



Dominica Agricultural Industrial and Development Bank

INNOVATING
DEVELOPMENT FINANCE
for the Next Generation



ANNUAL REPORT 2025

Our Mission

To create value-added solutions focused on building employee, customer and shareholder confidence and satisfaction by improving quality of life through innovative products and services, facilitating social and economic investments and partnering with all our stakeholders.

Our Vision

To be a leading and sustainable development finance institution in the Caribbean Region, building a resilient community by stimulating economic and social growth in the Commonwealth of Dominica.



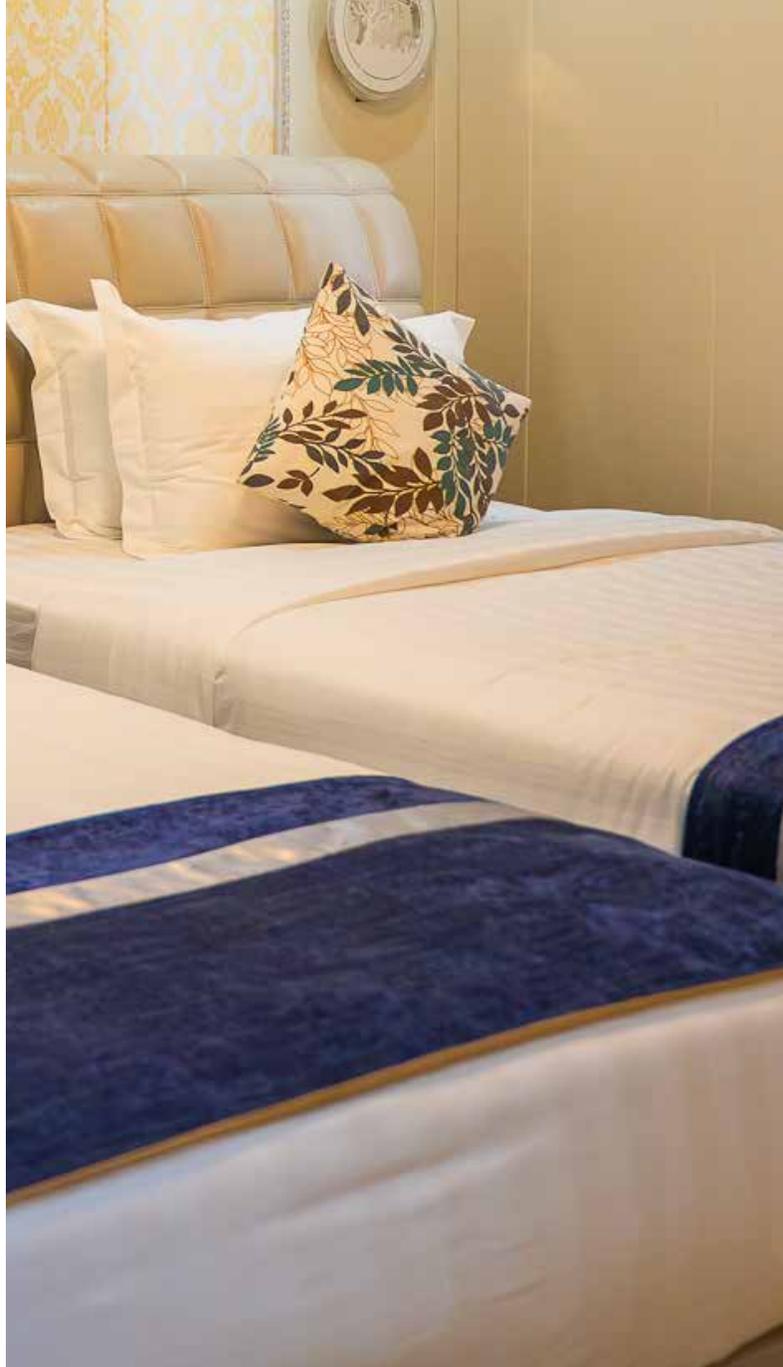
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ACRONYMS AND ABBREVIATIONS

