to further enhancing the Society's marketing efforts. Going forward, greater emphasis will continue to be placed on brand awareness, digital engagement, product promotion and expanding our reach to both local and overseas members. Through these efforts, the Society aims to continue growing its membership base, increasing member participation and strengthening its competitive position within the financial sector.

10.0 ATM Services

The Board remains committed to improving accessibility and convenience for our members and continues to recognize the importance of providing modern and efficient financial services. Following the successful implementation of the shared ATM service arrangement with the National Bank of Dominica (NBD) in 2024, the

Society maintained this partnership throughout 2025, thereby ensuring that members and the wider public continued to enjoy reliable access to ATM services at our Head Office.

As part of our continued efforts to enhance member convenience, the Society has engaged the National Bank of Dominica in discussions regarding the introduction of debit card services for members through a collaborative arrangement. During the year under review, preliminary discussions were held and costing information was requested to assess the feasibility of this initiative. The Board views this as a natural progression in the enhancement of member services and remains committed to exploring cost-effective solutions that will deliver greater value and accessibility to our membership.

The Board recognizes the evolving expectations of members and remains focused on identifying innovative and practical solutions that improve the delivery of services. As we continue to move forward under the theme **"Stronger Together, Focused on the Future,"** we are confident that these initiatives will further strengthen the Society's ability to meet the changing needs of our members.

11.0 Mimics Software

The implementation of the MIMICS software continues to be an important strategic initiative for the Marigot Co-operative Credit Union as the Society seeks to modernize its operations and enhance service delivery. Over the years, considerable effort and resources have been invested in the project, and the Board and Management remain committed to ensuring that the institution ultimately adopts technological solutions that are sustainable, efficient and aligned with the evolving needs of the Credit Union and its members.

While progress has been made, a number of technical and operational challenges have continued to affect the pace of implementation. These include issues relating to historical data conversion, loan revenue calculations and ensuring that the system can adequately support the Society's operational requirements and reporting needs. As such, the Board and Management have continued to exercise caution and diligence in evaluating the most appropriate way forward.

The rapid advancement of technology, including artificial intelligence, automation and new workflow solutions, has significantly changed the landscape in which financial institutions operate. Consequently, the Society is taking a broader and more strategic approach to digital transformation, ensuring that any technology ultimately adopted represents the best possible fit for the institution and delivers maximum value while minimizing unnecessary expenditure of resources.

Accordingly, the Board and Management continue to actively assess available options and work diligently to ensure that the Society's long-term technological needs are addressed in a manner that is prudent, cost-effective and future-oriented. The ultimate objective remains the same: to provide members with improved operational efficiency, enhanced service delivery and a technology platform capable of supporting the future growth and development of the Marigot Co-operative Credit Union.

The Board appreciates the patience and understanding of members as these matters continue to be carefully evaluated and remains committed to ensuring that any decision taken will be in the best interest of the Society and its membership.

12.0 OECS Credit Union Summit

The Marigot Co-operative Credit Union continues to recognize the importance of continuous learning, collaboration and engagement with the wider regional credit union movement. In that regard, representatives of the Society attended the 18th OECS Credit Union Summit, where credit union leaders, regulators and industry professionals from across the region gathered to discuss the opportunities and challenges facing the sector.

The Summit provided valuable insights into emerging trends and developments affecting credit unions, including digital transformation, governance, innovation, risk management, succession planning and member engagement. Discussions also emphasized the importance of building resilient institutions, embracing change and positioning credit unions to remain relevant in an increasingly dynamic and competitive environment.

Of particular significance were the discussions surrounding the use of technology, operational efficiency and the need for credit unions to continue evolving in order to meet the changing expectations of members. The importance of cultivating a member-centric culture, fostering innovation and strengthening organizational capacity were recurring themes throughout the conference.

Participation in the Summit afforded the Society the opportunity to exchange ideas with regional counterparts, share experiences and gain valuable perspectives that will assist in shaping the future direction of the institution. The knowledge gained from the conference will continue to influence the Society's strategic initiatives and support its ongoing efforts to enhance service delivery, strengthen governance and improve operational effectiveness.

The Board remains committed to ensuring that the Marigot Co-operative Credit Union remains abreast of regional developments and best practices, thereby positioning the Society to continue delivering value to members while embracing the opportunities presented by an ever-evolving financial landscape.

13.0 Corporate Governance

The Board of the Marigot Co-operative Credit Union Ltd. were elected by the membership and entrusted with the responsibility of providing strategic leadership and safeguarding the interests of the Society. The Board remains committed to the principles of good corporate governance, accountability, transparency and sound stewardship, all of which are essential to ensuring the continued success and sustainability of the institution.

During the year under review, the Board discharged its governance and fiduciary responsibilities in accordance with the Dominica Co-operative Societies Act and Regulations, the Society's By-Laws and the policies governing the operations of the Credit Union. In carrying out its mandate, the Board focused on providing strategic direction, formulating and reviewing policies, overseeing risk management, ensuring the effectiveness of internal controls and acting at all times in the best interest of the membership.

Board Composition

As we report on the affairs of the Society for the year ended December 31, 2025, the Board of Directors comprised the following members:

Name	Position
Ms. Portia Tyson	President
Mrs. Nichola James-Charles	Vice President
Mrs. Dernel Dailey-Alexander	Secretary
Mrs. Nanda Thomas	Treasurer
Miriam Didier	Assistant Secretary
Don Gordon	Assistant Treasurer
Dayn Charles	Director
Dr. Smith Telemaque	Director
Velma Joseph	Director

The Board wishes to thank the membership for the confidence reposed in us and for the opportunity to serve and oversee the affairs of this great institution.

Meetings

During the year under review, the Board convened a total of 18 meetings comprising 13 regular meetings and 5 special meetings. In addition to its regular meetings, the Board held several special meetings to address matters of strategic importance and issues requiring urgent attention.

Through these meetings, the Board remained actively engaged in guiding the affairs of the Society and ensuring that decisions were made in a timely and prudent manner.

Board Committees

The Board further organized a number of sub-committees to enhance efficiency and provide focused attention to key areas of governance. Directors were assigned to these committees based on their knowledge, experience and expertise.

The following committees were constituted during the year:

i. Education Committee
ii. Nominations Committee

These committees met as required and reported their deliberations and recommendations to the Board for further consideration and action.Meetings and Attendance

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The attendance of Directors at Board meetings held during the period January 1, 2025 to December 31, 2025 is reflected in the table below.

Directors	Regular Board Meetings				Special Board Meetings			
	Total	Attended	Excused	No	Total	Attended	Excused	No
Ms. Portia Tyson	13	13	0		2	2	0	
Mrs. Nichola James-Charles	13	13	0		2	2	0	
Mrs. Dernel Dailey-Alexander	13	8	0		2	2	0	
Mirum Didier	6	5	0		0	0	0	
Mrs. Nanda Thomas	13	11	0		2	1	0	
Don Gordon	13	11	0		2	2	0	
Dayn Charles	13	13	0		2	2	0	
Dr.Smith Telemaque	13	4	0		2	1	0	
Velma Joseph	6	3	0		2	1	0	

The Board wishes to record its appreciation to all Directors for their commitment, dedication and voluntary service throughout the year. Through their collective efforts and unwavering commitment to the cooperative principles, the Society continues to strengthen its governance framework and position itself to meet the opportunities and challenges of an evolving financial environment.

14.0 Social Responsibility

The Marigot Co-operative Credit Union remains steadfast in its commitment to improving the social and economic well-being of its members and the communities it serves. Guided by the cooperative principle of Concern for Community, the Society continues to recognize that its success is inextricably linked to the prosperity and development of the people and communities within its catchment area.

During the year under review, the Society continued to demonstrate its commitment to social responsibility through a number of sponsorships, donations, educational initiatives and community outreach activities. Through these interventions, the Credit Union sought to make a meaningful difference in the lives of members and support organizations and initiatives that contribute positively to community development.

In 2025, the Society provided sponsorships amounting to $4636.47, supporting various events, educational activities and community initiatives. Additionally, charitable donations totaling $7679.89 were made to individuals, groups and organizations in keeping with the Society's commitment to assisting those in need and fostering community welfare.

In addition to its financial contributions, the Credit Union actively supported schools, community projects and various social and cultural activities throughout the year. These efforts underscore the Society's role as a responsible corporate citizen and reaffirm its commitment to giving back to the communities that have supported the institution for over seven decades.

As we continue to grow and strengthen our institution, we remain committed to maintaining a balance between financial success and social responsibility. The Board firmly believes that the true measure of our success lies not only in the growth of our assets and profitability, but also in the positive impact we make in the lives of our members and the wider community.

Through these initiatives, the Marigot Co-operative Credit Union continues to serve as a beacon of hope and a trusted partner in community development, remaining true to the cooperative values and principles upon which our Society was founded.

15.0 Update on Dominica Cooperative Societies Ltd

The Board recognizes that developments surrounding the Dominica Co-operative Societies League Ltd. (DCSLL) have been of significant interest and concern to members during the year under review. As an affiliate of the League, the Marigot Co-operative Credit Union has maintained a close interest in these developments and has continuously monitored the situation with the primary objective of protecting the interests of our members and safeguarding the financial stability of the Society.

During 2025, the Office of the Registrar of Co-operatives placed the League under administrative supervision following a regulatory inspection. An independent examination of the League's operations and financial affairs was subsequently undertaken, culminating in a report issued to affiliate credit unions in February 2026. The report identified significant governance and financial challenges and concluded that the League was operating under severe solvency constraints. Among the findings disclosed was a reported solvency ratio of 0.24%, indicating that substantial corrective measures would be required to restore the League's financial position. The report also identified significant losses associated with the League's investment in MLajan Financial Services Ltd., which materially affected its financial standing.

While these developments were understandably concerning, they also marked the beginning of a structured recovery process. Administrative supervision was officially lifted on March 17, 2026, following the election of a new Board of Directors on March 14, 2026. The newly elected Board has since assumed responsibility for the governance and stabilization of the League and has advised affiliates that its immediate priorities include strengthening governance, reviewing the League's financial position, assessing significant investment exposures, engaging independent financial expertise and implementing measures designed to restore long-term sustainability. The League has further advised that it remains operational and that recovery, rather than liquidation, remains the objective.

Throughout this period, your Board remained vigilant in assessing the potential implications for the Marigot Co-operative Credit Union. In keeping with our fiduciary responsibility, the Board commissioned a comprehensive stress assessment of the Society's exposure to the League in order to evaluate potential risks under various scenarios and to ensure that appropriate safeguards were in place. This assessment formed part of the Board's ongoing commitment to prudent risk management and informed decision-making.

As at December 31, 2025, the Society's direct deposit with the League amounted to EC$1,961,191. At the same time, the League maintained deposits with the Marigot Co-operative Credit Union totaling **EC$2,183,608.** This reciprocal relationship significantly mitigates the Society's overall exposure and was an important consideration in the Board's assessment of the matter.

Exposure to the Dominica Co-operative Societies League Ltd.	**EC$**
MCCU Deposit with the League	1,961,191
League Deposits Held by MCCU	2,183,608
Net Reciprocal Position	**222,417**

Based on the reciprocal nature of these balances and the Board's ongoing assessment of the situation, no impairment has been recognized by the Society in respect of its investment with the League as at December 31, 2025. The Board will, however, continue to monitor developments closely and will review this position as additional information becomes available and as the League's recovery programme progresses.

The Board acknowledges that the circumstances surrounding the League have highlighted the importance of sound governance, effective risk management and timely financial oversight across the cooperative movement. While the challenges experienced by the League have been significant, the Board is encouraged by the governance reforms already initiated and the commitment demonstrated by the newly elected Board of Directors to restoring stability and confidence within the institution.

The Marigot Co-operative Credit Union remains financially sound and continues to maintain strong liquidity, improving profitability and a solid capital base. Your Board remains fully committed to protecting members' funds, exercising prudent oversight and taking all reasonable measures necessary to safeguard the long-term interests of the Society. We will continue to monitor the League's recovery efforts, engage constructively with the relevant stakeholders and keep the membership appropriately informed of any material developments.

16.0 Future Plans and Initiative

While the Board is pleased with the significant progress achieved during 2025, we recognize that continued success requires innovation, adaptability and a steadfast commitment to continuous improvement. As the financial services landscape continues to evolve, so too must the Marigot Co-operative Credit Union. Guided by our newly developed 2026–2028 Strategic Plan and our commitment to delivering exceptional value to members, the Board and Management remain focused on positioning the Society for long-term sustainability and growth.

During the coming year and beyond, the Board intends to pursue a number of strategic initiatives designed to improve operational efficiency, strengthen member service, expand our product offerings and enhance the overall competitiveness of the Society. Among our priorities are the following:

Digital Transformation

- Continue the digitalization of key operational processes to improve efficiency and enhance member convenience, including the implementation of online member onboarding and electronic workflows.
- Continue evaluating technology solutions that support automation, artificial intelligence and modern business processes to ensure the Society remains future-ready.
- Strengthen cybersecurity and information security practices to safeguard member information and digital services.

Member Service and Business Growth

- Introduce new loan and savings products designed to meet the changing financial needs of members.
- Continue reviewing and updating the Society's Loan Policy to ensure it remains competitive, prudent and responsive to market conditions.
- Expand community outreach programmes and increase engagement with members throughout our catchment area and the wider Dominican community.
- Continue exploring opportunities to strengthen services for members living overseas through strategic partnerships and technology-enabled solutions.

Human Resources and Operational Excellence

- trengthen the Loans and Collections Departments through additional staffing and continued professional development.
- Continue investing in employee training and leadership development to build organizational capacity and improve service delivery.
- Foster a culture of continuous improvement, accountability and innovation throughout the organization.

Strategic Partnerships

- Strengthen relationships and collaboration with fellow credit unions both locally and regionally in pursuit of shared services, knowledge exchange and operational efficiencies.
- Continue active participation in regional credit union initiatives to ensure the Society remains informed of emerging trends and best practices.

Infrastructure Development

- Undertake structural improvements to the Head Office and branch network to enhance the working environment for staff and improve the overall member experience.
- Continue assessing opportunities to improve accessibility, security and operational efficiency across all locations.

Financial Strength and Sustainability

- Continue implementing strategies aimed at reducing delinquency, strengthening capital adequacy and improving profitability.
- Explore opportunities to diversify income streams while maintaining prudent financial management and protecting members' funds.
- Advance the Society's Green Lending Programme and other innovative financing initiatives that support sustainable development and create long-term value for members.

