



**DENNERLY COMMUNITY
CREDIT COOPERATIVE
SOCIETY LTD.
ANNUAL REPORT 2025**



**31ST
ANNUAL
GENERAL MEETING**
"Resilience amidst challenges"

Sunday, 28th June, 2026 | 2:30 pm

Bethel's Blessings Conference Centre

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VISION

Our vision is to be the lifetime financial partner for our community empowering our members to achieve success.

MISSION

To educate members of our community about the principles and benefits of co-operativism so as to attract membership from a wide cross section of our community in an effort to harness our collective resources to promote the educational, social and economic development of members and the wider community.

PRAYER OF SAINT FRANCIS OF ASSISI

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 it is in giving that we receive

It is in pardoning that we are
pardoned

And it is in dying that we are born
to eternal life.

CO-OPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among co-operatives
7. Concern for Community

CO-OPERATIVE VALUES

1. Self-help
2. Self-responsibility
3. Democracy
4. Equality
5. Equity
6. Solidarity

STANDING ORDERS

1. A member shall stand and state his or her name when addressing the Chairman.
2. Speeches shall be clear and relevant to the subject before the meeting.
3. A member shall only address the meeting when called upon by the Chairman to do so, after which he or she shall immediately take his or her seat.
4. No member shall address the meeting except through the Chairman.
5. A member shall not speak twice on a subject except:
 - (a) The mover of a motion who has the right to reply.
 - (b) The member rises to object or to explain any matter with the permission of the Chairman.
6. No speeches shall be made after the “Question” has been put to the meeting.
7. The mover of a “Procedural Motion” (that is a motion for adjournment laid to the table or a motion to postpone) shall have no right to reply.
8. A member rising on a “Point of Order” shall state the point clearly and concisely (a “Point of Order” shall have relevance to the standing orders).
9. A member shall not call another member to order but may draw the attention of the Chairman to a ‘breach of order’.
10. On no account can a member call the Chairman to order.
11. When a motion is withdrawn, an amendment of it fails.
12. The Chairman shall have the right to a “casting vote”.
13. If there is an equality of voting on an amendment, it is lost.
14. Provision shall be made for protection by the Chairman for vilification among members.
15. No member shall impute improper motive against another.

CORPORATE DATA

BOARD OF DIRECTORS



Daniella Martelly
President



Janelle V. Gustave-Lord
Vice – President



Asmara James
Secretary



Ramel Polius
Treasurer



Rowlince Howell
Assistant Secretary



Priscilla Williams
Assistant Treasurer

CREDIT COMMITTEE



Rosaly Collymore
Chairperson



Gabriel Fenelon
Secretary



Nella Pascal

CREDIT COMMITTEE (CONTINUED)



Abigail Jones



Deswyn J. Ishmael

SUPERVISORY COMMITTEE



Deborah Charlery
Chairperson



Hilanda Leon
Secretary



Vernetta Auguste-James

EDUCATION COMMITTEE



Janelle V. Gustave-Lord
Chairperson



Jacqueline Charlemagne

EDUCATION COMMITTEE (CONTINUED)



Epiphana James



Antoninus Thomas



Shirley Bisette

SOCIAL COMMITTEE



Zenith Edward



Martha Estaphane-Vincent



Rosaly Collymore



Jasmin Monerville



Janta Bastien



Mickey Bernard

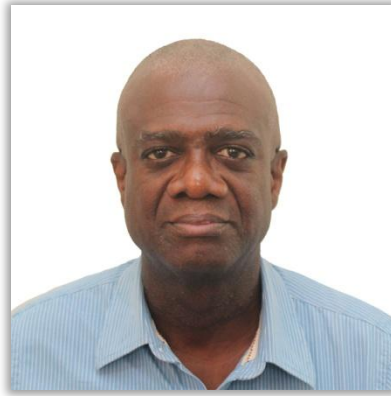


Gabriel Fenelon

MANAGEMENT & STAFF



Sabina Stanio
General Manager



Alvin Blaize
Compliance & Risk Officer



Elaine Desir
Loans Officer



Jercel Gedeon
Administrative Clerk



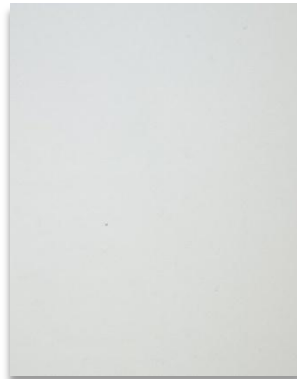
Janta Bastien
Head Teller



Mackeeva Edan
Assistant Loans Officer



Kavon James
Teller/ Clerk (former)



Adriano Paul
Teller (former)

BUILDING COMMITTEE

Daniella Martelly, Ramel Polius, Perry Lendor, Thomas Flavien, Sabina Stanio and Thora Dundas

Auditor

PKF St. Lucia

Attorney-at-Law

George Charlemagne

Regulators

Financial Services Regulatory Authority

Financial Intelligence Authority

Affiliation

St. Lucia Co-operative Credit Union League Ltd.

Bankers

Bank of Saint Lucia

1st National Bank

Office

Victoria Street

Dennery

Saint Lucia

Tel: (758) 453-4189, 485-4200

Email: info@dennerycreditunion.com

NOTICE OF 31st ANNUAL GENERAL MEETING

Notice is hereby given of the 31st Annual General Meeting of the Dennergy Community Credit Co-operative Society Limited to be held on Sunday 28th June 2026 commencing at 2:30 pm. The meeting will be held both virtually and in person at Bethel Blessings Conference Centre located at Bypass, Dennergy.

AGENDA

1. Ascertaining a Quorum
2. Call to Order
3. National Anthem
4. Invocation/Prayers
5. Welcome remarks
6. Apologies for Absence
7. Presentation by Financial Services Regulatory Authority
8. Greetings from Fraternal Organizations
9. Minutes of the 30th Annual general Meeting
 - a. Reading of minutes
 - b. Errors and Omissions
 - c. Confirmation of minutes
 - d. Matters Arising
10. Consideration and adoption of the 2025 Reports
 - a. Board of Directors
 - b. Treasurer
 - c. Auditor and Financial Statements
 - d. Credit Committee
 - e. Supervisory Committee
11. Sanction the payment of Dividends and policy to maintain the equity shares to total assets benchmark ratio
12. Resolution: Building Reserve Account
13. Appointment of Auditor
14. Election of Officers
15. Any other Business
16. Adjournment

By Order of the Board

Asmara James

Secretary

Board and Committees Meetings Attendance

For the year ended 31st December 2025

1. Board of Directors

Name	Board Scheduled	Board Attended	Sub-Committees
Daniella Martelly	12	12	14
Janella V. Gustave-Lord	12	12	7
Marlyn Prince	10	8	2
Ramel Polius	12	7	7
Asmara James	12	10	4
Rowlince Howell	2	2	-
Zenith Edward	12	9	2
Priscilla Williams	12	12	-

2. Credit Committee

Names	Scheduled	Attended	Sub-committees
Jasmin Monerville	23	22	2
Rosaly Collymore	28	22	2
Deswyn J. Ishmael	5	2	-
Gabriel Fenelon	28	28	2
Nelia Pascal	28	24	-
Abigail Jones	5	3	-

3. Supervisory Committee

Names	Scheduled	Attended	Sub-committees
Deborah Charlery	7	7	-
Vernette Auguste-James	2	2	-
Hilanda Leon	7	7	-
Perry Lendor	5	3	7

Board of Directors Report

Overview

For the 2025 financial year, the Dennergy Community Credit Co-operative Society Limited registered significant growth in total assets and an increase in net surplus when compared to 2024. This is undoubtedly an indication of the Credit Union's resilience amidst challenges imposed by internal and external factors.

During the year in review the Board focused on the construction of the new office building, the provision of online member services, creation of a compliance & risk department and the revision of policies to guide the operations ensuring that the Credit Union remains resilient to withstand the challenges brought about by the changing regulatory environment.

Organizational Repositioning

To ensure that the Credit Union remains relevant to meet the demands of the changing regulatory environment, the position of compliance and risk officer was created and approved by the relevant authority. Risk reduction and mitigation as well as compliance with laws, regulations and standards are critical to the survival of our Credit Union. As such, in July 2025 the Board hired a Compliance & Risk Officer who reports directly to the Board.

The Credit Reporting Act No. 13 of 2023 provides the legal framework for credit information sharing among financial institutions. As a credit information provider we are mandated to provide accurate and timely information to a credit bureau. Therefore in 2025, we commenced the process for ensuring that the Credit Union complies with these regulatory standards.

The Credit Union recognizes the importance of access to online member services in its drive to offer efficient and effective services to its members. In this regard, the online banking platform was installed and testing commenced in 2025. However, this project was delayed as a result of modifications requested to our core accounting system to facilitate automatic pledging of shares to secure loans thereby protecting the assets of the Credit Union. Online services are expected to become available in 2026.