AFS	Available for Sale
AML	Anti Money Laundering
CariCRIS	Caribbean Information & Credit Rating Services Limited
CARICOM	Caribbean Community
CBI	Citizenship By Investment
CDB	Caribbean Development Bank
CDF	CARICOM Development Fund
CTCS	Caribbean Technological Consultancy Services
BANDES	Banco de Desarrollo Económico y Social de Venezuela
DAIDB	Dominica Agricultural Industrial and Development Bank
DFI	Development Finance Institution
DPAC	Development Package for Development Financial Institution
DSC	Dominica State College
DYBT	Dominica Youth Business Trust
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
EC\$	Eastern Caribbean Dollar
EIB	European Investment Bank
ERM	Enterprise Risk Management
FEFF	Foreign Exchange Equalization Fund
FDSL	Financial Data Systems Limited
GDP	Gross Domestic Product
IAS	International Accounting Standards
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
IEU	Industrial Estate Unit
IMF	International Monetary Fund
IT	Information Technology
MIS	Management Information Systems
MSME	Micro, Small and Medium-sized Enterprises
NBD	National Bank of Dominica
NEP	National Employment Program
NP	Non-performing
OCI	Other Comprehensive Income
OECS	Organisation of Eastern Caribbean States
PAR	Portfolio-at-Risk
SFR-D	Special Fund Resources – Dominica



CONTACT DETAILS

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customerservice@aidbank.com

Website www.aidbank.com

CHAIRMAN'S LETTER OF TRANSMITTAL

Honourable Dr. Irving McIntyre
Minister of Finance, Economic Development,
Climate Resilience & Social Security
5th Floor, Ministry of Finance
Financial Centre
Kennedy Avenue
Roseau
Commonwealth of Dominica

September 30, 2025

Dear Honourable Minister,

Pursuant to Section 22(1), Chapter 74:03 of the Laws of the Commonwealth of Dominica (1990 Revised Edition), I have the honour to submit to you, on behalf of the Board of Directors, the Annual Report on the operations and Audited Financial Statements of the Dominica Agricultural Industrial and Development Bank for the Financial Year ended June 30, 2025.

Please accept, Honourable Minister, the assurances of my highest consideration.

Yours sincerely,

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

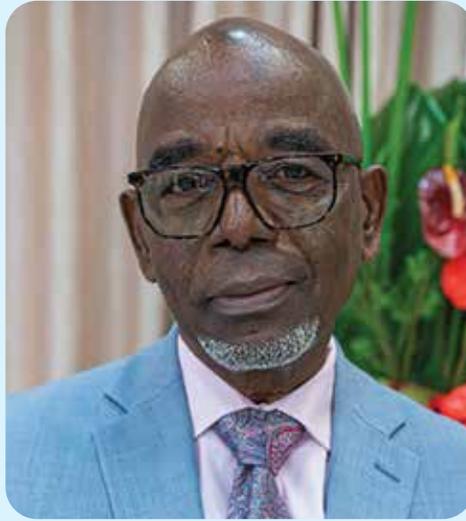


MR. MARTIN CHARLES
CHAIRMAN
BOARD OF DIRECTORS

BOARD OF DIRECTORS



MARTIN CHARLES - CHAIRMAN



SIMPSON GREGOIRE - DEPUTY CHAIRMAN



LEON LEBLANC - DIRECTOR



HELEN PASCAL - DIRECTOR



EVANNAH EMANUEL - DIRECTOR
(Up to January 2025)



JOY ROBERTS - DIRECTOR



BENTLEY ROYER - DIRECTOR



COLBERT PINARD - DIRECTOR



CLEVILLE MILLS - DIRECTOR

MANAGEMENT



MATHILDA JOHN-ROSE
General Manager Ag.