The Board remains optimistic about the future of the Marigot Co-operative Credit Union. While the operating environment continues to present challenges, we are confident that, through sound governance, prudent financial management and the continued support of our members, the Society is well positioned to build upon its recent achievements and continue delivering exceptional value for generations to come.

17.0 Appreciation

As we reflect on another year of progress and achievement, the Board of Directors wishes to express its sincere appreciation to everyone whose dedication, commitment and support have contributed to the continued success of the Marigot Co-operative Credit Union Ltd.

First and foremost, we extend our heartfelt gratitude to you, our members. Your confidence, loyalty and continued patronage remain the foundation upon which this institution has been built for more than seventy years. It is your trust that inspires us to continually strive for excellence and to make decisions that are in the best interests of both our membership and our communities.

The Board extends its sincere appreciation to our General Manager, Management Team and every member of staff for their professionalism, resilience and unwavering commitment throughout the year. Your collective efforts have contributed significantly to the Society's improved financial performance, strengthened operations and enhanced service delivery. We particularly acknowledge your dedication during a period of organizational transformation and continuous improvement.

We also express our sincere gratitude to the members of the Supervisory and Compliance Committee and the Credit Committee for the invaluable role they continue to play in supporting the governance framework of the Society. Through your diligence, oversight and commitment, you have helped to ensure that the Credit Union continues to operate in a safe, prudent and accountable manner.

Our appreciation is further extended to the Financial Services Unit, under the (then) leadership of Mr. Claudius Lestrade and his team, for their continued guidance, support and regulatory oversight. We also thank our legal counsel, Mr. Glen Ducreay and Ducreay Chambers, for their trusted legal advice, and our Auditor, Mr. Orlando Richards, for his professional service and commitment to maintaining the integrity and transparency of the Society's financial reporting.

The Board also acknowledges the support and
The Board also acknowledges the support and
collaboration of our fellow credit unions, regional cooperative partners and all individuals and organizations who continue to contribute to the advancement of the cooperative movement. Through collaboration and the sharing of knowledge and best practices, we continue to strengthen not only our institution but the wider movement as a whole.

Finally, to my fellow Directors, thank you for your voluntary service, sound judgment and steadfast commitment to the governance of our Credit Union. Your willingness to dedicate your time, knowledge and experience in service to our members is deeply appreciated.

Together, we have made meaningful progress during the past year. While challenges remain, we are confident that, through continued cooperation, sound leadership and the unwavering support of our members, the Marigot Co-operative Credit Union will continue to grow from strength to strength. On behalf of the Board of Directors, thank you for your continued confidence and support as we remain **Stronger Together, Focused on the Future.**

18.0 Condolences

As we reflect on the year under review, we pause to remember the members of our Marigot Co-operative Credit Union family who passed away during the year. Their contributions, friendship and commitment to our Society will not be forgotten, and their absence is deeply felt within our institution and the communities we serve.

On behalf of the Board of Directors, Management and Staff, we extend our deepest sympathies to the families, relatives and friends of all those who have experienced the loss of a loved one during the year. We pray that they find comfort, strength and peace during this difficult time.

May the souls of all our departed members rest in eternal peace, and may their memories forever remain a cherished part of the Marigot Co-operative Credit Union family.

19 Conclusion

Fellow members, the financial year 2025 was one of resilience, transformation and responsible stewardship for the Marigot Co-operative Credit Union Ltd. Although the Society's reported financial results were significantly affected by the mandatory impairment recognized against its investment in the Dominica Co-operative Societies League Ltd., our underlying operations continued to demonstrate strength through sustained asset growth, expansion of the loan portfolio beyond $50 million, improved liquidity and a significant reduction in delinquency.

The Board remains confident that the strategic initiatives implemented during the year, together with our newly adopted 2026-2028 Strategic Plan, have positioned the Society for continued stability and long-term success. We remain committed to prudent financial management, sound governance, innovation and delivering exceptional service while protecting the interests of every member entrusted to our care.

On behalf of the Board of Directors, we thank you for your continued confidence, loyalty and unwavering support. Together, we will continue to build a stronger, more resilient Credit Union that remains focused on creating lasting value for both present and future generations.

May God continue to bless each of you, and may He continue to bless the Marigot Co-operative Credit Union Ltd.

Presented by,

Portia Tyson (Ms.)
President, MCCU
for and on behalf of the Board of Directors

Celebrating Our Members, Celebrating 70 Years


Marigot Co-operative Credit Union Ltd
70
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AH
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LOAN
GET UP TO $10,000.00
70% OFF PROCESSING FEES
TERMS & CONDITIONS APPLY
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767-445-7155/66 or 767-285-7142

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31ST 2025

Mrs. Nanda Thomas
Treasurer

Overview

In accordance with the requirements of the Co-operative Societies Act No.2 of 2011 of the Laws of the Commonwealth of Dominica and the International Financial Reporting Standards (IFRS), I am pleased to present to you the Treasurer's Report of the Marigot Co-operative Credit Union Limited (MCCU) for the Financial Year ended December 31,2025.

The 2025 financial year marked steady advancement for the Marigot Co-operative Credit Union as the Society continued to reinforce its financial position within a changing economic landscape. Focused efforts in credit management, operational strengthening, and member engagement contributed to improved performance across key indicators. Revenue streams remained stable, internal controls were further enhanced, and targeted initiatives aimed at improving service delivery supported overall resilience. These actions positioned the Credit Union to manage emerging risks effectively while pursuing sustainable growth.

Throughout the year, Management placed particular emphasis on improving the quality of the loan portfolio and advancing delinquency management. Enhanced monitoring, early intervention, and closer collaboration with members resulted in meaningful improvements in credit performance. At the same time, continued investment in staff development, technology upgrades, and member focused services helped reinforce the operational foundation of the Society. Collectively, these achievements reflect MCCU's commitment to prudent financial stewardship and its ongoing dedication to meeting the needs of its membership.

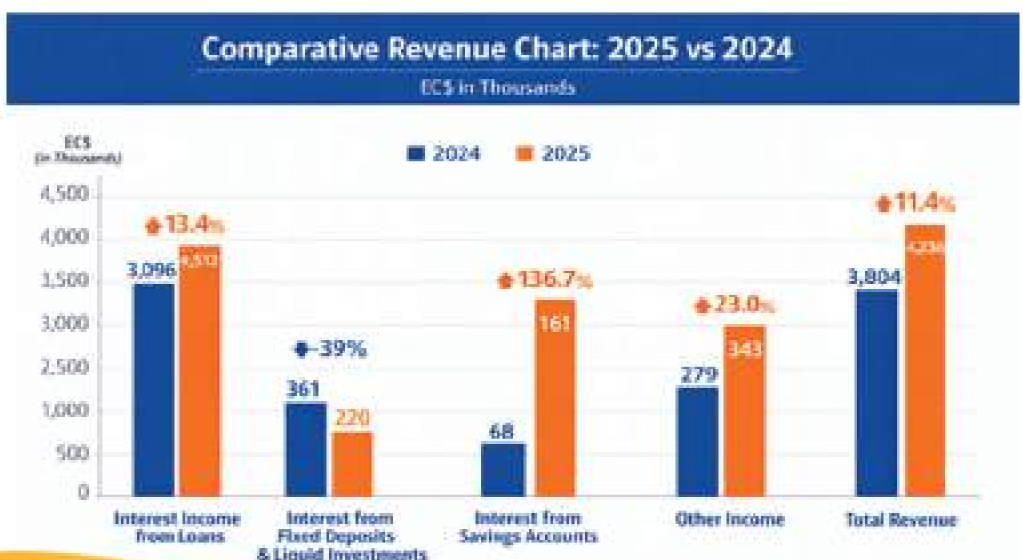
The table below provides a summary of performance and position indicators of the current reporting period with comparative data from the previous year.

Table 1: Financial Summary

Perfomance and Position Indicatos 2025 vs 2024				
Financial Year Ended December 31	**2025 ($)**	**2024 ($)**	**Change ($)**	**Change %**
Operating Results				
Interest and Investment Income	3,893,410	3,525,231	368,179	10.4%
Operating Income	3,727,963	3,486,225	241,738	6.9%
Operating Expenses	- 2,379,459	- 2,518,214	-138,755	-5.5%
Surplus Before Appropriation	778,566	226,266	552,300	244.1%
Net (Deficit)/Surplus After Appropriatic -	675,950	181,013	-856,963	-473.7%
Financial Position				
Cash and Bank Balances	11,498,879	11,316,790	182,089	1.6%
Net Loans	46,668,733	43,261,163	3,407,570	7.9%
Total Assets	67,983,464	65,229,935	2,753,529	4.2%
Members' Savings & Ordinary Deposits	48,892,307	46,536,906	2,355,401	5.1%
Term Deposits	12,774,533	11,757,650	1,016,883	8.7%
Employee Pension Plan	289,903	256,249	33,654	13.1%
Total Liabilities	62,262,848	58,851,450	3,411,398	5.8%
Members' Equity	5,720,616	6,378,485	-657,869	-10.3%
Share Capital	1,156,435	1,113,388	43,047	3.9%
Total Liabilities & Equity	67,983,464	65,229,935	2,753,529	4.2%

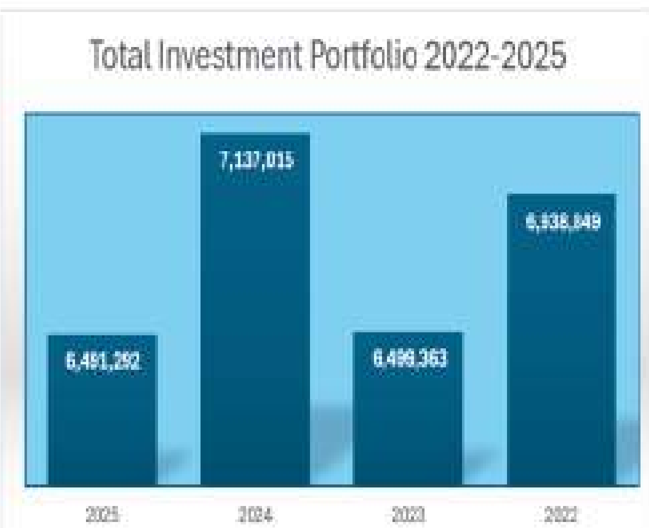
1.0 Financial Performance

The financial year ended December 31, 2025, was marked by continued growth and improved profitability for the Marigot Co operative Credit Union Limited. Despite ongoing economic pressures and rising operational costs, the Credit Union maintained its resilience and delivered a stronger surplus compared to the previous year.



1.1 Revenue

For the year ended December 31, 2025, MCCU's revenue profile was dominated by loan interest, which contributed 82% of total income. This underscores the Credit Union's reliance on its lending portfolio as the primary driver of earnings. Fixed deposits and investments added 7%, while savings accounts contributed 5%, reflecting the supportive role of member deposits in maintaining liquidity. Other income accounted for 6%, providing modest diversification through fees and ancillary services. Together total revenue amounted to $4,236,163 an increase of 11.4% compared to the previous year's total of $3,803,852.



1.2 Expense:

Total expenditure for 2025 amounted to 2,869,83 compared to 2,835,841 in 2024, reflecting a modest 1.2% increase. This outcome was shaped by two contrasting trends: a 6.2% reduction in operating expenses (from EC 2,518,214 to EC 2,361,634) and a sharp 59.9% rise in interest expense (from EC 317,627 to EC 508,200). The increase in interest expense was driven by higher average deposit rates and greater investment in interest bearing accounts, reflecting both market conditions and member savings growth.

Table 2: Expenditure Summary

Comparative Expenditure - 2025 Vs 2024			
Category	**2025 (EC$)**	**2024 (EC$)**	**Change %**
Total Expenditure	2,869,834	2,835,841	1.20%
Interest Expense	508,200	317,627	59.90%
Operating Expenses	2,361,634	2,518,214	-6.2%

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At the same time, certain categories recorded increases reflecting strategic investments and inflationary pressures. Security services rose by 151% due to new administrative arrangements and enhanced protocols. Conventions, meetings, and conferences increased by 51.6% (from 27,362 to41,472), supporting capacity building and governance development through greater regional engagement.

Occupancy costs rose by 18.4% (from 177,138 to 209,743), driven by higher utility rates and facility upgrades. General expenses more than doubled, reflecting targeted spending on staff training, community outreach, and minor asset disposals aligned with modernization and member service initiatives.

Despite inflationary pressures and targeted investments, MCCU maintained strong expense discipline. Operational spending was kept in line with strategic priorities, enabling the Credit Union to record an improved surplus in 2025 while continuing to invest in modernization, governance, and member services.

1.3 Net Surplus/ Deficit:

The Surplus / Deficit Before Appropriation/ Other Comprehensive Income represents the Credit Union's net operating results after accounting for all income and expenses, but before any allocations are made to reserves, dividends, or other comprehensive items. For 2025, MCCU recorded a surplus of EC$778,556, reflecting strong loan interest income and disciplined operating expense management. This figure provides a true measure of the institution's financial performance from core operations and would normally serve as the baseline for assessing distributable earnings.

Effective October 1, 2025, the Registrar for Co operatives placed the Dominica Co operative Societies League Ltd. (DCSLL) under administrative supervision. A solvency assessment showed the League could cover only $0.24 per $1.00 owed, leaving 76% of obligations unrecoverable. As of this report, no recovery plan has been presented.

In line with IFRS 9, MCCU must recognize an Expected Credit Loss (ECL) provision to reflect the impaired recoverable value of financial assets where objective evidence of impairment exists. This ensures transparent reporting of the League's exposure and alignment with international accounting standards. As a result, allocations under Other Comprehensive Income of $ 1,490,506 representing the impairment risk of 76% by the Dominica Cooperative Society League contributed to a Net Deficit of EC$675,950.

This outcome underscores the impact of cooperative risk sharing mechanisms and valuation adjustments on overall performance, highlighting the need to strengthen risk management and diversify income sources to safeguard future surpluses.

2.0 Financial Position:

2.1 Assets

At the end of the 2025 financial year, MCCU's total assets increased by 4.2%, moving from $65,229,935 in 2024 to $67,983,463 in 2025. The expansion was driven primarily by financial assets at amortized cost, which rose by $3,407,570 (7.9%), reflecting continued loan portfolio growth and prudent investment management.

Financial assets at fair value through profit and loss (FVTPL) increased modestly by $36,000 (8.1%), while financial assets at fair value through other comprehensive income (FVOCI) declined slightly by $274,979 (5.1%), indicating portfolio rebalancing. Cash and bank balances remained stable at $11,498,879, ensuring strong liquidity to meet member withdrawals and operational needs.