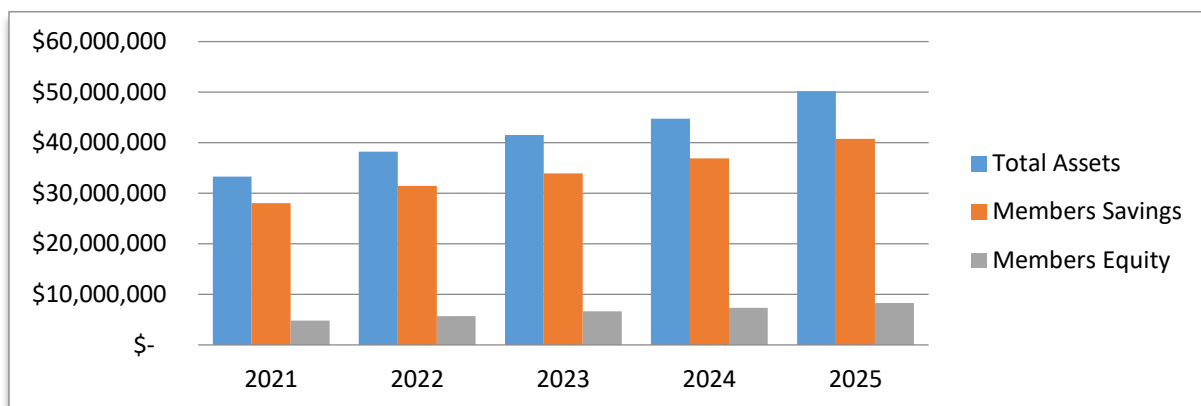
A full revision of the Loan Policy (Revision No. 1) which commenced in 2023 was approved by the Board in September 2025. The revised policy document provides general direction and guidelines for loans to members to ensure that members' savings are adequately protected, the Credit Union's investment in member loans is of a high quality, loans granted redound to growth and development of members and the Credit Union complies with the provisions contained in the Co-operative Societies Act and Regulations.

Financial Performance

The Credit Union has experienced steady growth in total assets over the past five years. The year in review saw the largest absolute growth (\$5.5 million) in total assets ever experienced by the Credit Union. This growth is largely attributed to the increase in members' withdrawable shares and deposits which accounted for 70 percent of the growth in total assets. Additionally, net surplus accounted for 16 percent of the increase in total assets.

The graph below illustrates a steady growth in total assets, members' savings and members' equity over the last five years 2021 to 2025. The equity ratio (members' equity to total assets) increased from 14 percent in 2021 to 17 percent in 2025 indicating that more assets are financed by members' equity suggesting greater financial stability.

Chart 1: Total Assets, Members Savings & Members Equity 2021 - 2025



An analysis of the performance using the PEARLS ratios revealed the following as shown in the table below.

Resilience amidst challenges

PEARLS	Performance Indicators	Industry Standards	Financial Year 2025	Financial Year 2024
Protection	Loan Loss Allowance to Delinquent Loans < 12 months	≥ 35%	33.30% or 2 in PEARLS rating	51.93% or 1 in PEARLS rating
Effective Financial Structure	Savings Deposits to Total Assets	80%	81.16% or 1 in PEARLS rating	82.52% or 1 in PEARLS
Asset Quality	Total Delinquency to Gross Loan Portfolio	Max 5%	13.16% or 5 in PEARLS rating	11.67% or 5 in PEARLS rating
	Non-earning Assets to Total Assets	Max 5%	3.43% or 1 in PEARLS rating	2.76% or 1 in PEARLS rating
Rates of Return	Operating Expenses to Total Assets	5%	2.15% or 1 in PEARLS rating	3.85% or 1 in PEARLS rating
	Net Income to Average Total Assets	2%	1.76% or 2 in PEARLS rating	1.57% or 2 in PEARLS rating
Liquidity	Liquid Assets less Short-Term Payables to Deposits	Min 15%	46.18% or 1 in PEARLS rating	44.49% or 1 in PEARLS rating
Signs of Growth	Growth in Total Assets	Min 10%	12.30% or 1 in PEARLS rating	7.63% or 3 in PEARLS rating

Further analysis of the performance of our Credit Union for the year in review revealed the following:

- Share Capital (Membership shares) to total assets stood at 4.96 percent (2024 - 5.1 percent) slightly below the 5 percent benchmark. In our projections for the 2025 financial year, we had anticipated an annual growth of \$3 million in total assets. However, the growth far exceeded our

projections at \$5.5 million causing a marginal shortfall of \$22,465 in share capital.

- Institutional capital comprising non-distributable reserves (building reserves is included) and retained earnings stood at 11.2 percent (2024 - 10.9 percent) the benchmark being 10 percent. This ratio is computed under the Co-operative Societies Act Chapter 23.06 as explained below.
- Capital Base Ratio: Share capital plus reserves plus retained earnings to total assets stood at 16.1 percent (2024 - 15.6 percent), the minimum required being 15 percent. This ratio is also computed under the old Act as mentioned above.

It must be noted that the registrar has always omitted the building reserve in the computation of the institutional capital and capital base ratios. The Co-operative Societies Act Chapter 12.06 speaks to reserves. However, the new Co-operative Societies Act No. 16 of 2024 includes only non-distributable general reserves as in the definition of institutional capital and capital base ratios. The application of the new Act yields lower ratios than what is computed above because the building reserve which is a specific reserve is not included in the definition of institutional capital and capital base. The building reserve was created many years ago when the thought of the Credit Union owning its office building was conceptualized. Maintaining a building reserve is irrelevant as the building is mainly backed by retained earnings. To ensure that the Credit Union complies with regulatory provisions and aligns its institutional capital and capital base ratios to avoid operational setbacks, a resolution relating to the building reserve will be tabled at this 31st Annual General Meeting.

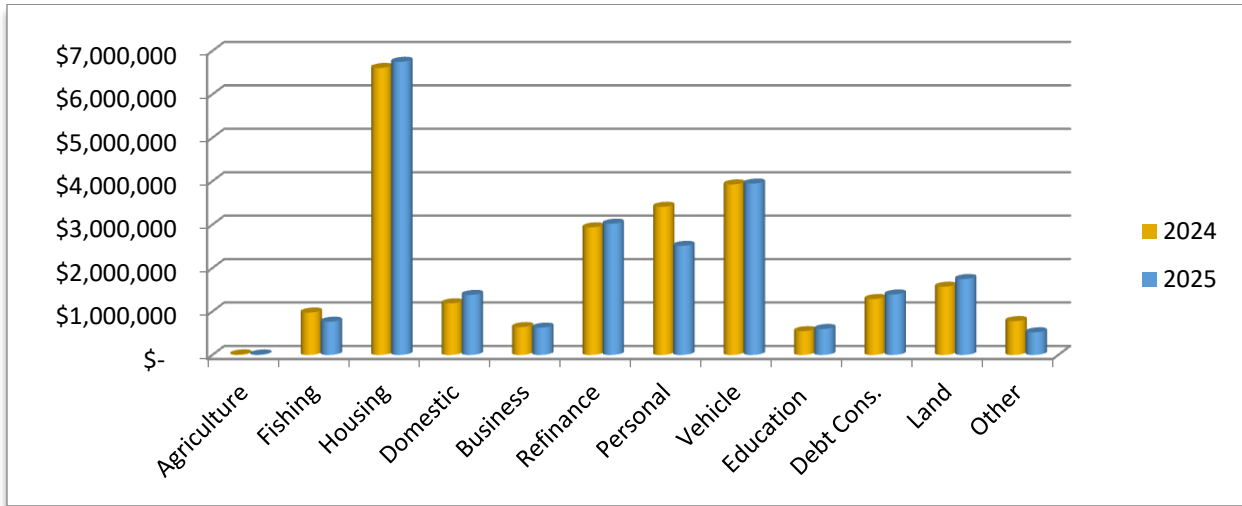
Loans

(a) Portfolio

Total loans dropped from \$24 million in 2024 to \$23.3 million at the end of 2025 representing a decline of 2.6 percent. Mortgage loans increased by \$0.6 million or 5.5 percent whilst non mortgage loans registered a drop of \$1.2 million or 8.7 percent.

The graph below shows the composition of the loan portfolio for 2025 against 2024. It shows increases in Housing loans (2%), Domestic (16%), Refinance (3%), Vehicle (1%), Education (9%), Debt Consolidation (8%), and Land (11%). Declines were recorded in Agriculture (14%), Fishing (22%), Business (2%), Personal (26%) and other loans (33%).

Chart 2: Loans by Purpose 2025 compared to 2024



At the end of the year in review, the loan portfolio by purpose shown by the pie chart below revealed that Housing loans represented the largest proportion of the portfolio at 29 percent (28% for 2024), followed by Vehicle at 17 percent (17% for 2024), Refinance at 13 percent (12% for 2024), Personal at 11 percent (14% for 2024) and Land at 7 percent (7% for 2024). Debt Consolidation and Domestic both accounted for 6% (5% for 2024) of the loan portfolio. Education, Business and Fishing loans each accounted for 3 percent (2%, 3% and 4% respectively for 2024) of the loan portfolio.