NICHOL AZILLE-FAUSTIN
Head of Credit



TAMMY JEAN-JACQUES
Chief Financial Officer



ARETHA CADETTE-DUBLIN
Senior Manager, Management
Information Systems



HERMINA ALBERT
Senior Manager, Human Resource and
Administration



DORIAN J. HARRIS
Risk and Compliance Officer



KENNETH ALBERT
Manager Recoveries (Ag)



GLENROY ELOI
Manager Industrial Estates (Ag)



BERTILIA BETHEL-JAMES
Manager Credit (Ag)



SAUDIA CYRUS
Legal Officer

TABLE 1
STAFF MEMBERS AS AT JUNE 30, 2025

OFFICE OF THE GENERAL MANAGER	
MATHILDA JOHN-ROSE	General Manager (Ag)
MEKELLE QUAMMIE	General Manager/Board Secretary
CREDIT	
NICHOL AZILLE-FAUSTIN	Head of Credit
BERTILIA BETHEL-JAMES	Manager Credit (Ag)
ADRIAN THOMAS	Credit Officer
KAREEM PINARD	Credit Officer
SHURALD ALEXANDER	Credit Officer
GEORGINA EDWARDS	Credit Officer (Ag)
NIGEL BREWSTER	Credit Officer (Ag)
SHERNELL VICTOR	Securities Officer (Ag)
JOANNE LEATHAM	Loans Administrative Assistant (Temporary)
RECOVERIES	
KENNETH ALBERT	Manager, Recoveries (Ag)
RUBY XAVIER	Senior Recoveries Officer
PATRICIA SHILLINGFORD-CHAMBERS	Recoveries Officer (Ag)
KERRY SHILLINGFORD	Recoveries Officer
LESTER FRANK	Intern – Recoveries Department
BUSINESS DEVELOPMENT	
JOSEPHINE DECHAUSAY TITRE	Marketing & Communications Officer
FRANKA ROYER	Customer Service Representative
BRIANNA PELTIER	Receptionist (Temporary)
RISK AND COMPLIANCE	
DORIAN J. HARRIS	Risk and Compliance Officer
FINANCE AND ACCOUNTS	
TAMMY JEAN-JACQUES	Chief Financial Officer
ANDREA DUPIGNY	Accountant
ADRIAN JOSEPH	Accounts Officer
CONLEE JNO JULES	Accounting Assistant (Ag)
MIANNA LINTON	Disbursement Representative (Temporary)
MERVIA JOSEPH	Teller
HUMAN RESOURCE AND ADMINISTRATION	
HERMINA ALBERT	Senior Manager Human Resource & Administration
SHARON JAMES JNO BAPTISTE	Human Resource Administrative Assistant (Temporary)
GABRIEL NICHOLS	Office Attendant

MANAGEMENT INFORMATION SYSTEMS	
ARETHA CADETTE-DUBLIN	Senior Manager, Management Information Systems
LINDA GONZALEZ-PELTIER	Application Support Assistant, MIS/FDSL
IKE BANNIS	Technical Officer, MIS (Ag)
LEGAL DEPARTMENT	
SAUDIA CYRUS	Legal Officer
NIKITA LAURENT	Legal/Administrative Secretary (Ag)
INDUSTRIAL ESTATES	
GLENROY ELOI	Manager, Industrial Estates (Ag)
JEMMA JERVIER-SHILLINGFORD	Administrative Assistant, Industrial Estates (Temporary)
KELVIN COIPEL	Maintenance Attendant





CHAIRMAN'S STATEMENT

June 2025

Dear Shareholders,

Overview

Let me begin by giving thanks to the Almighty Father for blessing the Commonwealth of Dominica, and for our successes and accomplishments as we continue to work to improve the socio-economic life of the people whom we serve. This year's Annual Report presented under the theme, "Innovating Development Finance for the Next Generation" is built on our continued progress as a development partner with the Government of Dominica through resilience, financial prudence and modernisation, towards the growth of a sustainable economy.