Offsetting these gains were declines in Other Assets, which fell by $370,745 (20.7%), reflecting improved receivable management and reduced prepayments, and Property, Plant & Equipment, which declined by $226,407 (7.6%) due to depreciation and limited new acquisitions.

Overall, MCCU's asset base continues to reflect a healthy balance between liquidity, lending, and investment growth, with loans and investments accounting for over 75% of total assets.

2.2 Liabilities:

At the end of the 2025 financial year, MCCU's total liabilities rose by 5.8%, moving from $58,851,450 in 2024 to $62,262,848 in 2025. The growth was mainly attributed to:

- Members' Savings and Ordinary Deposits, which increased by $2,355,401 (5.1%), reflecting steady inflows and strong member engagement.
- Term Deposits, which rose by $1,016,883 (8.7%), underscoring members' confidence in the Credit Union's ability to attract deposits through competitive interest rates and service quality.

The Employee Pension Plan also increased by $33,654 (13.1%), supporting long term staff benefit commitments.

Overall, the liability growth demonstrates MCCU's continued ability to attract and retain member deposits, reinforcing the institution's liquidity strength and financial stability.

2.2 Liabilities:

Members' equity decreased from $6,378,485 in 2024 to $5,720,615 in 2025, a 10.3% decline. This movement reflects the impact of the $675,950 net deficit recorded for the year, driven largely by the impairment under Other Comprehensive Income related to the DCSLL exposure.

Despite the deficit, core equity components including development funds, and members' shares remained stable. The overall equity position continues to support MCCU's capital adequacy, though the year's impairment highlights the importance of ongoing risk management and diversification.

3.0 Delinquency and Credit Risk

Lending remains the Society's primary source of revenue, making delinquency management a central priority for Board and Management of the Marigot Co operative Credit Union Therefore, in response to the elevated delinquency levels recorded in 2024, the Board and Management implemented more rigorous monitoring, strengthened collection procedures, and increased member engagement throughout 2025.

These actions contributed to a notable improvement in portfolio quality, with the delinquency ratio declining from 21% in 2024 to 15% in 2025. While the ratio remains above the PEARLS benchmark of 5%, the progress achieved reflects the effectiveness of the measures taken and Management's commitment to strengthening the overall credit performance of the loan portfolio. Expected Credit Losses on loans totalled $330,147, down from $507,011 in the previous year, while the allowance for expected credit losses increased to $3,420,147, reflecting continued prudence in IFRS 9 provisioning and the need to maintain adequate buffers against credit risk.

Members are reminded that timely loan repayment is essential to the continued strength and stability of the Credit Union. While the Society remains committed to supporting members who may experience temporary financial challenges, it is equally important that borrowers honour their obligations and communicate early when difficulties arise. Fulfilling this shared responsibility ensures that MCCU can maintain a sound financial position, meet its commitments, and continue providing quality services and opportunities to the wider membership.

4.0 Outlook and Conclusion:

The Marigot Co operative Credit Union enters the new financial year with a clear focus on strengthening credit performance, enhancing operational efficiency, and supporting sustainable growth. Management will continue to prioritize prudent lending practices, early intervention, and close monitoring of emerging risks to safeguard the loan portfolio. Efforts to modernize service delivery, deepen member engagement, and reinforce internal controls will remain central to improving financial resilience. Although economic pressures may persist, the Society is well positioned to navigate these challenges through disciplined management, strategic planning, and a continued commitment to cooperative principles.

The progress achieved in 2025 reflects the dedication of Management, the support of the Board, and the trust and cooperation of the membership. Improvements in credit performance, stronger operational outcomes, and continued financial stability demonstrate the effectiveness of the strategies implemented throughout the year. As the Credit Union moves forward, maintaining strong financial discipline, encouraging open communication with members, and fostering responsible borrowing and repayment practices will be essential. The Marigot Co operative Credit Union remains committed to serving its members with integrity and reliability, ensuring long term stability and continued value for the entire membership.

Acknowledgment

I wish to express sincere appreciation to the Board of Directors, Management, and Staff of the Marigot Co operative Credit Union for their continued dedication and commitment throughout 2025. Their teamwork and prudent leadership, even amid an evolving economic environment, have been instrumental in sustaining the Credit Union's growth and stability. I also extend heartfelt gratitude to our valued members for their trust and loyalty, which continue to serve as the foundation of MCCU's ongoing success.

Presented by,

Nanda Thomas (Mrs.)
Treasurer, MCCU
For and on behalf of the Board of Directors

Stronger Together, Focused on the Future

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31ST 2025

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED

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Stronger Together, Focused on the Future

Orlando Allan Richards FCCA CA
CHARTERED CERTIFIED ACCOUNTANT
P.O. Box 202
Independence Street
Roseau
Dominica

INDEPENDENT AUDITOR'S REPORT

To the Members of Marigot Co-operative Credit Union Limited

Opinion

I have audited the accompanying financial statements of Marigot Co-operative Credit Union Limited ("the Society") which comprise the statement of financial position as at December 31, 2025, and the statement of income and appropriation, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Marigot Co-operative Credit Union Limited 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 (IFRS) as issued by the International Accounting Standards Board and comply with the Co-operative Societies Act No. 2 of 2011 and the Co-operative Societies Regulations S.R.O 26 of 2001 of the Laws of the Commonwealth of Dominica.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Society in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Dominica, and I have fulfilled my ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Basis for Qualified Opinion – Equity Instruments Designated at Fair Value Through Other Comprehensive Income (FVOCI)

The Society holds ordinary shared in the Dominica Co-operative Societies League Ltd (DCSLL) which are classified as equity instruments designated at fair value through other comprehensive income (FVOCI). An Examiner's report concluded that DCSLL is insolvent. However, management did not recognise a fair value loss to reflect the decline in the shares' fair value at the reporting date. Under IFRS 9, equity instruments designated at FVOCI are measured at fair value at each reporting date, with fair value changes recognised in other comprehensive income. The omission resulted in an overstatement of the Society's shares investment in the League.

Basis for Qualified Opinion – Debt Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)
The Society also holds fixed deposits in DCSLL classified as debt instruments measured at FVOCI. Following the Examiner's report, management recognized an expected credit loss.

INDEPENDENT AUDITOR'S REPORT CONT'D

Basis for Qualified Opinion – Debt Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)
However, the expected credit loss was recorded in other comprehensive income rather than in profit or loss. Under IFRS 9 debt instruments measured at FVOCI are subject to the expected credit loss model, and impairment gains or losses are recognised in profit or loss, while fair value changes are recognised in other comprehensive income.The misclassification resulted in an understatement of impairment loss in profit or loss and an inappropriate entity in other comprehensive income.

Emphasis of Matter
I draw attention to note 10 (a) of the financial statements which disclose the Examiner's solvency ratio in relation to the Dominica Co-operative Societies League Ltd and indicates that the matter will be reviewed and reassessed in future years.My opinion is not modified in respect of this matter.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
My 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 the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. 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 my 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.

2. 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 League's internal control.

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

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

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Other Information

Management is responsible for the other information.The other information comprises the content of the Society's Annual Report except for the financial statements and my Auditor's Report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information appears to be materially misstated or inconsistent with the financial statements. If, based on the work I have performed, I conclude that there is a material misstatement in the other information, then I am required to report that fact. I have nothing to report in this regard.

Other Matters

This report is made solely to the Members of Marigot Co-operative Credit Union Limited as a body, in accordance with Section 130 of the Co-operative Societies Act No. 2 of 2011 of the Laws of the Commonwealth of Dominica.

My audit work has been undertaken so that I might state to the Members those matters I am required to state to them in an Auditor's Report and for no other purpose.To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and its Members as a body, for my audit work, for this report, or for the opinion I have formed.

The financial statements for the year ended December 31, 2024 ass audited by another audit firm which expressed an unqualified audit opinion.

Roseau, Dominica

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2025

	Notes	2025	2024
ASSETS			
Cash and Bank Balances	5	11,498,879	11,316,790
Financial Assets at Fair Value throught OCI	6	5,162,979	5,437,958
Financial Assets at Fair Value through P&L	7	478,658	442,658
Financial Assets at Amortized Cost	8	46,668,733	43,261,163
Other Assets	12	1,417,555	1,788,300
Property Plant and Equipment	13	2,756,659	2,983,066
TOTAL ASSETS		**67,983,463**	**65,229,935**
LIABILITIES			
Members' Savings/Ordinary Deposits	14	48,892,307	46,536,906
Term Deposits	15	12,774,533	11,757,650
Accounts Payable and Provisions	16	306,105	300,646
Employee Pension Plan	17	289,903	256,249
TOTAL LIABILITIES		**62,262,848**	**58,851,450**
MEMBERS' Equity			
Members Shares	18	1,156,435	1,113,388
Statutory & Legal Reserve	19	1,840,900	1,840,900
Revaluation Fund	20	2,197,375	2,197,375
Fair Value Reserve	7	36,000	-
Education Fund	21	229,011	229,011
Building Fund Reserve	22	14,083	14,083
Community Development Fund	23	174,275	174,275
Development Fund	24	223,307	223,307
Institutional Strengthening & Capacity Building Fund	25	187,359	187,359
Accumulated (Deficit)/Surplus	26	(338,130)	398,788
TOTAL MEMBERS' EQUITY		**5,720,615**	**6,378,485**
TOTAL LIABILITIES AND MEMBERS EQUITY		**67,983,463**	**65,229,935**

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

Approved by The Board on ...17th Jul'26. and signed on behalf of the Board of Directors by:

President
Portia Tyson

Treasurer
Nanda Thomas

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Statement of Comprehensive Income and Appropriations
For the year ended December 31, 2025

	Notes	2025	2024
Interest and Investment Income	27	3,893,410	3,525,231
Interest Expense	27	(508,200)	(317,627)
Net Interest and Investment Income		**3,385,210**	**3,207,604**
Other Income	28	342,753	278,621
Operating Income		**3,727,963**	**3,486,225**
Operating Cost	30	(2,379,459)	(2,518,214)
Fair Value Gain/(Loss)	7	-	4,432
Expected Credit Losses - Loans	8 (b)	(330,147)	(507,011)
Depreciation	13	(239,801)	(239,167)
Surplus Before Appropriation		**778,556**	**226,266**
Other Comprehensive Income			
Fair value gain on equity instruments	7	36,000	-
Expected Credit Losses - DCSLL	10 (b)	(1,490,506)	-
Total Comprehensive Income for the year		(675,950)	226,266
Appropriations			
Transfer to Statutory Reserve	19	-	(45,253)
Transfer to Community Development Fund	23	-	-
Transfer to Development Fund	24	-	-
Transfer to Education Fund	21	-	-
NET (DEFICIT)/SURPLUS AFTER APPROPRIATIONS		**(675,950)**	**181,013**

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

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Equity
For the year ended December 31, 2025

	Share Capital	Statutory Reserve	Revaluation Reserve	Fair Value Reserve	Education Fund	Building Fund Reserve	Community Development Fund	Development Fund	Institutional Strengthening & Capacity Building	Accumulated Deficit	Total
Balance-December 31, 2023	**1,070,475**	**1,795,647**	**2,197,375**	**-**	**235,566**	**14,083**	**174,673**	**223,307**	**187,359**	**217,775**	**6,116,260**
Appropriation	-	45,253	-	-	-	-	-	-	-	-	**45,253**
Net Surplus	-	-	-	-	-	-	-	-	-	181,013	**181,013**
Receipts	42,913	-	-	-	-	-	-	-	-	-	**42,913**
Payments	-	-	-	-	(6,555)	-	(398)	-	-	-	**(6,953)**
Dividend	-	-	-	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-	-	-
Adjustment/prior year etc.	-	-	-	-	-	-	-	-	-	-	-
Balance-December 31, 2024	**1,113,388**	**1,840,900**	**2,197,375**	**-**	**229,011**	**14,083**	**174,275**	**223,307**	**187,359**	**398,788**	**6,378,485**
Appropriation	-	-	-	-	-	-	-	-	-	-	-
Net Surplus	-	-	-	-	-	-	-	-	-	(711,950)	**(711,950)**
Receipts	43,047	-	-	-	-	-	-	-	-	-	**43,047**
Payments	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Fair value gain	-	-	-	36,000	-	-	-	-	-	-	**36,000**
Adjustment/prior year etc.	-	-	-	-	-	-	-	-	-	(24,968)	**(24,968)**
Balance-December 31, 2025	**1,156,435**	**1,840,900**	**2,197,375**	**36,000**	**229,011**	**14,083**	**174,275**	**223,307**	**187,359**	**(338,130)**	**5,720,615**

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

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

	2025	2024
Cash flows from operating activities		
(Deficit)/Surplus before appropriation	778,556	226,266
Adjustments for:		
Depreciation	239,801	239,167
Expected Credit Losses - Loans	330,147	507,011
Fair Value Gain	-	(4,432)
Prior Year Adjustment	(24,968)	-
Cash flows before changes in operating assets and liabilities	**1,323,536**	**968,011**
Increase in originated loans	(3,737,717)	(5,777,250)
Increase in members' savings/demand deposit	2,355,402	4,168,924
Decrease/(Increase) in other assets	370,745	(944,456)
Increase/(Decrease) in Term Deposits	1,016,883	(237,675)
Increase/(Decrease) in Employee Pension	33,654	(29,868)
Decrease in Accounts Payable and Provision	5,459	(19,023)
Net Cash Flow from Operating Activities	**1,367,962**	**(1,871,338)**
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(13,394)	(43,221)
Purchase of Financial Assets at FVTOCI	(1,500,000)	(227,923)
Proceeds from Financial Assets at FVTOCI	284,473	500,000
Net Cash Flows from Investing Activities	**(1,228,921)**	**228,856**
Cash Flows from Financing Activities		
Members Shares Issued	43,047	42,913
Dividends	-	-
Net receipts/payments from fund/reserves	1	35,960
Net Cash Flows from Financing Activities	**43,048**	**78,873**
Increase (Decrease) in Net Cash Flows	**182,089**	**(1,563,609)**
Cash and Cash Equivalent at beginning of year	**11,316,790**	**12,880,399**
Cash and Cash Equivalent -end of year	**11,498,879**	**11,316,790**

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

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

1. Legal status

Marigot Co-operative Credit Union Limited is registered under the Co-operative Societies Act No. 15 of 1996, which has been replaced by Act No. 2 of 2011 of the Laws of the Commonwealth of Dominica.

The registered office and principal place of business is located at Weirs Marigot, Dominica.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

All figures are stated in Eastern Caribbean dollars (EC$) which is the local currency of the Commonwealth of Dominica. US$1 = EC$2.65

a. Basis of preparation

(i) Compliance with IFRS

The financial statements of the Society have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities, certain classes of property, plant and equipment- measured at fair value.