Chart 3: Loan Portfolio by Purpose (Percentage of Total)

Figure 1: 2025

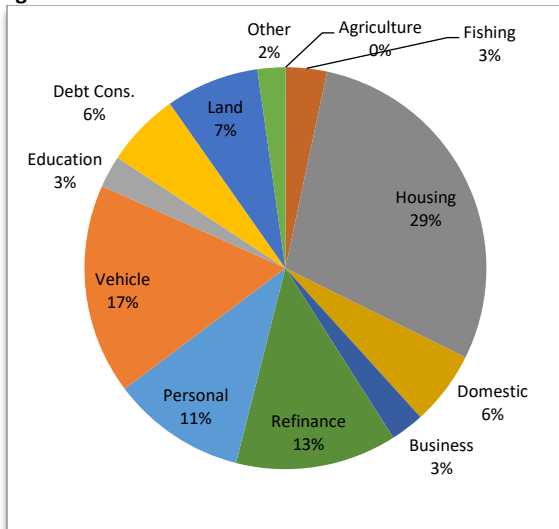
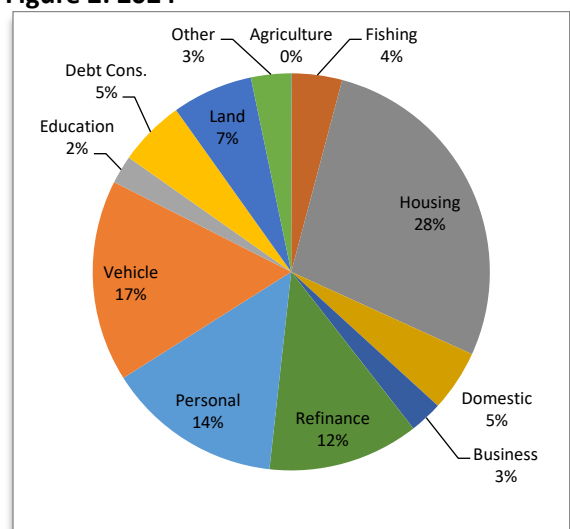


Figure 2: 2024



(b) Delinquency

At the end of 2025, Delinquent Loans to Total loans stood at 13.2 percent (11.7 percent for 2024). Although collection procedures implemented during 2025 resulted in a significant reduction in loans over one year in arrears, loans three to nine months in arrears consumed the gains made resulting in an increase in total delinquent loans for the period in review. Further analysis is presented in the Credit Committee Report.

Membership

At the end of 2025, membership stood at 3,837 registering growth of 2.3 percent (87 members). The table below shows membership data for 2025 and 2024. A review of the figures shows that 127 members were enrolled in 2025, the same as last year. In addition, there were 30 closed accounts in 2025 compared to only 6 in 2024. Individuals who joined as minors but were enrolled as members in 2025 and 2024 are included in the existing account holder category.

Balance December 31, 2024	New Members	Existing Account Holders	Closed Accounts	Deceased Members	Balance December 31, 2025
3,644	57	70	6	15	3,750
3,750	71	56	30	10	3,837

New Office Building

In 2020, the members at an annual general meeting granted their approval to construct a new office building on High Street in Dennery. Over the past years, this project faced several setbacks which delayed its implementation. In July 2025, the Board of Directors awarded a contract to St. Juste Construction Inc. to construct the building. The project, which is expected to be completed by the end of July 2026, is financed from internal resources.

The general meeting also agreed that the building cost must be maintained at an amount that would not cause the non-earning assets to total assets ratio in the PEARLS rating to exceed a rating of 3. At the end of 2025 the rating stood at 1 (3.43%).

Education, Training and Information

The activities undertaken by the Education Committee for the year 2025 are presented in the Education Committee Report. In addition, seminars and workshops attended were as follows:

- AML/CFT/CPT training for all staff, Board and Committee members..
- Two employees attended customer service training.
- One staff was trained in the payroll module in Emortelle.
- Six persons namely Ramel Polius, Perry Lendor, Sabina Stanio, Antoninus Thomas, and Jasmin Monerville represented the Credit Union at the OECS Credit Union Summit held in St. Kitts in September 2025.

Social Responsibility

During the period in review, the Credit Union continued to support activities under Co-operative Principle no. 7 'Concern for Community' as follows:

- \$5,000 was donated to the Dennery Football League
- \$3,000 was donated to the Dennery South Constituency Council for Dennery Carnival.
- A total of \$11,950 was donated to various schools and community activities.
- \$6,000 was spent on the annual 'Bringing Smiles' programme.

Bereavement

At the end of 2025, a vacancy was created on the Board of Directors from the death of Zenith Edward who at that time held the position of Assistant Secretary and Chairperson of the Social Committee. Our condolences were extended to her family on her passing.



Future Outlook

The Credit Union has remained resilient amidst challenges posed by the changing regulatory environment and competitive financial landscape. To continue along this path ensuring the financial stability of the Credit Union, it is imperative that the Board continues to implement strategies geared towards the

future growth and survival of the Credit Union. In this regard, the Board will focus on the following during the ensuing year:

- The commissioning of the new office building with access to renewable energy.
- Reorganization of the administration and accounting departments to meet changing operational demands.
- The effective use of information technology in the delivery of services to members.
- Repositioning of the Credit Union to align with changing market conditions.
- Offering new products geared towards the educational, social and economic development of members.
- Implementing strategies to generate additional income to absorb increased operational costs.

We are indeed proud that our community credit union has grown to a point where it will operate from its own building. This move however comes with increased operational costs as we do not only have to maintain the building but the office must also be adequately staffed to meet operational and regulatory demands. As such, the collective efforts of members are required in the drive to remain resilient and relevant within the financial landscape.

Acknowledgements

The Board expresses its heartfelt thanks to committee members, management and staff for their service to the Credit Union. We convey our gratitude to Director Ramel Polius and Director Asmara James who have reached the end of their 2nd term and are not eligible for re-election. We express our appreciation to members who have continued to support us. Fellow members, we urge you to continue working together with us to ensure the futures survival of our community credit union as we embrace the challenges ahead,

For and on behalf of the Board of Directors

Daniella Martelly

President

EDUCATION COMMITTEE REPORT

During the period under review, the Committee hosted the annual Scholarship disbursement ceremony during which two new students were added to the number of recipients.



Trishel Philgence received the Cecilia Daniel Socio-Economic Award, while Jelani Isidore received the Hayden Williams Academic award.

A one-time bursary was also awarded to Jayquan Philgence. The family of Hayden Williams, founding member of DECOS, continued their partnership by contributing \$500 bursaries to the two top performing students. Jelani Isidore and Desline Vidal received these bursaries.

Forty grocery hampers were distributed to individuals in need across Dennerly Village and La Caye as part of the Society's commitment to supporting the community.



For and on behalf of Education Committee
Janelle V. Gustave-Lord, Chairperson

TREASURER'S REPORT

Fellow members, our Credit Union experience significant growth in total assets during the 2025 financial year. An analysis of the financial position and performance of our Credit Union for the year in review is presented below.

Statement of Financial Position

The table below shows a summary of the financial position of the Credit Union over the last five years, 2021 to 2025. It shows a steady growth in total assets, total liabilities and members' equity. The increase in liabilities is due to the increase in members' savings while the increase in members' equity is attributed to the increase in share capital and the net surplus realized for the year.

Category	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$
Total assets	33,282,299	38,215,643	41,524,016	44,690,931	50,188,644
Total Liabilities	28,481,523	32,546,250	34,917,607	37,359,267	41,907,054
Total members equity	4,800,776	5,669,393	6,606,409	7,331,664	8,281,590

Total assets

The Credit Union continued to realize significant growth in total assets and on average has registered growth of \$3.9 million annually over the last five years. Over the past five years, total assets have increased by 50.8 percent moving from \$33,282,299 in 2021 to \$50,188,644 in 2025. During the year in review, total assets increased by \$5,497,713 (12.3%) from \$44,690,931 in 2024 to \$50,188,644. This growth is mainly attributed to the increase in cash and cash equivalents, financial assets and deferred building costs. However, we recorded a slight reduction in loans to members.

Cash and cash equivalents

We saw an increase in cash and cash equivalents of \$3,464,441 (33.5%) moving from \$10,341,795 in 2024 to \$13,806,236 in 2025. This increase is attributed to the increase in members' savings (withdrawable shares and deposits).

Financial Assets

Financial assets moved from \$10,440,280 in 2024 to \$11,950,405 in 2025 registering an increase of \$1,510,125 (14.5%). This increase is primarily due to the increase treasury bills and treasury notes purchased during 2025.

Deferred Building Costs

During the year in review deferred building costs increased by \$866,468 due to the construction of our new office building which commenced in August 2025.

Loans to members

Total loans declined by \$624,730 when compared to 2024. This decline is attributed to the drop in personal and other loans of \$1,190,415 and an increase in mortgage loans of \$565,685.

Total liabilities

Total liabilities increased by \$4,547,787 (12.2%) moving from \$37,359,267 in 2024 to \$41,907,054 in 2025. This increase is primarily due to the increase in members' withdrawable shares and deposits (members' savings).

Members' withdrawable shares and deposits.

Members' withdrawal shares and deposits grew by \$3,852,870 (10.4%) from \$36,880,667 in 2024 to \$40,733,537. Members' withdrawal shares moved from \$23,182,956 at the end of 2024 to \$24,455,076 by the end of 2025 representing an increase of \$1,272,120 (5.5%). Members' deposits also registered an increase of \$2,580,750 (18.8%) moving from \$13,697,711 at the end of 2024 to \$16,278,461 by the end of 2025.

Total members' equity

Total members' equity or Members' surplus increased by \$949,926 (13%) moving from \$7,331,664 at the end of 2024 to \$8,281,590 by the end of 2025. The table below compares the figures for 2025 against 2024 per category of members' equity (Members' surplus).

Resilience amidst challenges

Category	2024 \$	2025 \$	Change \$	Change %
Share capital	2,275,272	2,486,967	211,695	9.3
Reserves	2,374,830	2,727,723	352,893	14.9
Member funds	163,842	183,671	19,829	12.1
Retained earnings	2,517,720	2,883,229	365,509	14.5

Share Capital

Members' permanent shares recorded an increase of 9.3% moving from \$2,275,272 in 2024 to \$2,486,967 in 2025. Share capital to total assets fell slightly below the benchmark at 4.96% at the end of 2025 as explained in the Board of Directors Report (the regulatory standard is 5%).

Reserves

At the end of 2025, reserves increased by \$352,893 or 14.9% when compared to 2024.