Visible signs of growth continue to be recorded in the Commonwealth of Dominica into 2024. According to the ECCB's Annual Economic and Financial Review, economic activity in Dominica expanded by 2.1% in 2024 with a positive outlook averaging 2.8% during 2025 to 2026. This performance was driven by investments in agriculture and large-scale infrastructural developments to include the construction of the international airport, renewable energy development and the resilient housing program.

Global indicators, as highlighted in the January 2026 World Economic Outlook, point to increasing AI-related investments which could be transformed into sustainable growth. However, given the unprecedented geopolitical tensions we face, this may cause uncertainty and a disruption in the global economy. Generally, global growth is projected at 3.3% for 2026 and 3.2% for 2027.

The Honourable Minister for Finance, Economic Development, Climate Resilience and Social Security, in his 2025/26 National Budget Address reaffirmed the mission of the Government of Dominica to strengthen and expand the economy and national infrastructure; protect the environment; and ensure an efficient and transparent public service. The Honourable Minister informed that the programmes and projects planned for the fiscal year are designed to create employment, support business development and expansion, and grow a strong, diversified economy.

I can report that the AID Bank, as a development partner continues to lead with impact. We have contributed immensely to the development of a vibrant Micro, Small and Medium-sized Enterprise (MSME) sector in Dominica since we believe that MSMEs are the engine of economic growth. Over the past six years, that is, for the financial year ended June 2020 to June 2025, the Bank has approved loans to a value of \$85 million to the MSME sector. Overall, the Bank's funded projects generate an average of 2,300 jobs annually. We have seen the enhancement of the agriculture and livestock sectors through climate smart, technology driven investments, such as hydroponics and resilient construction to include modern equipment; and the development of the fisheries sector to include investments in aquaculture, upgraded fishing boats and apparatus and technical support.

We have seen a leapfrog of the agro-processing sector particularly among the youth. We continue to strengthen the capacity of these entrepreneurs through financial and technical support to establish and manage their enterprises. Support includes access to extremely concessionary loan terms and technical assistance.

We continue to support our youth in the productive sectors through collaboration with the Dominica Youth Business Trust where we provide concessionary loan terms to participants of their programme, towards the development or expansion of their enterprises.

The Kalinago Development Fund established by the Government of Dominica at the AID Bank, continues to show remarkable growth with the development of MSMEs in the Kalinago Territory. This fund has maintained its objectives of reducing unemployment, achieving economic stability and improvement in the standard of living of the Kalinago community.

The results of these initiatives are seen from time to time when entrepreneurs display their creative, innovative, ambitious and highly competitive products and services.

As informed by the Honourable Minister for Finance, Economic Development, Climate Resilience and Social Security, the Government's investment in education reflects its determination to strengthen the country's human resource base and ensure that Dominicans are well positioned to benefit from its national development efforts. The AID Bank

continues to assist in this process by disbursing loans with funds from the Government to students at the concessionary interest rate of 2%. As of June 30, 2025, a total of \$8.8 million had been disbursed, enabling thousands of Dominicans to pursue tertiary level education and skills development.

Risk management remains a core consideration in all decision making at the AID Bank. We are dedicated to fostering a culture of proactive risk management practices throughout operations. The Bank has strengthened its Risk and Compliance Department and has implemented an enhanced Enterprise Risk Management (ERM) Framework which allows for a more structured oversight and management of risks. We remain committed to be in compliance with all regulatory requirements to safeguard our shareholders' and clients' investments whilst remaining viable, despite the volatile market conditions in which we operate.