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

2. Summary of significant accounting policies cont'd

a. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise balances which mature within 90 days of the date of acquisition, including cash, savings and current account balances with commercial banks.

b. Financial assets and liabilities

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Society revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for financial assets that have subsequently become credit impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e.net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Society commits to purchase or sell the asset.

At initial recognition, the Society measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets

(i) Classification and subsequent measurement

The Society classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:
(i) the Society's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

Based on these factors, the Society classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

Business model: the business model reflects how the Society manages the assets in order to generate cash flows. That is, whether the Society's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Society in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Society's business model for the mortgage loan book is to hold to collect contractual cash flows.

Another example is the liquidity portfolio of assets, which is held by the Society as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Society assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Society considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Society subsequently measures all equity investments at fair value through profit or loss, except where the Society's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Society's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Society's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Other Income' line in the statement of profit or loss.

(i) Impairment

The Society assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Society recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

The time value of money; and

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 4 (a) provides more detail of how the expected credit loss allowance is measured.

(ii) Modification of loans

members. When this happens, the Society assesses whether or not the new terms are substantially different to the original terms. The Society does this by considering, among others, the following factors:

If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

Whether any substantial new terms are introduced, such as a profit share/equity-based return that

Substantially affects the risk profile of the loan.

Significant extension of the loan term when the borrower is not in financial difficulty.

Significant change in the interest rate.

Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Society derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

However, the Society also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Society recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The impact of modifications of financial assets on the expected credit loss calculation is discussed in note 4 (a).

(iii) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Society transfers substantially all the risks and rewards of ownership, or (ii) the Society neither transfers nor retains substantially all the risks and rewards of ownership and the Society has not retained control.

The Society enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Society:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

Collateral (shares and bonds) furnished by the Society under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Society retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Society retains a subordinated residual interest.

Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

Financial liabilities at fair value through profit or loss: this classification is applied to financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Society recognises any expense incurred on the financial liability; and

Financial guarantee contracts and loan commitments Note 2 (d).

2. Summary of significant accounting policies cont'd

c. Financial assets and liabilities cont'd

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Society and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

d. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of members to secure loans, overdrafts and other banking facilities.

2. Summary of significant accounting policies cont'd

d. Financial guarantee contracts and loan commitments cont'd

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

The amount of the loss allowance; and
The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Society are measured as the amount of the loss allowance. The Society has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Society cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

e. Functional and Presentation Currency

(i) Functional and Presentation Currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ('the functional currency'). The financial statements are presented in Eastern Caribbean Dollars, which is the Society's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

2. Summary of significant accounting policies cont'd

e. Functional and Presentation Currency cont'd

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

f. Plant, property and Equipment

The Society's land and building is shown at fair value, based on valuations carried out on November 8, 2018, by QSC Ltd, on October 24, 2005, on May 27, 2009 and on October 22, 2012 by Balthazar Watt, Licensed Surveyor. All other assets are stated at cost less accumulated depreciation.

Depreciation is provided for on the straight-line basis for buildings and reducing balance basis for the other assets at rates estimated to write off the cost of the assets over their expected useful lives. The rates currently in use are:

Building 2.5%
Furniture and fixtures 15%
Computers 20%

g. Interest income and expense

Loan interest income is recognized when received. Interest income and expenses are recognized in the income statement for all other interest-bearing instruments on an accrual basis using effective interest rates. Interest income includes income on fixed investments.

h. Capital Grants

Capital grants are deferred and allocated to income at the same rate as the depreciation on the fixed asset financed by the grant.

i. Rounding of amounts

Amounts disclosed in the financial statements has been rounded to the nearest EC$ unless otherwise stated.

j. Comparative figures

Where necessary, comparative figures have been adjusted to conform to the current year's presentation.

2. Summary of significant accounting policies cont'd

l. Taxation

The Society is exempt for Income Tax under Section 25(1)(m) of the Income Tax Act Chapter 67:01 of the Revised Laws of the Commonwealth of Dominica.

m. Dividends

Dividends on shares are recognized in equity in the period in which they are declared. Dividends for the year that are declared after the reporting period date are dealt with in a note on subsequent events.

Under section 129 of the Co-operative Societies Act No. 2 of 2011, a society may pay a dividend to its members in proportion to their business with the society at such rates as may be prescribed by its bye-laws. Unrealised gains or gains arising from asset revaluation are not considered in determining income for the distribution of dividends.

3. Critical accounting estimates and judgement

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Society's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of members defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 4 (a), which also sets out key sensitivities of the ECL to changes in these elements.

3. Critical accounting estimates and judgement cont'd

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

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Society in the above areas is set out in note 4 (a).

4. Financial Risk Management

This note explains the Society's exposure to financial risks and how these risks could affect the Society's future financial performance.

Risk	Exposure arising from	Measuremen	Management
Credit risk	Cash and cash equivalents, trade receivables, debt investments	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit, Investment guidelines for debt investments
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification
Currency risk	Recognised financial assets and liabilities not denominated in Eastern Caribbean Dollars (XCD)	Cash flow forecasting	Strict guidelines for conducting foreign currency transactions
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

4. Financial Risk Management cont'd

a. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Society's members, clients or market counterparties fail to fulfil their contractual obligations to the Society. Credit risk arises mainly from interbank, commercial and member loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, financial guarantees, letters of credit, endorsements and acceptances.

Credit risk is the single largest risk for the Society's operations; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

Credit risk measurement

Loans and advances (incl. loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Society measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Credit risk grading

The Society uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Society use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures is fed into this rating model. This allows for considerations which may not be captured as part of the other data inputs into the model. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
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4. Financial Risk Management cont'd

a. Credit risk

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Society.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note for a description of how the Society determines when a significant increase in credit risk has occurred.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis..

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Further explanation is also provided of how the Society determines appropriate groupings when ECL is measured on a collective basis.

4. Financial Risk Management cont'd

a. Credit risk cont'd

The following diagram summarizes the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Society in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

Qualitative criteria:

For the loan portfolio, if the borrower meets one or more of the following criteria:
- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

For Treasury portfolios, if the borrower meets one or more of the following criteria:
- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of defaul
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

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4. Financial Risk Management cont'd

a. Credit risk cont'd

The assessment of SICR incorporates forward-looking information and is performed on an annual basis at a portfolio level for all financial instruments held by the Society.

The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Definition of default and credit-impaired assets

The Society defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria.

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments

Qualitative criteria

The borrower meets the unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Society and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Society's expected loss calculations.

4. Financial Risk Management cont'd

a. Credit risk cont'd

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Society expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Society includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Loss Given Default (LGD) represents the Society's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

4. Financial Risk Management cont'd

a. Credit risk cont'd

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change etc. - are monitored and reviewed on an annual basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

4. Financial Risk Management cont'd

a. Credit risk cont'd

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Society has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Society considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Society's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Society has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below:

Retail - Groupings for collective measurement
- Loan type (e .g. Mortgage, Personal and Education, Vehicles etc.)

The following exposures are assessed individually:
Retail
- Stage 3 loans with current exposure above $100,000
- Properties in repossession proceedings

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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4. Financial Risk Management cont'd

a. Credit risk cont'd

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;

Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;

Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

Impacts on the measurement of ECL due to changes made to models and assumptions;

Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;

Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

	2025 $	2024 $
Provision at beginning of year	3,094,442	2,587,431
Amounts restated through opening retained earnings	-	-
Opening loss allowance (IFRS 9)	3,094,442	2,587,431
Expected Credit Loss recognised during the period	330,147	507,011
Closing Allowance for Expected Credit Losses	3,424,589	3,094,442

4. Financial Risk Management cont'd

a. Credit risk cont'd

Write-off policy

The Society writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Society's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Society may write-off financial assets that are still subject to enforcement activity. The Society still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Society sometimes modifies the terms of loans provided to members due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Society monitors the subsequent performance of modified assets. The Society may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL).

This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The Society continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

4. Financial Risk Management cont'd

b. Market Risk

The Society is exposed to market risks on a daily basis. Investments have been diversified to reduce the impact of market risk.

c. Currency Risk

The Society's exposure to currency risk is minimal since the Society's assests and liability are held in the functional currency, which is the Eastern Caribbean Dollar. Management has issued strict guideleines to staff for processing foreign currency transactions.

d. Liquidity risk

The Society maintains sufficient available cash, committed credit lines and borrowing facilities to meet the demands of its members.

5. Cash and Bank

	2025 $	2024 $
This comprises as follows:-		
Cash on hand	1,066,955	1,091,770
Current accounts	2,556,782	1,910,935
Saving accounts	7,875,142	8,314,084
	11,498,879	**11,316,790**

6. Financial Assets at Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Society has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Society considers this classification to be more relevant.

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Society's business model is achieved both by collecting contractual cash flows and selling financial assets.

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For the year ended December 31, 2024

6. Financial Assets at Fair Value through Other Comprehensive Income cont'd

	2025 $	2024 $
Equity Investments		
Shares at Dominica Co-op. Societies League Ltd.	89,242	89,242
Debt Instruments		
Statutory Reserve Deposit **(see note 10)**	256,738	1,069,740
Treasury Bills **(see note 11(a))**	2,472,058	972,058
Regional Government Bonds **(see note 11(b))**	1,030,993	1,030,993
Local Government Bonds **(see note 11(c))**	1,000,000	1,000,000
Fixed Deposit at League & Other Financial Institutions **(see note 9)**	313,948	1,275,924
	5,073,737	**5,348,715**
Total financial assets at fair value through other comprehensive income:	**5,162,979**	**5,437,958**

7. Financial Asset at Fair Value through Profit and Loss

The Society classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity for which the entity has not elected to recognized fair value gains and losses through OCI.

Financial assets measured at FVPL include the following:

	2025 $	2024 $
Dominica Electricity Company Ltd shares at cost	37,676	37,676
Woodford Hill Property Investment	260,000	260,000
Dominica Unit Trust Corporation Ltd Shares at cost	10	10
National Bank of Dominica Limited shares at cost	44,972	44,972
Corporate Enterprise Finance Facility Shares **(see note 7b)**	136,000	100,000
	478,658	**442,658**

(b) Corporate Enterprise Finance Facility		
Asset value at beginning of year	100,000	100,000
Fair value gain (2,000 shares at $68/share)	36,000	-
Asset value at end of year	136,000	100,000
DOMLEC shares at cost	15,847	15,847
Fair value gain of $3.75 per share at 31/12/23	17,397	17,397
Fair value gain of $3.75 per share at 31/12/24	4,432	4,432
8,865 shares at $4.25 per share	**37,676**	**37,676**

8. Financial Assets at Amortised Cost

The Society classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(a) Financial assets at amortised cost include the following debt investments:

	2025	2024
	$	$
Loans to related parties **(see note 31)**	5,319,753	4,657,712
Loans to members **(see note 8 (c))**	44,773,569	41,697,893
Total Originated Loans	50,093,322	46,355,605
Less: Loss Allowance **(see note 8 (b))**	3,424,589	3,094,442
	46,668,733	**43,261,163**

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(b) Allowance for Expected Credit Losses

	2025 $	2024 $
Provisions at the beginning of the year	3,094,442	2,587,431
Amounts restated through opening retained earnings	-	-
Opening loss allowance (IFRS 9)	3,094,442	2,587,431
Bad debts recovered	-	-
Bad debt written-off	-	-
Expected credit loss recognised during the period	330,147	507,011
Closing Allowance for Expected Credit Losses	**3,424,589**	**3,094,442**

8. Financial Assets at Amortised Cost cont'd

(c) Originated Loan - Sectoral Analysis

	2025 $	2024 $
Personal	6,700,115	5,302,757
Mortgage	21,002,028	20,512,608
Vehicle	2,744,865	2,410,824
Land	1,866,340	3,387,905
Agriculture	958,293	600,248
Business	2,776,247	4,663,304
Education	1,222,013	1,215,709
Refinanced Loans	12,293,082	8,202,056
Other Loans	530,339	60,214
	50,093,322	**46,355,605**

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9. Fixed Deposits at Other Financial Instruments

	2025 $	2024 $
Fixed deposits at League less impairment loss	213,948	879,059
Fixed deposits at Banks	100,000	396,865
Fixed deposit at CLICO less impairment loss	-	-
Fixed deposit at BAICO less impairment loss	-	-
	313,948	1,275,924

Provision for Impairment on Investment

	2025	2024
Fixed deposit at CLICO	215,533	215,533
Less provision for impairment loss	(215,533)	(215,533)
	-	-
Fixed deposit at BAICO	266,640	266,640
Less provision for impairment loss	(266,640)	(266,640)
	-	-
Fixed deposits at Dominica Co-op. Societies League Ltd.	891,451	879,059
Demand Deposit at Dominica Co-op. Societies League Ltd.	1,069,740	1,069,740
	1,961,192	1,948,799
Less provision for impairment loss	(1,490,506)	-
	470,686	1,948,799

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10. (a) Statutory Reserve Deposit

	2025	2024
	$	$
Demand Deposit at League less impairment loss	256,738	1,069,740

(b) Investments in Dominica Co-operative Societies League Ltd. (DCSL) Provision for Impairment

An examiner appointed by the Regulator in 2025, reported that the DCSLL is insolvent and that only $0.24 is covered on every $1.00. Under IFRS 9, lifetime expected credit losses were recognised on the fixed deposits measured at amortised cost.
The provision will be reviewed and may be reversed in future periods, should the DCSL's solvency position improve, supported by an acceptable recovery plan and recoverable amounts increase.