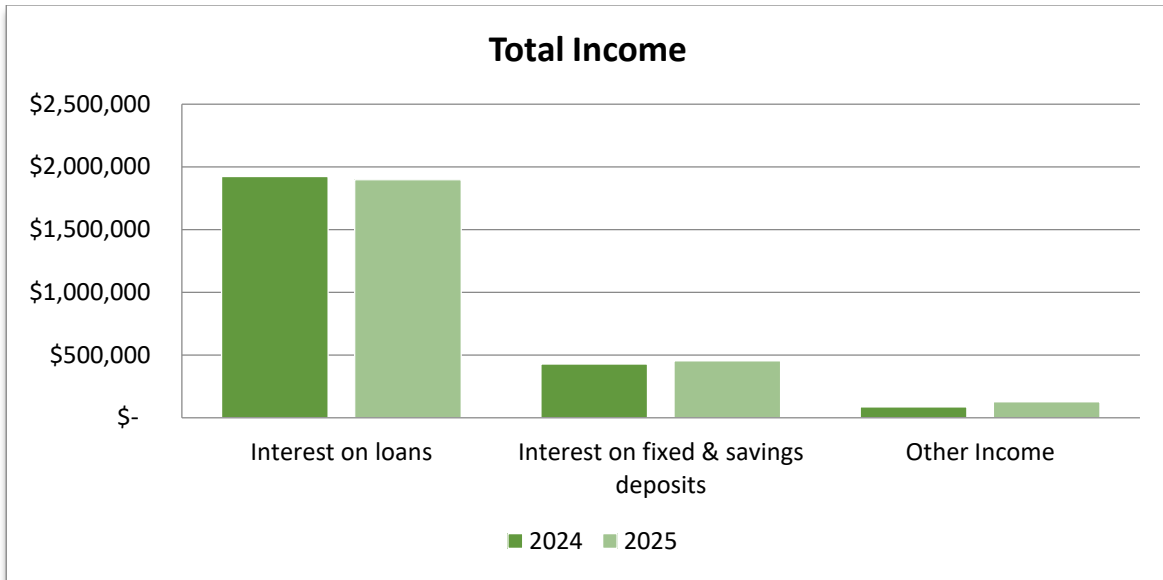
Retained Earnings

Retained earnings stood at \$2,883,229 at the end of 2025 representing an increase of \$365,509 or 14.5% when compared to 2024. In 2025, dividends approved by members for 2024 were paid amounting to \$75,268.

Statement of Comprehensive Income

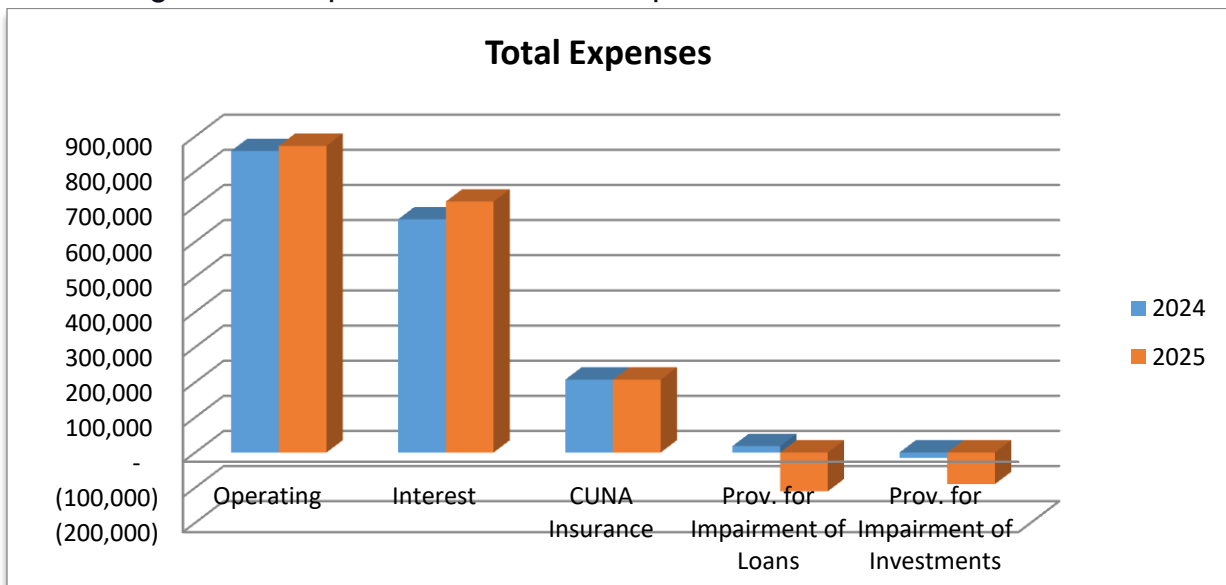
Total Income

Total income comprising interest on members' loans, interest on fixed and savings deposits and other income stood at \$2,476,102 representing a slight increase of \$40,678 (1.7%) over the 2024 figure of \$2,435,424. In 2025, we experienced a slight drop in loan interest of \$26,125. However, interest on fixed and savings deposits increased by \$25,687 as well as other income by \$41,116. The chart below shows the categories of total income for 2025 compared to 2024.



Total expenses

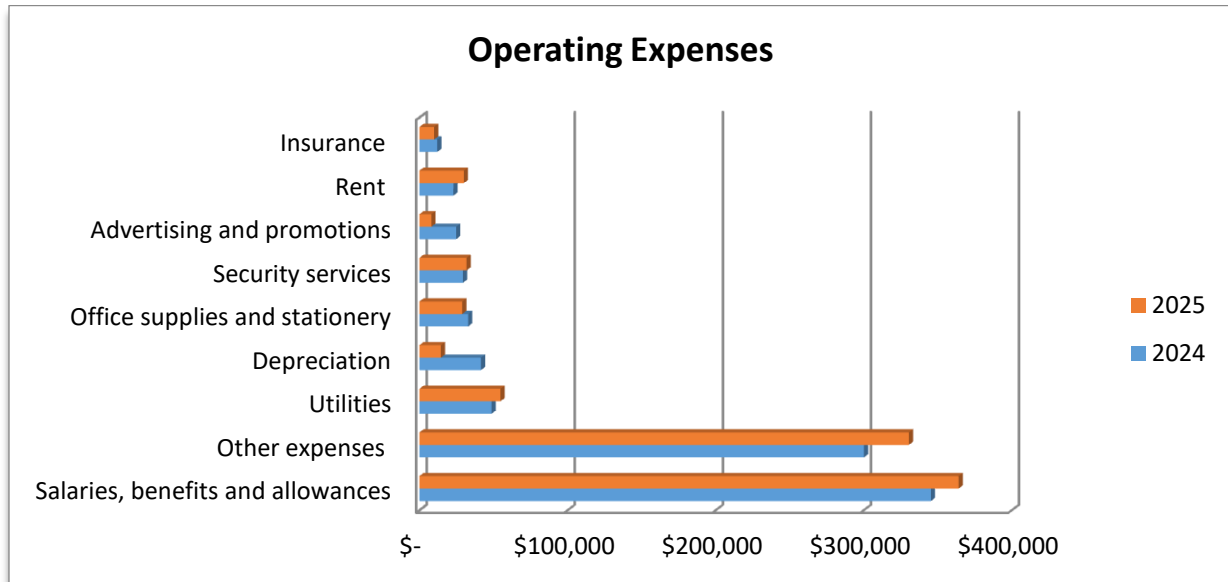
Total expenses for 2025 registered a decline of \$138,343 (8%) when compared to 2024 moving from \$1,732,889 in 2024 to \$1,594,546. This decline is attributed to recoveries recorded for provision for impairment of loans (\$110,378) and provision for impairment of investments (\$90,000). The chart below shows the main categories of expenses for 2025 compared to 2024.



Operating expenses

Total operating expenses for 2025 stood at \$872,996 registering a slight increase of \$14,613 or 1.7 percent when compared to the 2024 figure of \$858,383. The

comparative performance of the main categories of operating expenses for 2025 and 2024 are shown in the chart below.



The two main contributors namely other expenses and salaries, wages and allowances in aggregate accounted for 79.6 percent of total operating expenses compared to 75.2 percent for 2024. In 2025, salaries, wages and allowances increased by 5.4 percent over 2024 and accounted for 41.7 percent of operating expenses compared to 40.2 percent in 2024. Other expenses registered a 10.1 percent increase in 2025 and accounted for 37.9 percent of total operating expenses for 2025 compared to 35 percent for 2024.

Interest expense

Interest expense for 2025 stood at \$714,466 representing an increase of \$50,515 or 7.6 percent over the 2024 figure of \$663,951. During 2025, the Society paid 2 percent interest on members’ withdrawable shares and 1.5 percent on members’ deposits amounting to \$468,065 and \$214,642 respectively.

Provision for Impairment of Loans

For the year in review, the Society registered a recovery for impaired loans of \$110,378. This recovery was attributed to an improvement in delinquent loans that were more than one year in arrears. However, we saw an increase in loans less than one year in arrears particularly for those three to nine months in arrears. Late payments also contributed to the increase in delinquent loans.

Net Surplus

Net Surplus for 2025 stood at \$881,556 registering an increase of \$179,021 when compared to 2024. This was largely due to the provision for impairment of loans and provision for impairment of investments both recording recoveries for 2025.