We can again report that the Industrial Estate properties, the Bank's second largest investment, continue to contribute significantly to the sustainable development of enterprises in Dominica, through the provision of appropriate commercial spaces at concessionary rental rates. During the period under review, the Bank successfully introduced an enhanced Rent Manager Online Platform for the effective management of the Industrial Estates operations. This online platform provides tenants 24-hour access to their transaction history and enables the submission of technical service requests. The Bank is pleased to report, that by the financial year ended June 30, 2025, the market value of the industrial estate properties increased by 5.18%, from \$74.5 million in 2024 to \$78.4 million in 2025. This no doubt signifies the increased financial position of the Bank to the benefit of its shareholders and customers.

As Chairman, I am pleased to report to you our shareholders, that for the financial year ended June 30, 2025, the AID Bank's financial position has strengthened both through an increased asset base and an improved equity position. Our continued efforts at management of the loan portfolio, cost management and the enhanced value of our investment properties due to effective property management practices, realized an overall total comprehensive income of \$1.87 million.

Outlook

Moving forward, the Bank will continue its strategic approach to long-term sustainable economic growth, by working collaboratively with key stakeholders while maintaining prudence and diligence in its operations.

- We will continue the advancement of the productive and social sectors by developing new and existing businesses utilizing climate smart, technologically driven initiatives. Focus will continue to be placed on investments in agriculture and fishing, manufacturing, infrastructure, tourism, renewable energy, services and transportation. We stand ready to partner with those of you who may be interested in taking advantage of the tremendous opportunities brought about by the construction of the international airport.
- We will continue to develop and support the youth, the underprivileged and specific targeted sectors, utilizing a range of products at unique terms.
- Optimal visibility will be maintained through our consistent presence in the communities, via social media and other media outlets.
- We are aware that our customer base is more complex and informed, and they demand personalized service. The Bank will continue to place top priority on supreme customer care to include prompt service delivery.
- We will enhance our portfolio quality by pursuing all delinquent clients. Our aggressive recovery drive has seen results, and this will continue into the new financial year.
- We will continue being prudent in the management of resources through operational efficiency, business resilience and risk management. Work is at an advanced stage to integrate an online payment platform attached to the Bank's website. This will enable customers to conveniently service their loans remotely, thereby overcoming geographical constraints. This initiative will be introduced during the first quarter of 2026.

Acknowledgement

On behalf of the Board of Directors, I express deepest gratitude to our development partner, the Government of Dominica. You continue to demonstrate immense interest in the development of the Bank by providing the necessary financial and technical support and general oversight. We pledge our continued support to assist in the development of our nature isle.

Sincere gratitude to the Honourable Prime Minister for his dynamism and persistence in leading Dominica towards consistent growth amidst countless challenges. We salute you and pray God's continued blessings upon you.

To the Honourable Minister for Finance, Economic Development, Climate Resilience and Social Security, Dr. Irving McIntyre, we are grateful for your willingness to consistently assist in the delivery of regulatory and financial support to the Bank.

We recognise and appreciate the Financial Secretary, Ms. Denise Edwards, for her oversight, assistance and collaboration towards the advancement of the Bank.

We are grateful to the Dominica Social Security, our minority shareholder for your continued interest and support throughout the years. We thank you for your presence and commitment to economic development.

We remember our beloved Deputy Chairman, Simpson Gregoire who departed this earth on December 31, 2025. Director Gregoire was appointed to the Board of Directors on March 09, 2010, and to the position of Deputy Chairman in 2012. He served the AID Bank with a high level of intelligence, diligence and consistency. During his tenure as a director, he truly demonstrated what is meant by; to be of service to your country. We will sincerely and profoundly miss Director Gregoire. On behalf of the Board of Directors, Management and Staff, I express our heartfelt condolences to his family and friends who supported him during his service to the AID Bank.

We would also like to extend our sympathies to the bereaved families and friends of the late Dr. William Warren Smith, former President of the Caribbean Development Bank who died on January 30, 2026. Dr. Smith, a prominent development leader, was highly instrumental in assisting the AID Bank with numerous lines of credit including a line targeted at the less fortunate in our society, the underprivileged.