The Expected Credit Losses/Impairment reflected in the income statement is made up of:

Expected credit losses on fixed & statutory reserve deposits	**$1,490,506**

11. (a) Treasury Bills

	2025	2024
	$	$
5.00% 2-year Government of Grenada Bill	307,438	307,438
4.50% 2-year Government of St. Lucia Bill	511,250	511,250
6.00% 5-year Government of St. Lucia Bill	1,500,000	-
4.50% 1-year Government of St. Lucia Bill (Staff Pension Fund)	153,369	153,369
	2,472,058	972,058

(b) Regional Government Bonds

	2025	2024
	$	$
6.25% 5-year Government of St. Lucia Bond	1,030,993	1,030,993
	1,030,993	1,030,993

Stronger Together, Focused on the Future

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(c) Local Government Bonds

	2025	2024
	$	$
7% 7-year Government of Dominica Bond	1,000,000	1,000,000

12. Other Assets

	2025	2024
	$	$
Stationary & Supplies	43,923	71,141
Interest Receivable (12b)	775,385	682,239
Investment Interest Receivable	-	26,209
Cash In Transit	15,590	514,667
Prepayments	329,259	294,444
Other Receivables	253,398	199,601
	1,417,555	1,788,300

12. (b) Interest Receivable

	2025	2024
	$	$
Interest receivable at beginning of year	682,239	309,237
Increase / (Decrease) in interest receivable on impaired loans	93,146	373,002
Closing interest receivable (IFRS9)	775,385	682,239

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14 Members Savings/Ordinary Deposits

	2025	2024
	$	$
Members Savings	35,691,111	33,617,554
Ordinary Deposits	13,201,196	12,919,352
	48,892,307	46,536,906

15 Term Deposit

	2025	2024
	$	$
Interest bearing fixed deposits at rates in the range 2% to 2.75%	12,774,533	11,757,650

16 Accounts Payables and Provisions

	2025	2024
	$	$
Audit fees	17,825	14,500
Gratuity	103,386	168,630
Utility collection payable	20,620	43,510
Others	164,273	74,006
	306,105	300,646

17 Employee Pension Plan

	2025	2024
	$	$
Balance at beginning of year	256,249	286,117
Add: Contributions for the year	40,595	42,134
Less: Contributions made by employees	(6,941)	-
Less payments/transfer to investment for the year	-	(72,002)
	289,903	256,249

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18 Members' Capital (permanent shares)

Issued and fully paid shares of $50 (par value) each	2025 $	2024 $
Beginning of year	1,113,388	1,070,475
Issued during the year (net)	43,047	42,913
End of year	1,156,435	1,113,388

The nominal value of each share is $50 per share.

Shares may with the consent of the Board, but not otherwise, be transferred from one member to another. Such transfers shall be in writing in such form as the Commissioner may approve and shall be subject to payment by the transferor and transferee of such fee for each transfer as the Board may prescribe. The Board may, in its absolute discretion, purchase shares from a member in case of hardship.

19. Statutory Reserve

The Co-operative Societies Act stipulates that before any distribution, the Society set aside not less than 20% of its annual surplus to a Reserve Fund; and such Fund may, subject to the approval of the Commissioner, be used in the business of the Society for the purposes of an exceptional nature, including unforeseen losses, unexpected shortfalls in liquid cash, capital retention, repair and maintenance and the avoidance of external borrowing.

The Society's statutory reserve is represented by a fixed deposit at the Dominica Co-operative Societies League Limited.

Movements during the year were as follows:	2025 $	2024 $
Balance - beginning of year	1,840,900	1,795,647
Add: Entrance fee	-	-
Appropriation from surplus	-	45,253
	1,840,900	1,840,900

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20. Revaluation Reserve

	2025 $	2024 $
Surplus on 2023 Revaluation Land	163,437	163,437
Surplus on 2023 Revaluation Building	2,033,938	2,033,938
	2,197,375	2,197,375

21. Education Fund

Periodically appropriations are made from surplus to an education fund reserve for member education.

	2025 $	2024 $
Balance beginning of the year	229,011	235,566
Appropriation from surplus	-	-
Disbursements	-	(6,555)
Balance end of year	229,011	229,011

22. Building Reserve Fund

This provision is made from time to time for adjustments and renovation works to the societies building in addition to the yearly depreciation charge.

	2025 $	2024 $
Balance beginning of the year	14,083	14,083
Appropriation from surplus	-	-
Disbursements	-	-
Balance end of year	14,083	14,083

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23. Community Development Fund

The society undertakes sponsorship of need as part of its contribution to the community outside of the normal contributions to charity donations.

	2025 $	2024 $
Balance beginning of the year	174,275	174,673
Appropriation from surplus	-	-
Disbursements	-	(398)
Balance end of year	174,275	174,275

24. Development Fund (section 120)

Co-operative Societies Act Section 120. states that every society shall establish and maintain a Development Fund. Every society that realizes a surplus from its operation as ascertained by the annual audit shall make annual contribution, not exceeding ten percent of that surplus to be used for the development of registered societies.

The Society transfers 5% of its surplus to the Development Fund.

	2025 $	2024 $
Balance beginning of the year	223,307	223,307
Appropriation from surplus	-	-
Disbursements	-	-
Balance end of year	223,307	223,307

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

25. Institutional Strengthening and Capacity Building

The directors have decided that the balances of the EU Funds and the grant shall be equity of the credit union, appropriately designated Institutional Strengthening and Capacity Building.

	2025 $	2024 $
Balance beginning of the year	187,359	187,359
Appropriation from surplus	-	-
Disbursements	-	-
Balance end of year	187,359	187,359

26. Accumulated Surplus

	2025 $	2024 $
Balance beginning of the year	398,788	217,775
Dividends paid	-	-
(Deficit)/Surplus before gain on fair value	(711,950)	181,013
Prior year adjustment	(24,968)	-
Balance end of year	(338,130)	398,788

Stronger Together, Focused on the Future

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

27. Net Interest and Investment Income

	2025 $	2024 $
Income from loans	3,511,904	3,095,765
Income from liquid investments - Dividend & fixed deposits interest	220,437	361,422
Interest on savings accounts at other financial institutions	161,069	68,043
Balance end of year	3,893,410	3,525,231
Interest expense		
Interest on term deposits	296,539	278,924
Interest on savings & other deposits	211,661	38,703
Balance end of year	508,200	317,627
Net interest and investment income	3,385,210	3,207,604

28. Other Income

	2025 $	2024 $
Commission & dividend income	8,075	21,290
Sale of passbooks & checkbooks	9,738	9,632
Service fees	217,185	117,313
Bad debt recovered	34,644	43,327
Other income	73,110	87,059
	342,753	278,621

29. Employee Benefit Expenses

	2025 $	2024 $
Salaries, overtime, management allowances	994,169	1,030,701
Social security contribution	75,586	73,153
Gratuity, Pension & Insurance	34,883	98,327
Staff uniforms, meals, other allowance	42,805	38,102
	1,147,443	1,240,283

30. Operating Costs

	2025 $	2024 $
Employee Expenses and Benefits (see note 29)	1,147,443	1,240,283
Governance (Board & Committee expense and Honoraria)	19,874	24,697
Members Interest & Protection	242,249	239,619
Annual General Meeting	27,556	27,185
Convention Meetings and Conferences	41,472	27,362
Audit Fee	17,825	14,500
Fraternity Expenses	49,853	54,500
Statutory Fees	40,000	40,000
Occupancy Expenses	209,743	177,138
Building Insurance	41,121	41,231
Computer & Maintenance Expense	61,228	93,296
Advertising, Publicity, Donations & Sponsorship	79,683	179,134
Security Services	67,134	26,745
Transportation	57,921	76,080
Stationery & Postage	39,856	66,835
Office Expenses	55,132	48,044
Professional Fees	12,814	64,410
General Expenses	168,555	77,156
	2,379,459	2,518,214

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

31. Related Party Transactions

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party by making financial and operating decisions.

Interest income with related parties were as follows:	2025 $	2024 $
Directors	77,347	71,894
Committee Members	47,429	47,169
Staff	199,126	142,171
	323,902	261,234

As at December 31, 2025 related parties had the following balances with the Credit Union:

	2025		2024	
	Loans	Deposits/ Savings	Loans	Deposits/ Savings
Directors	1,255,663	247,152	1,200,275	173,239
Committee Members	815,590	201,706	825,740	165,271
Staff	3,248,500	468,711	2,631,697	265,925
	5,319,753	917,570	4,657,712	604,435

31. Financial Risk

a) Financial Instruments

Some of the Society's activities are related to the use of financial instruments. The Society accepts deposits from members and depositors at fixed interest rates for periods of up to thirty-six months and seeks to earn above-average interest rates margin by investing these funds.

b) Market Risk

The Society is exposed to market risks on a daily basis. Investments are monitored to ensure that there are no surprises.

32. Financial Risk cont'd

c) Credit Risk

The Society is exposed to credit risk since borrowers (members) may be unable to pay amounts in full when due. The Society is careful on the credit risks it undertakes by ensuring that the members that borrow funds are continuously monitored.

Impairment of financial assets
Originated Loans
Originated Loans are financial assets held at amortized cost which are subject to the expected credit loss model.

The Society applies the IFRS 9 general approach to measuring expected credit losses for originated Loans at initial recognition by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset.

The Society continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on Lifetime ECLs.

d) Currency Risk

The Society's exposure to currency risk is minimal since the Society's assets and liabilities are held in the functional currency, which is the Eastern Caribbean Dollar.

e) Liquidity Risk

The Society maintains sufficient available cash to meet the demands of its members.

f) Operational Risk

Operational risk is derived from inadequate or failed internal processes, people and systems or from external events. The Society's exposure to operational risk is governed by various policies and procedures that will be reviewed when necessary.

33. Fair Value of Financial Assets and Liabilities

All financial assets and liabilities are carried at fair value.

34. Commitment, Contingencies and Post Balance Sheet Events

There are none to report.

MARIGOT CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2025

13. Property, Plant & Equipment

	Land	Building	Computer Systems	Furniture & Equipment	Total
Cost					
Balance - Beginning of year	279,213	3,981,344	128,469	1,244,043	5,633,069
Additions	-	-	-	13,394	13,394
Disposals/Adjustment	-	-	-		-
Balance - End of year	279,213	3,981,344	128,469	1,257,437	5,646,463
Accumulated Depreciation					
Balance - Beginning of year	-	1,464,382	120,238	1,065,383	2,650,003
Depreciation charge	-	107,156	5,183	127,463	239,801
Eliminated on disposal	-	-	-		-
Balance - End of year	-	1,571,537	125,421	1,192,846	2,889,804
Net Book Value					
Beginning of year	279,213	2,516,962	8,231	178,660	2,983,066
End of year	279,213	2,409,807	3,048	64,591	2,756,659

Marigot Co-operative Credit Union Ltd.

Credit Committee

Carrie Charles-Thomas
Chairperson

Willa Cyrille
Vice Chairperson

Julena Joseph
Secetary

Rosmund Dinard
Member

Thora Robinson
Member

Washington Linton
Member

CREDIT COMMITTEE REPORT

FOR THE YEAR ENDED DECEMBER 31ST 2025

The Credit Committee, comprising the following members:

- Carrie Charles-Thomas - Chairperson
- Willa Cyrilles - Vice Chairperson
- Julena Joseph - Secretary
- Washington Linton
- Thora Robinson
- Rosmund Dinard

The Committee presents this report in accordance with the Cooperative Societies Act No. 2, 2011. The report analyzes the loan portfolio for the reporting period, with additional discussion of the debt management initiatives employed throughout the period.

Table 1

Mr. Carrie Charles-Thomas
Chairperson

LOAN PURPOSE DESCRIPTION	***COUNT***	***2024 TOTAL VALUE***		***LOAN PURPOSE DESCRIPTION***	***COUNT***	***2025 TOTAL VALUE***
MOTOR VEHICLE REPAIR	3	5,635.83		MOTOR VEHICLE REPAIR	2	9,150.00
MOTORVEHICLE PURCHASE PERSONA	55	397,779.15		MOTORVEHICLE PURCHASE PERSONA	30	273,137.20
MOTOR VEC. LICENCE & INSURANCE	5	119,160.95		MOTOR VEC. LICENCE & INSURANC	2	1,240.00
DISTRIBUTION	2	1,040.00		DISTRIBUTION	0	0
TOURISM	0	0		TOURISM	0	0
MANUFACTURING	0	0		MANUFACTURIN G	0	0

HUCKSTERING	0	0		HUCKSTERING	0	0
LIFE STOCK	0	0		LIFE STOCK	0	0
AGRICULTURE	11	93,229.00		AGRICULTURE	4	144,333.00
I.F.A.D FARMING	0	0		I.F.A.D FARMING	0	0
SOUND SYSTEM	5	45,000.00		SOUND SYSTEM	3	31,820.00
RESIDENTIAL LAND/AND BUILDING	3	44,064.06		RESIDENTIAL LAND/AND BUILDING	3	604,825.07
PURCHASE LAND	24	528,519.40		PURCHASE LAND	3	433,285.00
EDUCATION	24	89,250.00		EDUCATION	3	100,660.94
MEDICAL BILLS	2	420		MEDICAL BILLS	3	101,516.14
DOMESTIC BILLS	408	169,787.87		DOMESTIC BILLS	3	124,491.57
TRAVELLING	13	45,990.00		TRAVELLING	3	60,200.00
BACK TO SCHOOL	89	239,785.28		BACK TO SCHOOL	3	371,200.61
HOUSEHOLD APPLIANCE	0	0		HOUSEHOLD APPLIANCE	3	32,060.00
Consolidation	157	1,912,589.20		Consolidation	3	1,448,778.52
REFINANCING	29	83,430.57		REFINANCING	3	616,163.30
HOUSE CONSTUCTION	6	451,748.00		HOUSE CONSTUCTION	3	251,076.98
HOUSE IMPROVEMENT & REPAIRS	22	339,565.52		HOUSE IMPROVEMENT & REPAIRS	3	181,631.39

SMALL BUSINESS	26	579,016.03		SMALL BUSINESS	19	406,360.54
FARM MACHINERY & EQUIPMENTS	0	0		FARM MACHINERY & EQUIPMENTS	0	0
FARM PREPARATION, SEEDS, LAB.	4	16,577.64		FARM PREPARATION, SEEDS, LAB.	0	0
PROFESSIONAL SERVICES	2	21,600.00		PROFESSIONAL SERVICES	2	26,134.50
COMPUTER	0	0		COMPUTER	0	0
MORTGAGE REFINANCING	10	117,901.52		MORTGAGE REFINANCING	20	644,196.99
RESCHEDULED	15	289,671.28		RESCHEDULED	14	153,631.61
Christmas loan	137	249,877.11		Christmas loan	191	359,622.35
HEAVY EQUIPMENTS	0	0		HEAVY EQUIPMENTS	1	50,000.00
EEZEE CASH	7	7,630.00		EEZEE CASH	0	0
FARM INPUTS	4	3,865.00		FARM INPUTS	2	1,440.00
COMMERCIAL VEHICLES	3	152,915.00		COMMERCIAL VEHICLES	2	91,662.75
RESIDENTIAL LAND	7	90,621.75		RESIDENTIAL LAND	10	126,849.46
LINE OF CREDIT	418	646,909.13		LINE OF CREDIT	838	1,074,598.45
MORTGAGE	91	4,125,159.95		MORTGAGE	37	1,854,830.69
PERSONAL	1281	3,076,775.99		PERSONAL	1054	3,213,891.34
DOMESTIC	20	36,957.55		DOMESTIC	39	71,602.87