Conclusion

The year in review saw strong and stable performance of the Credit Union registering a significant increase in total assets as well as net surplus. Although recording a recovery for impairment of loans stemming from an improvement in delinquent loans over one year in arrears, the Credit Union continued to face challenges with late payments causing total delinquent loans to increase above the 2024 figure. The stable performance is truly a testament of the Credit Union's ability to remain resilience amidst challenges imposed by internal and external factors. The Board and Management are indeed committed to fostering efficient and effective operational standards that will ensure the survival of the Credit Union into the foreseeable future.

Ramel Polius
Treasurer

Credit Committee Report

At the 30th Annual General Meeting, the Credit Committee welcomed Mrs. Deswyn Ishmael and Miss Abigail Jones to the team. The Committee plays a pivotal role in overseeing the lending practices as well as protecting the Credit Union's assets. In discharging its responsibilities, the Credit Committee is guided by the loan policy approved by the Board of Directors. The Committee has scheduled fortnightly meetings but was required to meet more frequently to consider and approve loan applications. As such, twenty eight meetings were held in 2025.

The team's responsibilities include reviewing loan applications to ensure that they are in conformity with the loan policy. The evaluation process entails the following:

- Ensuring that the debt service ratio is within the stipulated guidelines.
- Ensuring that the collateral offered is sufficient and up to date.
- Assessing the member's ability to repay.
- Interviewing members if necessary.
- Ensuring that the loans granted are for productive and provident purposes.

Additionally, a critical aspect of the loan evaluation process is delinquency mitigation to preserve the quality of the Society's assets.

For the year 2025, the Credit Union received 792 (seven hundred and ninety two) loan applications amounting to \$7,351,216. Of these loan applications, one was denied in the amount of \$5,500 and 791 applications amounting to \$7,345,716 were approved.

Of the total loans granted in 2025, 59 loans (102 loans in 2024) amounting to \$174,764 (\$288,532 for 2024) were Reach Loans (Christmas promotion) and 20 loans (35 loans for 2024) totaling \$38,100 (\$71,800 for 2024) were Back-to-School loans. In 2025, we registered declines in both the Christmas and Back-to-School loans. Overall, Education loans registered a decline of \$45,393 or 18.6 percent when compared to 2024.

A summary of loan applications approved for the year 2025 is presented in the table below.

SUMMARY OF LOANS GRANTED FOR 2025

LOAN CATEGORY	NUMBER OF LOANS	AMOUNT GRANTED
HOUSE	112	\$ 1,714,289
BUSINESS	4	\$ 119,478
EDUCATION	57	\$ 199,232
PERSONAL	377	\$ 1,410,379
TRAVEL	24	\$ 104,650
LAND	7	\$ 756,317
INSURANCE	5	\$ 11,622
VEHICLE/REPAIRS	62	\$ 1,305,043
DEBT CONSOLIDATION	23	\$ 225,313
DOMESTIC	77	\$ 290,307
LEGAL	1	\$ 2,200
CONTRACT	36	\$ 981,843
INVESTMENT	1	\$ 9,000
FISHING	5	\$ 216,043
TOTAL	791	\$ 7,345,716

The security obtained for the loans granted were as follows:

- Members callable shares
- Instrument of charge for Housing loans
- Bills of sale for loans to purchase vehicles and equipment.
- Mortgages
- Co-makers

In addition, loan protection insurance, advanced loan protection insurance and home owners insurance are in place to mitigate risks arising from death and fire and perils respectively.

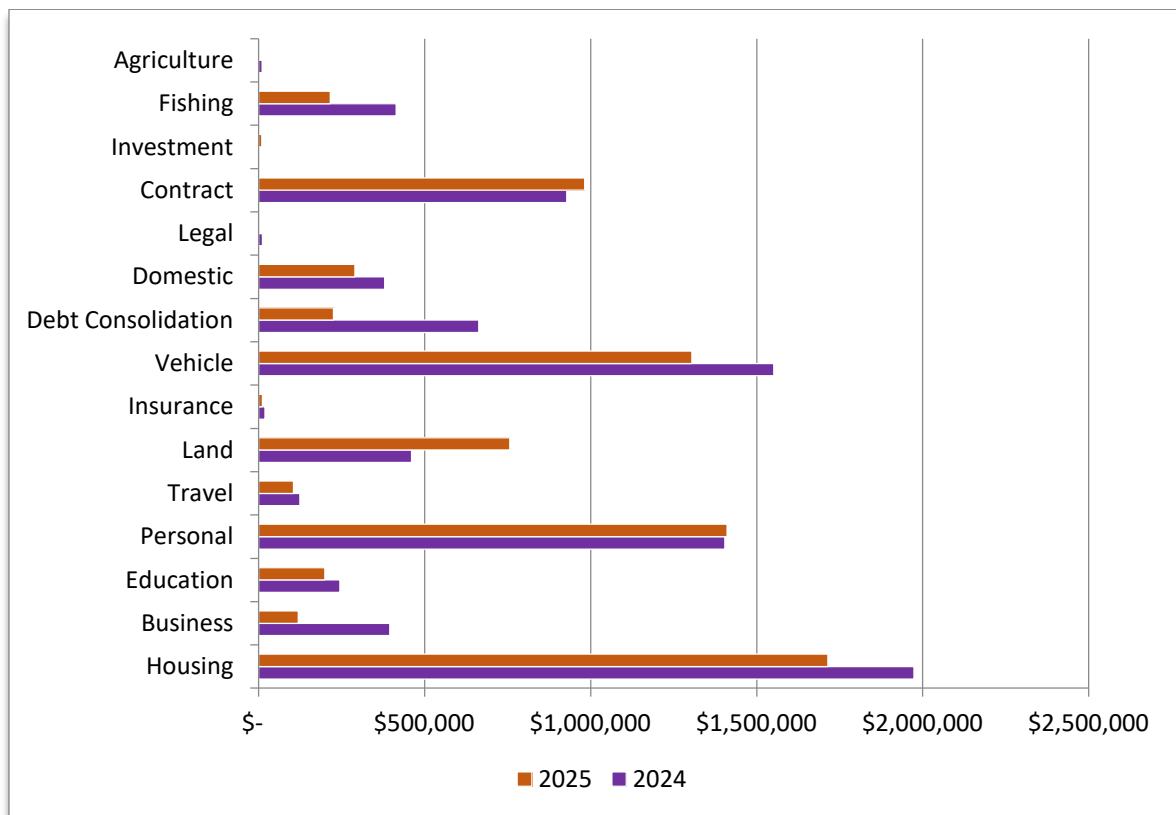
For the year in review, the maximum amount of a loan granted was \$400,000 and the minimum was \$175.

Resilience amidst challenges

For 2025, the Credit Union registered a decline in loans granted of 14.4 percent (\$1,234,293) when compared to 2024. As shown by the graph below, the largest decline was registered in Debt Consolidation loans (\$437,791) followed by Business (\$275,522), Housing (\$259,498), Vehicle (\$246,517) and then Fishing (\$198,414). An increase of \$295,458 or 64.1 percent was recorded for Land loans.

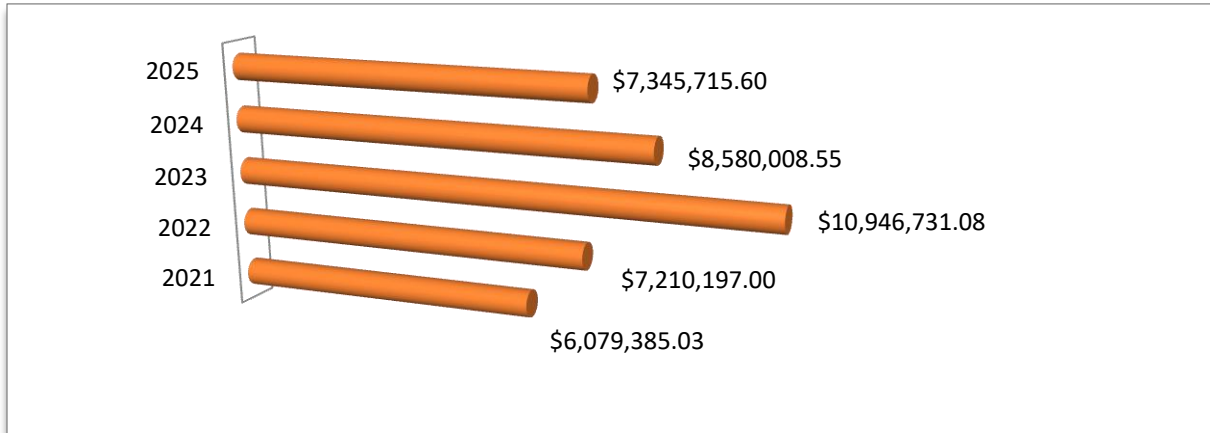
The graph below shows the comparative performance for 2025 against 2024.

Chart 1: Loans Granted by Purpose 2025 compared to 2024



The graph below shows loans granted over the last five years, 2021 to 2025. Total loans granted over the last five years amounted to \$40.2 million resulting in an average of \$8 million annually. We registered an increase in mortgage loans as shown by the increase in Land loans in Chart1 above.