WALK OUT LOANS	4	6,555.90		WALK OUT LOANS	4	13,000.00
BUBBLE UP	12	75,000.00		BUBBLE UP	52	264,397.44
LOW INCOME MORTGAGE	0	0		LOW INCOME MORTGAGE	0	0
COMMERCIAL BUILDING	0	0		COMMERCIAL BUILDING	0	0
CARNIVAL LOANS	37	58,779.50		CARNIVAL LOANS	6	15,000.00
VEHICLE & MEDICAL RESTRUCTURE	0	0		VEHICLE & MEDICAL RESTRUCTURE	0	0
LOAN RESTRUCTURE	21	191,525.07		LOAN RESTRUCTURE	6	11,645.00
RESCHEDULE DOMESTIC BILLS	0	0		RESCHEDULE DOMESTIC BILLS	0	0
MORTGAGE RESTRUCTURE	0	0		MORTGAGE RESTRUCTURE	0	0
RESCHEDULE SMALL BUSINESS	0	0		RESCHEDULE SMALL BUSINESS	0	0
MORTGAGE RESCHEDULED	0	0		MORTGAGE RESCHEDULED	0	0
HEAVY EQUIPMENT RESCHEDULED	0	0		HEAVY EQUIPMENT RESCHEDULED	0	0
SMALL BUSINESS RESCHEDULED	2	124,956.62		SMALL BUSINESS RESCHEDULED	0	0
VEHICLE LOAN RESCHEDULED	0	0		VEHICLE LOAN RESCHEDULED	0	0
RESTRUCTURE	4	14,015.65		RESTRUCTURE	30	932,739.71
BUSINESS REFINANCE	0	0		BUSINESS REFINANCE	0	0

				70 IN AH 25 LOAN	10	33,500.00
	2963	**14,453,305.52**		NE - PERSON LOAN	30	34,520.00
				COME GET IT LOAN	54	108,537.58
					3214	14,273,731.00

Table 2. LOANS GRANTED BY AUTHORITIES

	NO. OF LOANS GRANTED	VALUE OF LOANS GRANTED
MANAGER	3168	7,558,387.32
CREDIT COMMITTEE	30	2,714,924.68
BOARD OF DIRECTORS	16	4,000,419.00
	3214	14,273,731.00

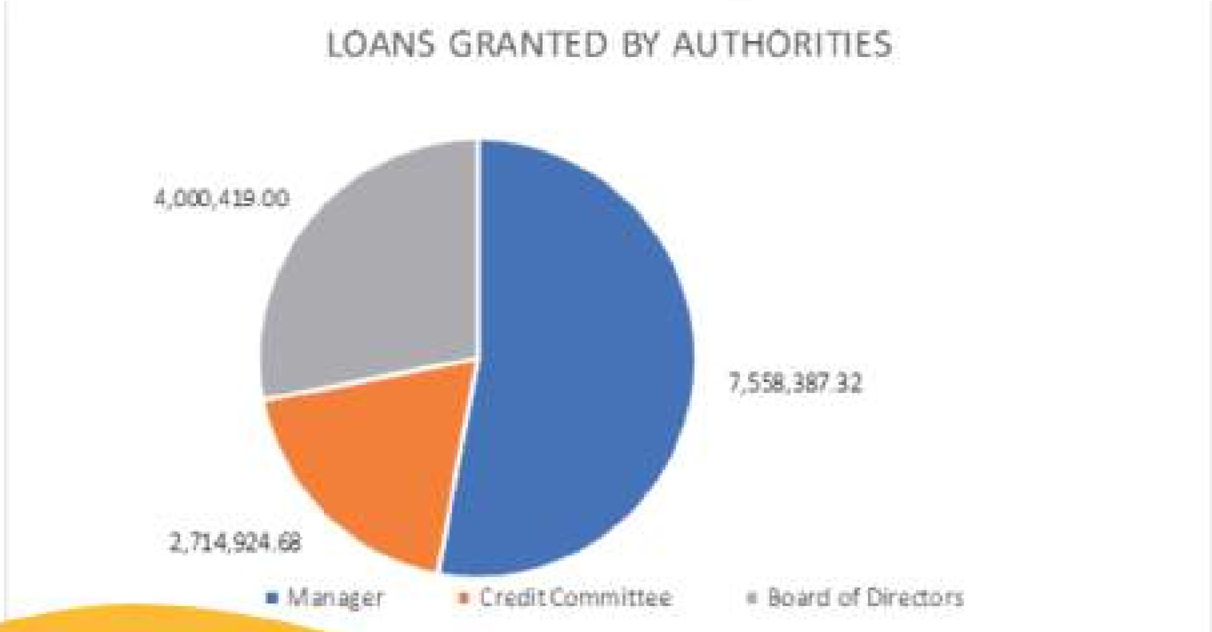
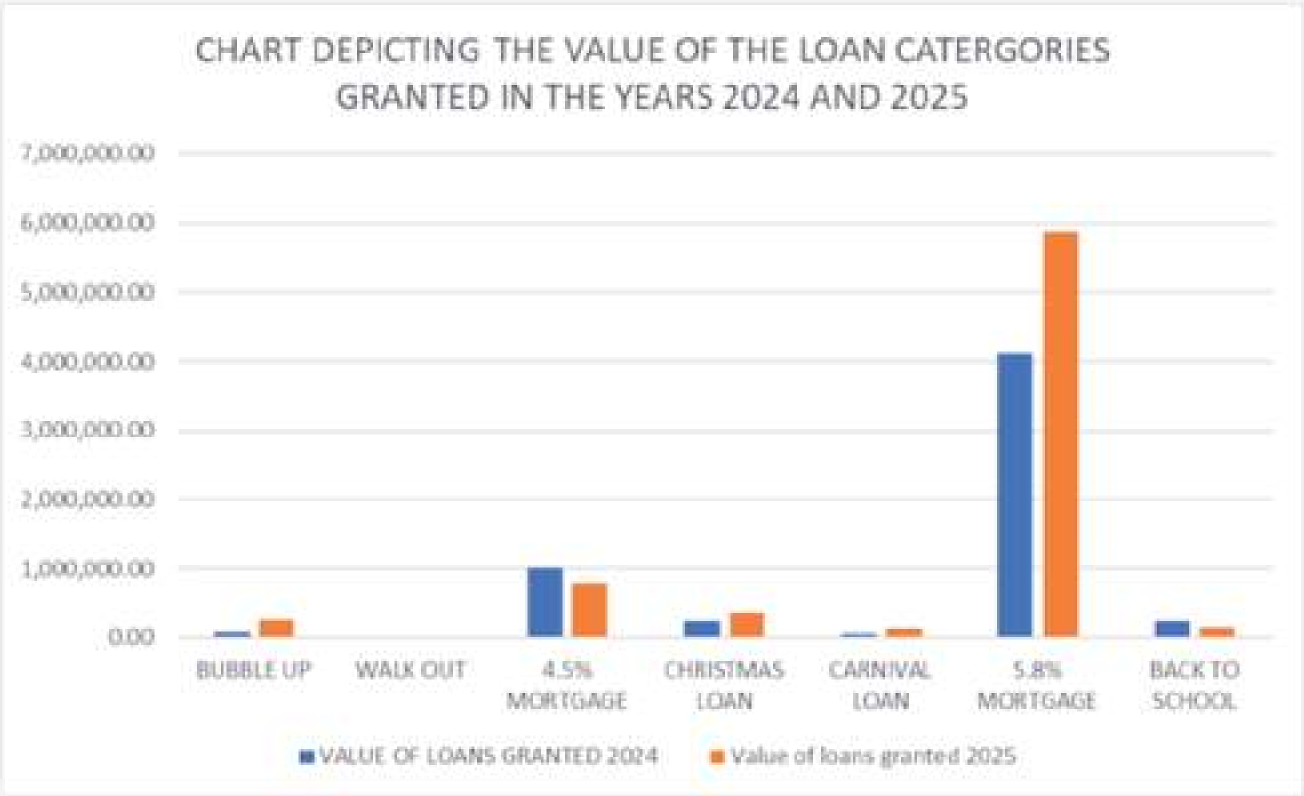


TABLE DEPICTING THE VALUE OF THE LOAN CATEGORIES GRANTED IN THE YEARS 2024 AND 2025

	NO. OF LOANS GRANTED FOR 2024	VALUE OF LOANS GRANTED 2024	NO. OF LOANS GRANTED FOR 2025	Value of loans granted 2025
BUBBLE UP	12	75,000.00	52	264,397.44
WALK OUT	4	6,555.90	4	13,000.00
4.5% MORTGAGE	5	1,000,000.00	4	800,000
CHRISTMAS LOAN	137	$249,877.11	191	359,622.35
CARNIVAL LOAN	37	$58,779.50	79	131,500
5.8% MORTGAGE	86	4,125,159.95	17	5,882,032.32
BACK TO SCHOOL	89	239,785.28	43	148,854.90



- The credit union granted 3,214 loans valued at $14.27 million in 2025, compared to 2,963 loans valued at $14.45 million in 2024.
- Number of loans increased by 251 loans (8.5%).
- Total value of loans declined by $179,574.52 (1.2%).
- This indicates that while more members accessed credit in 2025, the average loan size decreased compared to 2024

Analysis by Major Loan Categories

1. Mortgage Lending

Mortgage lending remained the largest loan category.

Year	No. of Loans	Value
2024	91	$4,125,159.95
2025	37	$1,854,830.69

- Number of mortgages declined by 54 loans (59.3%).
- Value decreased by $2.27 million (55.0%).

This significant decline suggests reduced demand for home financing or tighter lending conditions during 2025.

2. **Personal Loans**

Year	No. of Loans	Value
2024	1,281	$3,076,775.99
2025	1,054	$3,213,891.34

- Number of loans declined by 227 loans (17.7%).
- Value increased by $137,115.35 (4.5%).

Although fewer personal loans were granted, members borrowed larger amounts on average

3. Line of Credit

Year	No. of Loans	Value
2024	418	$646,909.13
2025	838	$1,074,598.45

·Number of loans doubled, increasing by 420 loans (100.5%).
- Value increased by $427,689.32 (66.1%).

The substantial increase suggests growing demand for short-term and flexible borrowing facilities.

4. Consolidation Loans

Year	No. of Loans	Value
2024	157	$1,912,589.20
2025	163	$1,448,778.52

- ·The number of loans increased by 3.8%.
- Value decreased by 24.2%.

Members continued to consolidate debts but borrowed lower amounts than in the previous year.

5. Residential Land and Building

Year	No. of Loans	Value
2024	3	$44,064.06
2025	28	$604,825.07

- The number of loans increased by 3.8%.
- Value decreased by 24.2%.

The number of loans increased by 833%.
Value increased by 1,273%.

This category recorded one of the most significant increases, indicating strong demand for property acquisition and development.

6. Purchase of Land

Year	No. of Loans	Value
2024	24	$528,519.40
2025	24	$433,285.00

- The number of loans remained unchanged.
- Value declined by 18.0%.

The reduction indicates lower average borrowing for land purchases.

7. Back-to-School Loans

Year	No. of Loans	Value
2024	89	$239,785.28
2025	234	$371,200.61

- The number of loans increased by 163%.
- Value increased by 54.8%.

This reflects increased educational financing needs among members.

8. Medical Bills

Year	No. of Loans	Value
2024	2	$420.00
2025	29	$101,516.14

Medical loans experienced extraordinary growth, suggesting increased healthcare-related borrowing.

9. Refinancing

Year	No. of Loans	Value
2024	29	$83,430.57
2025	48	$616,163.30

The number of loans increased by 65.5%.

Value increased by 638.8%.

This indicates that more members sought refinancing solutions to manage existing debt obligations.

10. Christmas Loans

Year	No. of Loans	Value
2024	137	$249,877.11
2025	191	$359,622.35

- Number increased by 39.4%.
- Value increased by 43.9%.

The growth reflects increased seasonal borrowing.

11. Bubble Up Loans

Year	No. of Loans	Value
2024	12	$75,000.00
2025	52	$264,397.44

- Number increased by 333%.
- Value increased by 252.5%.

This product experienced exceptional growth and appears to be gaining popularity among members.

TABLE SHOWING THE DELINQUENCY STATUS BY CATEGORIES FOR THE YEARS 2024 AND 2025

	No. of Delinquent Loans in 2024	Value of Delinquent Loans		No. of Delinquent Loans in 2025	Value of Delinquent Loans
Motor Vehicle	34	878,216.32		22	1,113,424.54
Reschedule/Restructure	51	1,992,935.57		42	1,674,514.40
Agriculture	10	623,822.46		8	398,140.86
Education	19	239,747.34		5	160,543.70
Debt consolidation	20	869,659.32		12	486,139.40
Mortgage	45	2,796,482.88		22	1,404,154.36
Land	5	99,364.32		9	260,184.21
Business	26	761,564.41		16	913,863.38
Personal/Domestic	105	1,011,481.08		123	778,194.54
Distribution	1	39,187.75		1	39,577.75

Management of Delinquency is all-inclusive, and every stakeholder involved in the process must be committed to achieving successful management. During the year, the management of delinquency focused on reducing credit risk and worked closely with the Loans/recoveries department to execute and monitor the tasks affiliated with the successful management of delinquency.

Notable Improvements

- Mortgage loans showed the most significant improvement, with delinquent accounts falling from 45 to 22 and the delinquent balance declining by $1.39 million (49.8%).
- Rescheduled/Restructured loans decreased from 51 to 42, while the delinquent value fell by $318,421.17 (16.0%).
- Education loans recorded a notable reduction from 19 to 5 delinquent loans, with the value decreasing by 33.0%.
- Debt Consolidation loans improved from 20 to 12 delinquent accounts, while the delinquent balance fell by $383,519.92 (44.1%).
- Debt Refinancing loans declined from 8 to 4 delinquent loans, with the balance decreasing by 26.5%.
- Agriculture loans also improved, with delinquent balances decreasing by 36.2%.

Areas of Concern

- Personal/Domestic loans increased from 105 to 123 delinquent accounts (up 17.1%), although the delinquent value decreased by $233,286.54 (23.1%). This suggests a higher number of smaller delinquent accounts.
- Land loans increased from 5 to 9 delinquent loans, while the delinquent value from $99,364.32 to $260,184.21, an increase of 161.8%.
- Business loans improved in the number of delinquent accounts (26 to 16), but the delinquent balance increased by $152,298.97 (20.0%), indicating that fewer accounts carried larger outstanding balances.
- Motor Vehicle loans declined in number from 34 to 22, yet the delinquent value increased by $235,208.22 (26.8%), suggesting concentration in larger-value delinquent accounts.

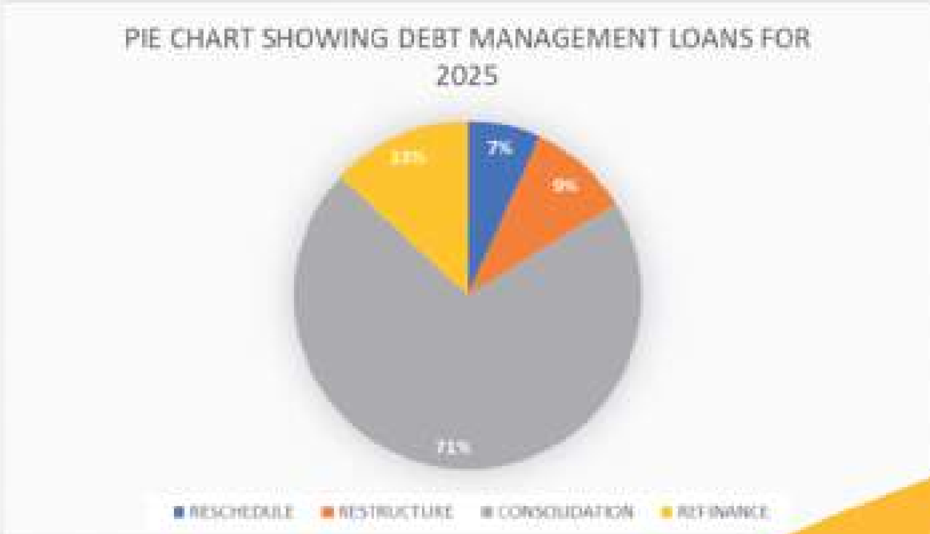
MEANS OF CONTACT	COUNT
Office Visits	48
Telephone Calls	623
Schedule meetings	13
Unscheduled meetings	27
legal action	2
follow up	404
transfer journal	132
Moratorium	6
Walk Ins	14
WhatsApp	172
interest accrual	20
Letters	131
Email	39
Payment Adjustment	12
TOTAL	**1643**

TABLE SHOWING DEBT RECOVERY EFFORTS BY MCCU IN 2025

TABLE SHOWING DEBT MANAGEMENT LOANS FOR 2025

LOAN CATEGORY	NO. OF LOANS GRANTED FOR 2025	VALUE OF LOANS GRANTED IN 2025
RESCHDULE	14	153,631.61
RESTRUCTURE	6	11,645.00
CONSOLIDATION	163	1,448,778.52
REFINANCE	68	1,260,360.29
TOTAL	251	**2,874,415.42**

The MCCU has been very proactive in its approach to its recovery efforts. This increase in activities is a demonstration of the loan department's commitment to improving delinquency management and reducing the overall delinquency rate.



Generally, the Credit Committee aimed at serving and satisfying members' needs by focusing on areas of:

- Reducing credit risk by utilizing tighter credit assessment
- Continuous review of delinquent strategies and implemented changes and updates.
- Building the capacity of Credit Committee members and strengthening competencies
- Collaborated closely with the loans department, recoveries officers, and senior loans officers to achieve targets.
- Provided feedback to Management Board of Directors regarding performance on loan products/services and delinquency.
- Regularly reviewed and brainstormed on market trends and members' needs/behaviors for possible mitigation of risks.
- Employed prudence in assessing loan applications in accordance with compliance standards and needs of the members.

Recommendations/Conclusion

The 2025 loan portfolio reflects increased lending and borrowing activities for loan products such as Line of Credit, Back-to-School, Bubble Up, Christmas Loans, and Refinancing. However, there was a notable decline in mortgage lending and motor vehicle financing.

The delinquency portfolio demonstrated meaningful improvement in 2025. Both the number of delinquent loans and the total delinquent balances decreased significantly, with strong reductions in Mortgage, Education, Debt Consolidation, and Rescheduled/Restructured loans. However, management should continue to monitor Personal/Domestic, Land, Motor Vehicle, and Business loans, where either the number of delinquent accounts or the value of delinquency increased. Overall, the portfolio reflects better credit quality and recovery performance in 2025 compared with 2024.

As the MCCU continues to manage its delinquency, the Credit Union should continue strengthening credit risk management practices, focusing on larger loan exposures while capitalizing on the growing demand for consumer lending products.

The committee urges all members to remain vigilant and committed to the success of the MCCU. Satisfying the needs of members is important; however, all members should be aware of their role in repaying the borrowed finances, which contributes to the MCCU remaining sustainable.

Acknowledgement

The Credit Committee acknowledges the members' trust and confidence which was placed in the Credit Committee to serve and satisfy the needs of members through responsible actions. The committee appreciated the collaboration of all members and staff of the Loans Department, management, and the Board.The members remained committed to their serving obligations and wished the MCCU great success in converting its weakness by turning them into strengths.

Member Name	Meetings Held	Present	Absent
Carrie Charles Thomas	16	15	1
Rosmund Dinard	16	15	1
Julena Joseph	16	12	4
Washington Linton	16	8	0
Willa Cyrille	16	9	6
Thora Robinson	16	12	4

Presented By,

Thomas.

....

Carrie Charles-Thomas (Mrs.)
Chairperson, MCCU
Credit Committee

Marigot Co-operative Credit Union Ltd.

Supervisory & Compliance Committee

Kerry Charles
Chairperson

Mary Andrew-Bazil
Vice Chairperson

Sydney Thomas
Secetary

Nyoka James
Vice Secretary

Damien Casimir
Member

Kimisha Jno Baptiste
Member

Joanne Pascal
Member

SUPERVISORY & COMPLIANCE COMMITTEE

FOR THE YEAR ENDED DECEMBER 31ST 2025

Mr. Kerry Charles
Chairperson

Seventy years of service is more than a milestone; it is a testament to the vision of our founders, the loyalty of our members, the dedication of our volunteers and staff, and the strength of the co-operative principles that continue to guide the Marigot Co-operative Credit Union Ltd. It is therefore with great pride that the Supervisory & Compliance Committee presents its report for the fiscal year ended December 31, 2025.

The Committee extends its sincere appreciation to our loyal members for their continued confidence in and commitment to the Credit Union. In an increasingly competitive financial environment, where members have access to a wide range of financial institutions, your unwavering support has enabled MCCU to remain a strong, relevant, and sustainable financial institution in the Commonwealth of Dominica.

As the financial landscape continues to evolve, the Supervisory & Compliance Committee remains committed to ensuring that the Credit Union conducts its affairs in accordance with the Co-operative Societies Act No. 2 of 2011, the Society's By-laws, and all applicable regulatory requirements. In fulfilling our mandate, we continue to provide independent oversight and report to the membership on the governance and operational integrity of the institution.

Committee Objectives

The primary objectives of the Supervisory & Compliance Committee are to:

1. Examine the affairs of the Credit Union, including its audit functions.
2. Ensure that the Credit Union operates as a safe, sound, and well-governed financial institution in compliance with applicable laws, regulations, policies, and internal controls.
3. Safeguard the interests of all members through effective oversight.
4. Provide guidance and recommendations to the Board of Directors, Management, Staff, and other Committees where appropriate.
5. Monitor the effectiveness of internal controls to deter fraud, protect the Credit Union's assets, and preserve its reputation.
6. Meet at least once monthly, as required under the Co-operative Societies Act, to oversee the affairs of the institution.

Activities During the Year

During the period under review, the Committee carried out the following activities in fulfillment of its oversight responsibilities:

1. Held monthly meetings in accordance with the requirements of the Co-operative Societies Act.

2. Reviewed staff and volunteer loan files to ensure compliance with the Credit Union's lending policies and established procedures.
3. Conducted an inspection of the Credit Union's premises at the end of the financial year to assess the condition of its infrastructure and facilities.
4. Examined complaints and concerns submitted by staff and volunteers and made recommendations where appropriate.
5. Reviewed the monthly reports submitted by the Compliance Officer to monitor regulatory compliance and operational performance.
6. Monitored adherence to internal policies, regulatory requirements, and governance standards, making recommendations where necessary to strengthen internal controls and operational effectiveness.
7. Conducted the annual cash count at all Marigot Co-operative Credit Union (MCCU) offices in collaboration with the external auditor. The Committee is pleased to report that no financial irregularities were identified during this exercise.

Areas of Concern

Delinquency

The Committee remains concerned about the level of loan delinquency, which continues to impact the financial performance and long-term sustainability of the Credit Union. Timely loan repayments are essential to maintaining adequate liquidity, supporting member services, and ensuring the continued growth of the institution.

We therefore encourage all members experiencing financial difficulties to engage proactively with Management. The staff remain willing to work collaboratively with members to develop practical repayment arrangements. Open communication and the honoring of financial obligations are critical to protecting the collective interests of all members.

Staff Retention

The Committee is also concerned about the premature departure of trained and experienced employees. Retaining skilled and knowledgeable personnel is essential to maintaining operational efficiency, delivering exceptional member service, and supporting the Credit Union's strategic objectives.

We encourage continued investment in staff development, employee engagement, and retention initiatives to ensure that MCCU remains an employer capable of attracting, developing, and retaining competent professionals.

Future Challenges and Opportunities

Despite the economic challenges experienced during the year, MCCU has demonstrated remarkable resilience and stability. As we look to the future, the Committee believes that sustained growth will depend not only on prudent financial management but also on strategic investment in the next generation of members and leaders.

Greater emphasis should be placed on engaging young people, particularly through our primary schools, by fostering a culture of saving, financial responsibility, and co-operative values from an early age. These young members represent the future of our institution and will play a vital role in ensuring its continued relevance and success.

The Committee also recognizes the growing difficulty in recruiting and retaining volunteers. Volunteers remain the backbone of the co-operative movement, and their dedication contributes significantly to the effective governance of our institution. We therefore encourage MCCU, together with the wider co-operative movement, to explore meaningful ways of recognizing and supporting volunteers through appropriate incentives, appreciation programmes, and leadership development opportunities.

Meeting Attendance

The table below outlines the attendance record of Committee members during the reporting period.

Name	Position	Regular Meetings Held (2025	Regular Meetings Attended	Excused	Special Meetings Held	Special Meeting Attended	Excused
Kerry Charles	Chairman	7	7		1	1	
Damien Casimir	Member	7	5	2	1	1	
Mary Bazil	Vice-Chair	7	6	1	1	1	
Sydney Thomas	Secretary	7	6	1	1	1	
Nyoka James	Vice Secretary	7	7		1	1	
Kinisha Jnobaptiste	Member	7	2	4	1	1	
Joanne Pascal	Member	7	6	1	1	1	

Conclusion

The 2025 financial year presented both challenges and opportunities for the Marigot Co-operative Credit Union Ltd. Through sound governance, prudent management, the dedication of our employees and volunteers, and the continued loyalty of our members, the Credit Union has remained resilient and well-positioned for future growth.

The Supervisory & Compliance Committee remains committed to promoting accountability, transparency, regulatory compliance, and strong governance practices that safeguard the interests of our members and strengthen the institution.

On behalf of the Supervisory & Compliance Committee, I extend sincere appreciation to the Board of Directors, Management, Staff, fellow Committee members, volunteers, the Financial Services Unit, our legal advisors, and our sister credit unions for their continued cooperation and support throughout the year.

Above all, we thank our members for the trust and confidence you continue to place in your Credit Union. Your support remains the foundation of MCCU's success.

Together, by embracing our shared co-operative values and working in partnership, we are confident that the Marigot Co-operative Credit Union Ltd. will continue to grow, innovate, and serve future generations with excellence, integrity, and financial strength.

Presented by,

Kerry Charles (Mr.)
Chairman, MCCU
Supervisory and Compliance Committee

Marigot Co-operative Credit Union

WHAT IS AN NPO?

An NPO is any legal person or arrangement or organization that primarily engages in raising or disbursing funds for charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of "good works".

Examples of NPO's include:

- Clubs and Associations
- Churhes
- Cooperatives
- Social groups or Fraternity
- Political organization
- Private schools

Registration requirement:

***All** NPOs must now be registered with the Financial Services Unit (FSU) **with immediate effect**.*

Why register?

- To ensure compliance with local regulations.
- To be able to open or maintain accounts with MCCU.

REGISTRATION PROCESS:

Visit the FSU office at:
5th Floor, Financial Centre,
Kennedy Avenue, Roseau,
Commonwealth of Dominica.

Required Documents for Registration:

- Valid identification documents (Social Security Card, Passport) for each member
- Proof of address (example: utility bill, driver's license, rental agreement) for each member
- Police Record
- Completed Application Forms (provided at FSU)

AFTER REGISTRATION:

- *Provide a copy of your registration document or exemption letter to MCCU.*
- *This ensures your NPO can open or update accounts with the credit union.*

CONTACT INFORMATION:

For Credit Union Inquiries:

- Tel: (767) 445-7155 / (767) 445-7166

For FSU Inquiries:

- Tel: (767) 266-3514 / (767) 266-3559

Ms. Miriam Didier
Chairperson

1. Introduction

The Nominations Committee respectfully presents this report to the members of the Marigot Co-operative Credit Union at the 70th Annual General Meeting. This report summarizes the Committee's mandate, the nomination process followed, the vacancies to be filled, and the nominees recommended for election to the Credit Union's governance bodies by virtue of the Marigot Co-operative Credit Union Bye Laws which states as follows:

XII. ELECTIONS

59. *The following procedures shall apply to the conduct of elections in keeping with Sections 36-40, 53, 72 and 73 of the Act and the Regulations:*

a) Not less than thirty (30) days prior to each Annual General Meeting, the Board shall appoint a Nominating Committee of three (3) persons of which no more than two (2) may be members of the existing Board.

b) No member eligible for re-elections shall sit on the Nominating Committee.

c) The Nominating Committee shall present its report to the meeting. The Nominating Committee shall propose one member for each vacancy to be filled and present an appropriate biography of the person nominated.

d) After the nominations have been placed before the members, the person conducting the elections shall call for nominations from the floor. The persons nominating members from the floor shall present to the membership a brief profile of no less than one minute, of the persons so nominated.

e) All elections to the Board and other Committees shall be by secret ballot or using an electronic voting system where there are more nominations than vacancies.

f) Where the number of nominees does not exceed the number of persons to be elected, the person conducting the elections shall declare all the nominees duly elected, once such persons accepts respective nominations.

2. Committee's Mandate

The Committee was appointed in accordance with the Credit Union's By-Laws and governance requirements to identify and nominate eligible members who are willing and able to serve. In addition, nominees were to be assessed by the credit union in accordance with the requirements of being a "Fit and Proper" member to serve on the governing committees. In carrying out its mandate, the Nominations Committee sought to ensure that the nomination process was fair, transparent, inclusive, and aligned with the best interests of the membership.