Chart 2: Loans Granted 2021 to 2025



Delinquent Loans

Total delinquent loans for 2025 stood at \$3,072,418 (2024 - \$2,785,914) representing an increase of \$286,504. This increase is mainly attributed to the increase in delinquent loans that were three (3) to six (6) months in arrears (\$253,477) and six (6) to nine (9) months in arrears (\$266,931). Loans over one (1) year in arrears declined by \$119,135 below the 2024 figure. Loans over one year in arrears accounted for 37 percent of delinquent loans in 2025 compared to 45 percent in 2024. Loans thirty one (31) days in arrears (late payments) declined by \$207,907 while loans one (1) to three (3) months in arrears recorded an increase of \$236,634. The categories of delinquent loans are reported as follows:

	<u>2024</u>	<u>2025</u>
• 31 days in arrears	- \$783,946	\$576,039
• 1 to 3 months in arrears	- \$234,149	\$470,783
• 3 to 6 months in arrears	- \$317,517	\$570,994
• 6 to 9 months in arrears	- \$15,349	\$282,280
• 9 months to 1 year in arrears	- \$182,552	\$39,056
• Over 1 year in arrears	- \$1,252,401	\$1,133,266

The collateral securing these loans amounted to \$2,284,838 (2024 - \$1,822,251) resulting in net liabilities of \$787,580 (2024 - \$963,663).

For and on behalf of the Credit Committee

Rosalyn Collymore

Chairperson

Supervisory Committee Report

During the 30th Annual General Meeting of Denney Community Credit Co-operative Society Limited (DECOS), the membership of the Supervisory Committee underwent changes in accordance with the Society's Bye-Laws. Mr. Perry Lendor exited the Committee, while Mrs. Vernetta James was elected by the membership.

The newly Supervisory Committee convened post-AGM and elected officers to serve in the following capacities:

- Mrs. Deborah Charlery – Chairperson
- Ms. Hilanda Leon – Secretary
- Mrs. Vernetta James – Member

Work Plan

The Supervisory Committee's role includes oversight of the Credit Union's operations, internal controls, and compliance with regulatory frameworks. The 2025 work plan was designed to fulfill the committee's obligations and to promote sound governance, financial integrity, and member protection.

Key focus areas included:

- **Review of Governance Policies;**
- **Delinquency and Loan Portfolio Monitoring;**
- **Cash Flow and Financial Oversight;**
- **Review of Bye-Laws and policy framework.**

In accordance with the supervisory role defined under the Co-operative Societies Act, the Committee conducted systematic reviews of Board minutes and decisions throughout the reporting period. All queries and concerns arising from these reviews, as well as findings from internal controls, were communicated to the Board to facilitate resolution and enhance organizational transparency.

The Committee maintained rigorous oversight over the Credit Union's financial operations. Throughout the reporting period monitoring of cashflow, cheque disbursement slips, withdrawal slips, and end-of-day summaries revealed no discrepancies, demonstrating effective internal controls and compliance with statutory financial management requirements. Reviews ensured that all account

activities and loan documentation complied with the Society's policies and regulatory standards, mitigating risk and protecting member interests. Account verifications were conducted via sampling method as per the work plan to verify the integrity of records kept. All reviewed accounts were found to be in order.

The Supervisory Committee remains steadfast in its commitment to uphold the highest standards of governance, compliance, and service excellence as mandated by the Co-operative Societies Act and related regulations. Members are encouraged to engage openly with the Committee by raising questions, grievances, observations, or recommendations. Such collaboration is vital to the continuous improvement and efficiency of DECOS.

Conclusion

We extend our sincere gratitude to staff, management, and members for their ongoing support and cooperation, which have been instrumental in the Committee's work. Special thanks are extended to Mrs Charlery for her service during her term. As members of the Supervisory Committee, we are honored by the trust placed in us and look forward to continuing to serve the best interests of the Dennery Community Credit Co-operative Society Limited.

For and on behalf of the Supervisory Committee

Deborah Charlery

Chairperson

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of the Dennery Community Credit Co-operative Society Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Dennery Community Credit Co-operative Society Limited**, (the "Society") which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in members' surplus, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Other Information

Other information comprises the information included in the annual report but does not include the financial statements and auditor's report thereon. The Annual Report is expected to be made available to us after the date of the auditor's report.

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

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

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



INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Members of the Dennery Community Credit Co-operative Society Limited

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

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters 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.

The Board of Directors is responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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




INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Members of the Dennery Community Credit Co-operative Society Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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


Chartered Accountants
Castries, Saint Lucia
June 16, 2026

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Financial Position

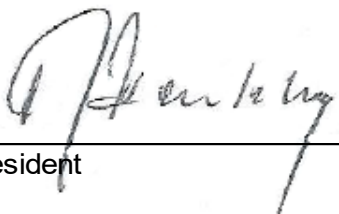
As at December 31, 2025

(Expressed in Eastern Caribbean Dollars)

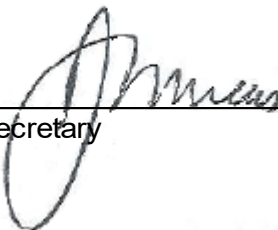
	Notes	2025 \$	2024 \$
Assets			
Cash and cash equivalents	5	13,806,236	10,341,795
Financial assets	6	11,950,405	10,440,280
Accounts receivable	7	155,595	73,446
Investment securities	8	551,179	461,179
Loans to members	9	22,599,917	23,117,273
Deferred building cost		1,040,919	174,451
Property, plant and equipment	10	84,393	82,507
Total assets		50,188,644	44,690,931
Liabilities and members' surplus			
Accounts payable and accruals	11	1,173,517	478,600
Members withdrawable shares and deposits	12	40,733,537	36,880,667
Total liabilities		41,907,054	37,359,267
Members' surplus			
Share capital	13	2,486,967	2,275,272
Reserves	17	2,727,723	2,374,830
Members' funds	18	183,671	163,842
Retained earnings		2,883,229	2,517,720
		8,281,590	7,331,664
Total liabilities and members' surplus		50,188,644	44,690,931

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



President



Secretary

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Profit or Loss

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	2025 \$	2024 \$
Income			
Interest on members' loans		1,896,456	1,922,581
Interest on fixed and savings deposits		453,502	427,815
		<u>2,349,958</u>	<u>2,350,396</u>
Interest expense			
Members deposit		(682,707)	(637,662)
Interest and bank charges		(20,884)	(16,638)
Members fixed deposit interest		(10,875)	(9,651)
		<u>(714,466)</u>	<u>(663,951)</u>
Net interest income		1,635,492	1,686,445
CUNA Insurance		(207,462)	(207,393)
Recovery of/(provision) for impairment of loans	9	110,378	(18,162)
Provision for impairment of investments		90,000	15,000
Other income	14	126,144	85,028
		<u>1,754,552</u>	<u>1,560,918</u>
Net interest and other income			
Operating expenses			
Salaries, benefits and allowances		(364,198)	(345,480)
Other expenses	15	(330,588)	(300,297)
Utilities		(54,784)	(48,744)
Security services		(31,912)	(29,427)
Rent		(30,000)	(23,000)
Office supplies and stationery		(28,919)	(32,908)
Depreciation	10	(14,548)	(41,595)
Insurance		(9,935)	(12,095)
Advertising and promotions		(8,112)	(24,837)
		<u>(872,996)</u>	<u>(858,383)</u>
Total comprehensive income for the year		881,556	702,535

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Changes in Members' Surplus

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	2025 \$	2024 \$
Share capital			
At beginning of the year		2,275,272	2,128,770
Shares purchased during the year		211,695	146,502
At end of the year	13	2,486,967	2,275,272
Reserves			
Statutory reserve			
At beginning of the year		1,522,819	1,346,966
Transfer from retained earnings		220,389	175,634
Entrance fees		270	219
At end of the year	17(a)	1,743,478	1,522,819
Building reserve			
At beginning of the year		852,011	746,631
Transfer from retained earnings		132,234	105,380
At end of the year	17(b)	984,245	852,011
Total reserves		2,727,723	2,374,830
Members funds			
At beginning of the year		163,842	147,597
Transfer from retained earnings		88,156	70,253
Training expenses for the year		(68,327)	(54,008)
	17	183,671	163,842
Retained earnings			
At beginning of the year		2,517,720	2,236,445
Comprehensive income for the year		881,556	702,535
Transfer to statutory reserve		(220,389)	(175,634)
Transfer to building reserve		(132,234)	(105,380)
Transfer to members' funds		(88,156)	(70,253)
Dividends and patronage		(75,268)	(69,993)
At end of the year		2,883,229	2,517,720
Members surplus end of the year		8,281,590	7,331,664

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Cash Flows

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	2025	2024
		\$	\$
Cash flows from operating activities			
Comprehensive income for the year		881,556	702,535
Adjustments for:			
Depreciation	10	14,548	41,595
Provision for impairment of loans	9	(110,378)	18,162
Loss on disposal of property, plant and equipment	10	1,681	7,044
Changes in fair values of investments		(90,000)	(15,000)
Cash flows before changes in operating assets and liabilities		697,407	754,336
Decrease in accounts receivable		21,621	470,300
Increase in financial assets		(1,510,125)	(273,971)
Decrease/(increase) in loans to members		624,730	(1,257,758)
Recovery of loans written-off	9	3,004	8,410
Increase in members fixed and other deposits		3,852,870	2,612,933
Increase(decrease) in accounts payable and accruals		408,126	(171,273)
Net cash generated from operating activities		4,097,633	2,142,977
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(18,115)	(29,667)
Increase in deferred building costs		(683,447)	(53,976)
Net cash used in investing activities		(701,562)	(83,643)
Cash flows from financing activities			
Dividends and patronage payment		(75,268)	(69,993)
Payment from members' funds		(68,327)	(54,008)
Increase in members' shares		211,695	146,502
Entrance fees		270	219
Net cash generated from financing activities		68,370	22,720
Net increase in cash and cash equivalents		3,464,441	2,082,054
Cash and cash equivalents - beginning of the year	5	10,341,795	8,259,741
Cash and cash equivalents - end of the year	5	13,806,236	10,341,795

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

1. Incorporation and principal activity

The **Dennery Community Credit Co-operative Society Limited** (the “Society”) was incorporated in Saint Lucia on February 17, 1993 pursuant to the Co-operative Society Act, Chapter 82 of the Laws of Saint Lucia (1957) Revision, and is continued pursuant to Section 241 of the Co-operative Societies Act, No. 28 of 1999.