3. Nominations Committee Composition

The Nominations Committee comprise of the following members:

Name	Role	Membership/ Position
Miriam Didier	Chairperson	Member of the Board of Directors
Mary Bazil	Secretary	Member of the Supervisory and Compliance Committee
Carrie Charles-Thomas	Member	Chairperson of the Credit Committee

4. Nomination Process

As a joint effort with MCCU governing committee members and staff, MCCU members were approached to confirm their interest and acceptance to be nominated to serve as volunteers on the governing committees. Nominees were vetted based on their availability, continuity, ethical conduct, commitment to cooperative principles, diversity of skill, relevant experience and ability to contribute to the sound governance of the Credit Union.

The names of members who accepted to serve were submitted to the Credit Union for vetting of nominee's membership status, financial stewardship, effective oversight. and that they met the eligibility requirements set out in the Credit Union's By-Laws and applicable laws and regulations.

The vetting process was in accordance with the MCCU Bye Laws which states as follows:

XII. ELECTIONS

No member shall be elected to the Board, the Credit Committee or the Supervisory and Compliance Committee unless the member:

a) is at least eighteen (18) years old;

b) is a citizen or resident of the Commonwealth of Dominica or a member from a CARICOM country;

c) is not bankrupt;

d) has not been sentenced by a Court in any country for any criminal offence involving fraud or dishonesty;

e) is not an employee or officer of any other Credit Union or employed or serving at senior management or executive level at any similar financial institution;

f) has been a member of the Society for at least one (1) year;

g) is not a delinquent borrower and is otherwise in good financial standing;

h) is not involved in any activity which is deemed to bring the Society into disrepute;

i) has not made an arrangement with his creditors;

j) has not been convicted of an offence under the Money Laundering (Prevention) Act or the Suppression of the Financing of Terrorism Act;

k) has not been convicted of an offence under this Act;

l) has not been convicted on indictment of an offence in connection with the promotion, formation or management of a body corporate;

m) has not been a director of a failed co-operative society of the same type;

n) is not of unsound mind and has been so found by a Court (or relevant certifying practitioner or body) in Dominica;

o) has not been suspended, removed or prohibited from serving as an officer or director of a financial institution, including a credit union by a supervisory authority;

p) is not an employee of the Registrar or is a partner or employee of the Society's auditor; and

q) has transacted business with the Society within the last twelve consecutive months

r) Meets the guidelines for a Fit and Proper Person as set out in the Financial Services Unit Act. Section 27 of Act No. 18 of 2008 of the Laws of the Commonwealth of Dominica and subsequent amendments thereto.

s) Is not a minister of Government, a Member of Parliament or a Permanent Secretary.

5. Vacancies to Be Filled

The number of vacancies to be filled on the Committees is done in accordance with the MCCU Bye Laws which states as follows:

MANAGEMENT

XVIII.Board of Directors

78. The Board shall be elected at the Annual General Meeting and shall be no less than nine (9) and not more than thirteen (13) members, in keeping with the provisions of the Act, none of whom shall be an employee of the Society or a financial institution or entity offering similar line of services.

XVIII.Credit Committee

94. The Credit Committee shall be elected at the Annual General Meeting and shall consist of a minimum of five (5) and not more than thirteen (13) members, none of whom shall be a member of the Board, or the Supervisory and Compliance Committee or an employee of the Society.

XIX.Supervisory and Compliance Committee

105. The Supervisory and Compliance Committee shall be elected at the Annual General Meeting and shall consist of a minimum of five (5) and not more than thirteen (13) members, none of whom shall be a member of the Board, the Credit Committee or an employee of the Society or any other similar society.

There are currently six (6) members who will no longer be serving on the Committees for various reasons. Three (3) members from the Board of Directors, one (1) member from the Credit Committee and two (2) members from the Supervisory and Compliance Committee.

Governing Committee	Term of Office	Reason for Vacancy
Board of Directors		
Portia Tyson	2 Terms	End of 2nd Term
Dernel Dailey-Alexander	1 Term	Resignation
Don Gordon	2 Term	End of 2nd Term
Supervisory Committee		
Damien Casimir	2 Terms (1 BoD/1 Supervisory)	End of 2nd Term
Mary Bazil	2 Terms	End of 2nd Term
Credit Committee		
Carrie Charles-Thomas	2 Terms	End of 2nd Term

6. Nominees Recommended for Election

Listed hereunder are the nominees recommended for election to the Credit Union's governance committees by virtue of MCCU Bye Laws.

6.1 Board of Directors
Requirement -Nine (9) to thirteen (13) members
There are currently four (4) remaining members on the Board of Directors

Retiring/Outgoing Member	Nominee	Relevant	Recommended Term
Nanda Thomas	Nanda Thomas	Accounting	2nd Term
Portia Tyson	Joanna Joseph	Accounting	1st Term
Dernel Dailey-Alexander	Ursuline Benjamin	Teacher	1st Term
Don Gordon	Krishen Alexander	Engineering	1st Term
Vacant	Miranda Carlton	Clerk	1st Term
Vacant	Kishma Titre	Teacher	1st Term
Vacant	Julino Cuffy	Manufacturing	1st Term

6.2 Supervisory Committee

Requirement - Five (5) to thirteen (13) members
There are currently four (4) remaining serving members on the Supervisory Committee

Retiring/Outgoing Member	Nominee		Recommended Term
Sydney Thomas	Sydney Thomas	Marketing	2nd Term
Damien Casimir			
Mary Bazil			
Vacant			
Vacant			

6.3 Credit Committee

Requirement - Five (5) to thirteen (13) members
There are currently four (4) remaining members on the Credit Committee

Retiring/Outgoing Member	Nominee	Relevant Background/Skills	Recommended Term
Carrie Charles-Thomas	Marietta Gordon	Clerk/Councillor	1st Term
Julena Joseph	Julena Joseph	Clerk	2nd Term
Vacant	Keziah George	Chef	1st Term
Vacant			

7. Compliance and Declaration

The Committee confirms that, to the best of its knowledge, the nominees listed in this report are members in good standing, have indicated their willingness to serve if elected, and have been considered in accordance with the Credit Union's By-Laws, nomination procedures, and applicable governance expectations.

8. Recommendation to the Membership

The Nominations Committee recommends that the members of the Marigot Co-operative Credit Union consider and approve the nominees presented in this report for election at this 70th Annual General Meeting. The Committee further recommends that the election process proceed in accordance with the rules adopted for the meeting and Credit Union's Bye-Laws which state in part:

XII. ELECTIONS

59. *The following procedures shall apply to the conduct of elections in keeping with Sections 36-40, 53, 72 and 73 of the Act and the Regulations:*

d) After the nominations have been placed before the members, the person conducting the elections shall call for nominations from the floor. The persons nominating members from the floor shall present to the membership a brief profile of no less than one minute, of the persons so nominated.

e) All elections to the Board and other Committees shall be by secret ballot or using an electronic voting system where there are more nominations than vacancies.

f) Where the number of nominees does not exceed the number of persons to be elected, the person conducting the elections shall declare all the nominees duly elected, once such persons accepts respective nominations .

9. Appreciation

The Committee expresses its appreciation to all members who allowed their names to be considered, to retiring volunteers for their service, to Mr. Washington Linton for his period of service on the Credit Committee, to whom we extend best wishes as he recuperates, and to the Board and management for supporting the nomination process.

10. Signature

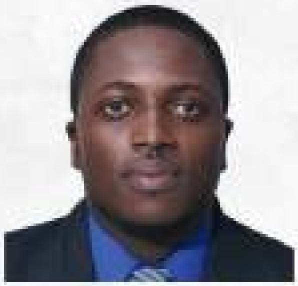
Miriam Didier **(Ms.)**
CHAIRPERSON

Building More Than a Workplace

Marigot Co-operative Credit Union Ltd.

Management Team

VINCENT SIMON
General Manager



Che Burnette
Accountant

Natasha Paul James
Branch Supervisor

Frances Bazil Robin
Accounts Supervisor

Kareen Pascal
Human Resource Officer & General Manager Secretary

Salimah Robin
Compliance Officer

Marvlyn Martin
Loans Supervisor

Kerry Carbon
Collections Supervisor

Nania George-Charles
Administrative & Operations Officer

Dishun Marie
IT Technical Support Officer

Marigot Co-operative Credit Union Ltd.

Staff

Uris Jervier
Accounting Officer

Shervon George
Accounts Clerk/
Branch Supervisor

Ruthline Leblanc
Accounts Clerk

Nichelle Davis
Accounts Clerk

Rowdell Carbin
Accounts Clerk

Rahil Prince
Accounts Clerk

Kevin Abraham
MSR

Nakima Honore
MSR

Jatham Lawrence
MSR

Tamoyia Victor
MSR

Vernie Jno Baptiste
MSR

Shadina Williams
MSR

Marigot Co-operative Credit Union Ltd.

Staff

Vica Wallace
Senior Loans Officer

Ema Prosper
Loan Officer

Dian John Joesph
Collections Officer

Makeda Charles
Administrative Assistant Loans & Collections Dept.

Dekissa Marcellin
MSR/Administrative Assistant

Marcia Honore
Office Attendant

Rosanna Dick
Janitor

Valley Obrien
Janitor

Gregory Andrew
Security Officer

Kelvin Bedminister
Security Officer

Shanica St. John Alfred
Administrative Assistant

Dan Joseph
Messenger

Marigot Co-operative Credit Union Ltd.

Staff

Maylene Denis
Compliance Assistant

Perdita George
MRR

Valentine Pierre-Louis
MSR

Theonie Nixon
MSR

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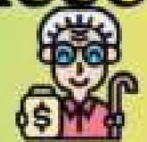

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02

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03

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Members are able to save up to $1,000.00 per month.

Note: the Maximum starting deposit is $10,000.00

04

Account must be closed at age 65.

Account must be closed when a member reaches the age of 65. The monies will then be moved to their regular savings for access. Note however, that it can be voluntarily closed by the age of 55.

MCCU

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BUILDS A FOUNDATION FOR FINANCIAL LITERACY AND DISCIPLINE.
STRENGTHENS FAMILY TIES WITH MCCU THROUGH SHARED FINANCIAL GOALS.

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445-7155/445-7166

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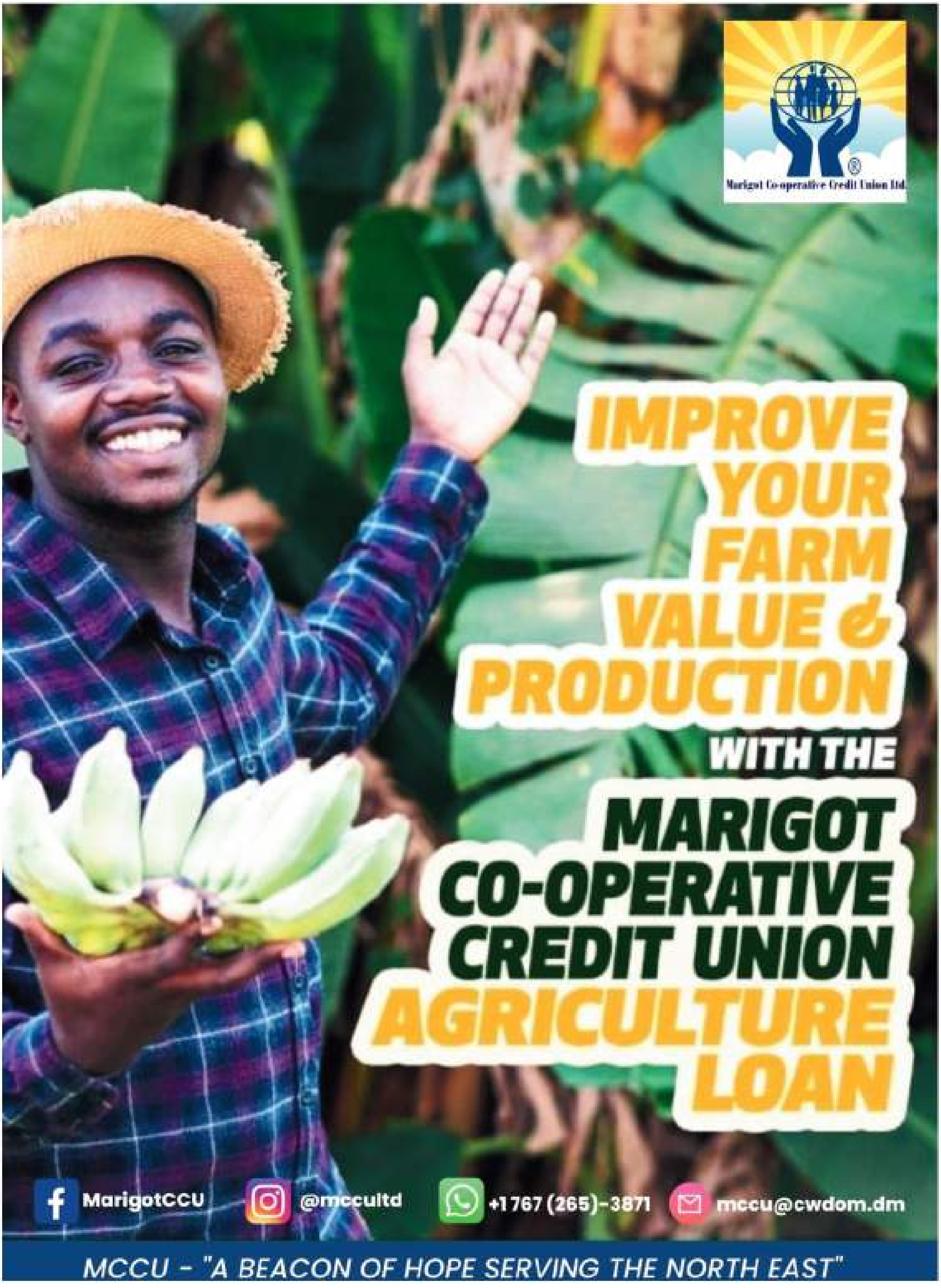
Wesley Branch- Four Road, Wesley
Woodfordhill Branch-La Rue, Woodfordhill
Calibishie Branch- Calibishie Flat, Calibishie
Commonwealth of Dominica.



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Four Road, Wesley
Commonwealth of Dominica

Wood Ford Hill Branch
La Rue, Woodford Hill
Commonwealth of Dominica

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www.marigotcreditunion.com

Stronger Together, Focused on the Future