The Society’s principal activity is to promote thrift and co-operative principles among its members by providing the means to facilitate savings.

The Society’s registered office and principal place of business is situated on High Street Dennery, Saint Lucia.

These financial statements were approved by the Board of Directors for issue on June 16, 2026.

2. Material accounting policy information

(a) Overall policy

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

Basis for preparation

The financial statements of the **Dennery Community Credit Co-operative Society Limited** have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and under the historical cost convention.

(b) Foreign currency transaction

Functional and presentation currency

Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Eastern Caribbean dollars (“EC\$”), which is the Credit Union’s functional and presentation currency.

Transactions and balances

Monetary assets and liabilities denominated in currencies other than EC\$ are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities and transactions denominated in currencies other than EC\$ are translated at the rate of exchange ruling at the date of the transaction.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(i) Amendments to standards effective in the 2025 financial year are as follows:

The amendments in IAS 21, Lack of Exchangeability are to:

- **Specify when a currency is exchangeable into another currency and when it is not** - a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- **Specify how an entity determines the exchange rate to apply when a currency is not exchangeable** - when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- **Require the disclosure of additional information when a currency is not exchangeable** - when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The amendment did not have a material impact on the Society's financial statements.

(c) Early adoption of standards

The Society did not early adopt any new or amended standards in 2025.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand and short term deposits with original maturities of less than one year. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For the purpose of the cash flow statement, cash and cash equivalents comprise balances of cash on hand and current accounts.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(e) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items.

Subsequent costs are recognized as a separate asset when it is probable that future economic benefits will flow to the organization and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred. Land is not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Furniture and equipment	10% - 33.33%
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Computer Software	25% - 33%
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Leasehold Improvements	33%
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(f) Financial assets

Financial assets - initial recognition and subsequent measurement.

(g) Date of recognition

Financial assets and liabilities, with the exception of loans and advances to members and balances due to members, are initially recognized on the date that the Society becomes a party to the contractual provisions of the instrument. Loans and advances to members are recognized when funds are transferred to the members' account. The Society recognises due to members balances when funds reach the Society.

Initial measurement of financial assets.

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

(h) Financial assets measured and classified at amortized cost

The Society classifies financial assets or financial liabilities at amortized cost if it is held within its business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(i) Financial assets measured at fair value through other comprehensive income

A debt instrument shall be measured at fair value through other comprehensive income if it is held in a business model whose objective is both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. The society did not hold any such assets at December 31, 2025.

(j) Financial assets and financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria is met, and designation is determined on an instrument-by-instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or

The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in net gain or loss on financial assets and liabilities designated at FVPL.

(k) Loans and advances to members

Loans and advances to Members include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, loans and advances to members are subsequently measured at amortized cost, less allowance for impairment.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(l) Impairment of financial assets

The Society assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset, or a group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the member is experiencing significant financial difficulty; or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Under IFRS 9 which became effective on January 1, 2018, new impairment requirements require the use of an expected credit loss model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(m) Recognition of revenue

Interest revenue is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. As regards the society, interest on members' loans is recognized as income only to the extent that payments are received and or accrued for not more than ninety (90) days. Income on fixed and other deposits are recognized on the accrual basis. Commissions and non-productive loan income are recognized when received.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(n) Impairment of loans

Loans originate by the Society, by providing money directly to the borrower with fixed or determinable payments that are not quoted in an active market. Third party expenses, such as legal fees incurred in securing the loans are treated as part of the cost of the transaction. All loans and advances are recognized when cash is advanced to borrowers.

An allowance for impairment is established if there is objective evidence that the Society will not be able to collect all amounts due according to the original contractual terms of loans.

Objective evidence that loans are impaired includes observable data, historical patterns and information on loans pending legal consultation.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows discounted at the loans original interest rate. The carrying amount of the loan is reduced through the use of an allowance account and the amount of the loss is recognized in the Income Statement. The provision for impairment is considered to be adequate. When a loan is written off it is charged off against the impairment account. Subsequent recoveries are credited to the impairment account.

(o) Income tax

The Society is not liable to Income taxes in accordance with Section 25 (1) (q) of the Income Tax Act Cap. 15.02 of Revised Laws of St. Lucia.

(p) Dividends

Dividends are recognized in equity in the period in which they are paid.

(q) Shares

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of equity instruments are shown in equity as a deduction from proceeds.

(r) Provisions

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(s) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(t) Subsequent events

Post-year end events that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the Society's financial statements. Material post year-end events which are not adjusting events are disclosed.

(u) Comparatives

Certain prior year comparatives have been reclassified to conform to the presentation of the current year.

3. Critical accounting estimates and judgments

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses as below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable asset at each reporting date, based on the expected utility of the assets. The estimated useful life of each asset is updated if expectations differ significantly from previous estimates due to physical wear and tear, or other limits in the use of the asset.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Society is exposed to a variety of credit, liquidity and market risks as well as other operational and business risks. The society seeks to minimize the effect that these risk will pose to the Business. The society's overall risk management policies and processes focus on identifying, analyzing and monitoring all potential risks such as interest rate risk and credit risk that are faced by the Society. All treasury transactions are reported to and approved by the Directors.

(a) Credit risk

Credit risk is the risk that the Society will incur a loss because its members or counterparties fail to discharge their contractual obligations. The Society manages and controls credit risk by setting limits on the amount of risk it is willing to accept for its members and by monitoring exposures in relation to such limits.

The Society has established a credit quality review process to provide early identification of possible changes in the credit worthiness of its members, including regular collateral revisions.

The credit quality review process aims to allow the Society to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Impairment provisions are provided for losses that have been incurred at the statement of financial position as at the reporting date. The Society is guided by its loan policy and the regulations in the Co-operative Societies Act, taking into consideration changes in the economy or any particular segment that may represent a concentration in the society's portfolio.

The maximum exposure to credit risk is as follows:

	2025	2024
	\$	\$
Cash and cash equivalents	13,666,699	9,816,673
Fiancial assets and investment securities	12,501,584	10,901,459
Trade and other receivables	155,595	73,446
Loans to members	23,339,596	23,964,326
	49,663,474	44,755,904
Less: Loan commitments	(897,629)	(521,413)
	48,765,845	44,234,491

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management (cont'd)**(b) Liquidity risk**

Liquidity risk is defined as the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Society might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Society on acceptable terms. The Society has developed internal control processes and contingency plans for managing liquidity risk.

	Up to 1 year \$	Beyond 1 year \$	Total \$
As at December 31, 2025			
Current assets			
Cash and cash equivalents	13,806,236	-	13,806,236
Held-to maturity investments	11,122,935	827,470	11,950,405
Accounts receivable	155,595	-	155,595
Loans to members	4,014,400	18,585,517	22,599,917
	<u>29,099,166</u>	<u>19,412,987</u>	<u>48,512,153</u>
Current liabilities			
Accounts payable and accruals	1,173,517	-	1,173,517
Members deposits	16,278,461	-	16,278,461
Members withdrawable shares	4,725,114	19,729,962	24,455,076
	<u>22,177,092</u>	<u>19,729,962</u>	<u>41,907,054</u>
Net	<u>6,922,074</u>	<u>(316,975)</u>	<u>6,605,099</u>

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management (cont'd)**(b) Liquidity risk (cont'd)**

	Up to 1 year \$	Beyond 1 year \$	Total \$
As at December 31, 2024			
Current assets			
Cash and cash equivalents	10,341,795	-	10,341,795
Held-to maturity investments	9,940,280	500,000	10,440,280
Accounts receivable	73,446	-	73,446
Loans to members	4,153,492	18,963,781	23,117,273
	<u>24,509,013</u>	<u>19,463,781</u>	<u>43,972,794</u>
Current liabilities			
Accounts payable and accruals	478,601	-	478,601
Members deposits	13,697,711	-	13,697,711
Members withdrawable shares	4,625,868	18,557,088	23,182,956
	<u>18,802,180</u>	<u>18,557,088</u>	<u>37,359,268</u>
Net	<u>5,706,833</u>	<u>906,693</u>	<u>6,613,526</u>

(c) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Society classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Market risk arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

The interest rates on term contracts are fixed to the term of maturity. Rates on members deposits held are reviewed on an annual basis. The rates for 2025 ranged from 1.25% to 6%. The society is exposed to equity risks (fair value). Shareholdings in the Eastern Caribbean Financial Holding Company are traded on the open market through the Eastern Caribbean Securities Exchange. Investments are monitored by management and changes in value taken through the profit and loss account.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management (cont'd)

(d) Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Society cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

5. Cash and cash equivalents

	2025 \$	2024 \$
Cash	139,537	525,122
Bank of Saint Lucia Limited - Operating account	7,382,677	3,721,348
1st National Bank Limited - Savings account	6,284,022	6,095,325
	<u>13,806,236</u>	<u>10,341,795</u>

6. Financial assets

	2025 \$	2024 \$
Certificate of deposits	6,285,962	6,072,874
Deposit with league	670,738	653,382
Treasury bills and treasury notes	4,993,705	3,714,024
	<u>11,950,405</u>	<u>10,440,280</u>

Interest rates on the above investments are in the range of 1.25% to 6% (2024 - 1.25% to 6%) per annum.

7. Accounts receivable

	2025 \$	2024 \$
Other	51,825	73,446
Mobilization receivable	103,770	-
	<u>155,595</u>	<u>73,446</u>

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

8. Investment securities

	2025	2024
	\$	\$
Financial assets measured at fair value through profit or loss		
Eastern Caribbean Financial Holdings Ltd. 12,000 (2024 -12,000) shares	150,000	60,000
1st National Bank St. Lucia Limited 20,000 (2024 - 20,000) shares	200,000	200,000
St. Lucia Co-operative League shares	200,050	200,050
Dennerly Fishermen's Co-operative Society Limited shares	1,129	1,129
	551,179	461,179

9. Loans to members

	2025	2024
	\$	\$
Mortgage loans	10,786,628	10,220,943
Personal loans	8,919,061	9,418,880
Other	3,633,907	4,324,503
	23,339,596	23,964,326
Less: Provision for impairment of loans	(739,679)	(847,053)
	22,599,917	23,117,273

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

9. Loans to members (cont'd)

The movement in the provision for impairment of loans are as follows:

	2025	2024
	\$	\$
Balance at beginning of the year	847,053	820,481
Recovery/charges for the year	(110,378)	18,162
Amount written-off	3,004	8,410
Balance at end of the year	739,679	847,053

The Society uses the IFRS 9 module in the Emortelle accounting system to calculate Expected Credit Losses. This module is linked to the arrears management listing and is updated periodically by the adoption of a loan granting and review process which updates the client risk profile with the members' personal information, customer factors, business factors and geographical factors.

The loan loss provision at December 31, 2025, is as follows:

	Stage 1 Provision 12 month Performing	Stage 2 Provision lifetime ECL under Performing	Stage 3 Provision Lifetime ECL Credit impaired	Total
Expected Credit Losses as at December 31, 2023	203,138	11,111	606,232	820,481
Credit Loss Expenses/(Recoveries)	13,072	4,203	9,297	26,572
Expected Credit Losses as at December 31, 2024	216,210	15,314	615,529	847,053
Credit Loss Expenses/(Recoveries)	(5,219)	6,488	(108,643)	(107,374)
Expected Credit Losses as at December 31, 2025	210,991	21,802	506,886	739,679

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

9. Loans to members (cont'd)

In Accordance with Regulation 30 (1) of the Cooperative Societies Act Chapter 12.06. the Value of delinquent loans and their exposure are as follows:

Duration of period of overdue loans	Delinquent loans \$	Collateral \$	Net Delinquent Loans \$	Percentage of outstanding loan balance that is deemed loss expose %	Provisions \$
3 months but less than 6 months	570,994	542,684	28,310	25%	7,077
6 months but less than 9 months	282,280	213,577	68,703	50%	34,351
9 months but less than 1 year	39,056	25,711	13,345	75%	10,009
1 year and over	1,133,266	690,705	442,561	100%	442,561
Total	2,025,596	1,472,677	552,919		493,998

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

10. Property, plant and equipment

	Land \$	Furniture and Fixtures \$	Leasehold improvements \$	Total \$
Cost				
Balance as at December 31, 2023	48,496	244,399	60,647	353,542
Additions	-	29,667	-	29,667
Disposals	-	(8,720)	-	(8,720)
Balance as at December 31, 2024	48,496	265,346	60,647	374,489
Additions	-	18,115	-	18,115
Disposals	-	(5,030)	-	(5,030)
Balance as at December 31, 2025	48,496	278,431	60,647	387,574
Accumulated depreciation				
Balance as at December 31, 2023	-	208,691	43,372	252,063
Depreciation charge for the year	-	24,321	17,274	41,595
Depreciation on disposals	-	(1,676)	-	(1,676)
Balance as at December 31, 2024	-	231,336	60,646	291,982
Depreciation charge for the year	-	14,548	-	14,548
Depreciation on disposals	-	(3,349)	-	(3,349)
Balance as at December 31, 2025	-	242,535	60,646	303,181
Carrying Amounts				
As at December 31, 2024	48,496	34,010	1	82,507
As at December 31, 2025	48,496	35,896	1	84,393

11. Accounts payable and accruals

	2025 \$	2024 \$
Interest on members deposits and withdrawable shares	346,694	325,139
Accruals and sundry payables	208,274	153,461
Construction works payable	286,791	-
First Citizens Investment Services	331,758	-
	1,173,517	478,600

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

12. Members' withdrawable shares and deposits

	2025 \$	2024 \$
Opening balance of withdrawable shares	23,182,956	21,871,802
Additions	5,535,902	5,273,584
	28,718,858	27,145,386
Withdrawals	(4,263,782)	(3,962,430)
Closing balance of withdrawable shares	24,455,076	23,182,956
Members deposits	16,278,461	13,697,711
Balance at end of the year	40,733,537	36,880,667

Interest is paid on withdrawable shares and members deposits at an average annual rate of 1.75% (2024 – 1.75%).

13. Share capital

	2025 \$	2024 \$
Authorised		
Unlimited credit union shares of \$5 par value	-	-
Issued and fully paid		
20 (2024 - 20) membership(equity) shares at \$5 per share	383,700	375,000
Partly paid shares		
Members' shares	2,103,267	1,900,273
	2,486,967	2,275,273

14. Other income

	2025 \$	2024 \$
Commissions	28,493	27,780
Service fees	53,283	16,300
Management fees	19,200	23,200
Foreign exchange gains	13,516	13,747
Dividend income	11,652	4,001
	126,144	85,028

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

15. Other expenses

	2025	2024
	\$	\$
Audit fees	89,844	52,125
Repairs and maintenance	52,842	45,349
League dues	35,753	35,855
Board and committee expenses	32,011	31,785
Legal and professional fees	23,550	21,190
ATM expenses	22,080	21,989
Donations	20,450	24,630
Annual general meeting	19,677	22,384
Office and general	19,390	14,044
Scholarships	12,835	13,164
Loss on disposal of assets	1,681	7,045
Credit Union day activities	475	5,737
Flood relief	-	5,000
	330,588	300,297

16. Key management compensation

	2025	2024
	\$	\$
Senior management compensation	113,720	127,284

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

17. Reserves**(a) Statutory reserves**

	2025	2024
	\$	\$
Balance - beginning of the year	1,522,819	1,346,966
Transfer from retained earnings	220,389	175,634
Entrance fees	270	219
Balance - end of the year	<u>1,743,478</u>	<u>1,522,819</u>

In accordance with Section 119(2) of the Co-operative Societies Act Cap. 12.06, Laws of St. Lucia, the Society is required to appropriate at least 20% of the net surplus (if any) for each year to the statutory reserves fund. As per the By-laws of the Society this appropriation has been set at 25% (2024 - 25%) by the Society. In addition, all entrance fees are recorded in statutory reserves.

(b) Building reserves

	2025	2024
	\$	\$
Balance - beginning of the year	852,011	746,631
Transfer from retained earnings	132,234	105,380
Balance - end of the year	<u>984,245</u>	<u>852,011</u>

There is a Building Reserve with an appropriation of 15% (2024 – 15%) of net income for the year.

18. Members funds

	2025	2024
	\$	\$
Development funds		
Balance - beginning of the year	163,842	147,597
Transfer from retained earnings	88,156	70,253
Training expenses	(68,327)	(54,008)
Balance - end of the year	<u>183,671</u>	<u>163,842</u>

These comprised of funds for the benefit of members established by the Society. These funds are supported from an allocation of 10% (2024 -10%) of the net income for the year.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

19. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by making financial and operational decisions. In this regard the balances of the Directors, Officers and Management at December 31, 2025, were as follows:

	2025	2024
	\$	\$
Borrowings	269,250	420,030
Shares and deposits	396,791	413,060

20. Commitments

The Society has a commitment for its current accommodation of a monthly payment of \$2,500 (\$30,000 annually). The Society agreed at its AGM in 2020 to proceed with the construction of a new building to house the Society. In July 2025, St. Juste Construction Inc. was awarded a contract to construct the Society's office building on High Street in Dennery. At the end of 2025, capital commitments amounted to \$1,890,770.

21. Contingent liability

(a) At the year-end, loans approved by the Society but not yet fully disbursed amounted to \$897,629 (2024 - \$ 521,413).

22. Legal claims

There were no legal claims against the Society as at December 31, 2025.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(Expressed in Eastern Caribbean Dollars)

23. Co-operative Societies Act Compliance Requirements Liquid investments

	Notes	2025 \$	2024 \$
Cash and cash equivalents	5	13,806,236	10,341,795
Financial assets	6	11,950,405	10,440,280
		<u>25,756,641</u>	<u>20,782,075</u>
Members' withdrawable and deposits	12	40,733,537	36,880,667
Liquid investments to shares and deposits ratio		63%	56%

Section 119 (3) of the Co-operative Societies Act requires that not less than 15% of the Members' shares and deposits be kept in liquid reserve. Liquid reserves of the Society represented 63% (2024 - 56%) of Members' shares and deposits. The Society therefore was in compliance with the requirement of the Act at year-end.

	2025 \$	2024 \$
Statutory and other reserves	8,281,590	7,331,664
Total liabilities	41,907,054	37,359,267
	<u>50,188,644</u>	<u>44,690,931</u>
Reserves to liabilities ratio	20%	20%

Section 119 (3) of the Co-operative Societies Act requires that statutory and other reserves at no stage should be less than 10% of its total liabilities. Statutory and other reserves of the Society represented 20% (2024 - 20%) of its total liabilities. The Society therefore was in compliance with the requirement of the Act at year-end.