May they rest in eternal peace.

To my fellow Directors, you continue to provide invaluable and dedicated service to the Bank with dynamism. The Bank, and the country by extension appreciates your tenacity and steadfast service. May God continue to richly bless you as you continue to work in his vineyard.

To the Management and Staff, we recognise your loyalty, commitment and dedication in steering the Bank towards continued sustainable growth. You continue to assist in nation building for which we are truly thankful.

We thank most sincerely our valued customers who have partnered with us towards the development of our nation. You have chosen the AID Bank, as your bank of choice. We appreciate you and commit to place top priority in providing personalized care and prompt service to you.

We sincerely appreciate the valuable insights and contribution from our funding agents and all other stakeholders who have greatly enriched and informed our decisions. Thank you for your input and commitment to the Bank's growth, and development of our beautiful nation.

I end by reiterating that, Dominica is fast becoming one of the most desirable places to live in the Caribbean due to our natural beauty, a strong and stable economy and high quality of life. We need now to embrace the opportunities for sustainable growth which exists in Dominica. The AID Bank stands ready to assist in this process towards the development of a strong and diversified economy.

I Thank You!



TABLE 2
DAIDB FIVE-YEAR HIGHLIGHTS AT A GLANCE

INCOME STATEMENT	2025 XCD ('000)	2024 XCD ('000)	2023 XCD ('000)	2022 XCD ('000) Restated	2021 XCD ('000) Restated
Interest Income	6,396	5,830	6,182	5,946	6,828
- Interest Expense	3,888	3,688	3,749	3,847	3,758
= Net interest Income	2,508	2,142	2,433	2,099	3,070
+ Other Operating Income Net	3,119	2,419	2,461	2,191	2,722
- Other Operating Expenses					
- Staff Costs	2,623	2,717	2,721	2,576	3,010
- Administrative Costs	3,988	2,781	2,789	2,635	2,410
= Operating Income/(Loss)	(984)	(937)	(616)	(921)	372
+ Increase/(decrease) in fair value of properties	5,634	1,669	3,129	5,806	10,449
- Impairment on properties/loss on disposal	0	0	0	0	0
- Impairment loss/(recovery) on financial assets	2,785	683	1,314	3,170	7,045
= Net profit/(Loss)	1,865	49	1,199	1,715	3,776
BALANCE SHEET	2025 XCD ('000)	2024 XCD ('000)	2023 XCD ('000)	2022 XCD ('000)	2021 XCD ('000)
Assets					
Cash and Balances with Central Bank	1,300	1,619	1,054	1,158	727
+ Deposit with Other Banks	7,008	4,701	7,509	8,038	4,512
+ Investments [Net of Impairment]	945	961	1,009	1,022	1,015
+ Investment Properties	78,395	74,537	72,822	65,529	63,665
+ Loans [Net of Impairment]	151,122	151,546	149,807	150,445	149,901
+ Other	15,142	12,302	12,191	16,476	12,892
= Total Assets	253,912	245,666	244,392	242,668	232,712
Liabilities					
Deposits	9,475	8,832	7,645	6,358	6,959
+ Borrowings	123,997	119,056	138,550	139,183	131,366
+ Other Liabilities	14,693	12,896	13,563	13,442	14,812
+ Equity	105,747	104,882	84,634	83,685	79,575
= Total Liabilities and Equity	253,912	245,666	244,392	242,668	232,712
OTHER INFORMATION	2025 XCD ('000)	2024 XCD ('000)	2023 XCD ('000)	2022 XCD ('000)	2021 XCD ('000)
Loan Approvals ('000)	21,205	18,837	17,913	14,519	25,649
Loan Disbursements ('000)	17,951	17,299	14,626	15,646	20,369
Estimated Number of Jobs Created	2,924	2,488	2,286	694	3,096
Industrial Estate Employment	450	1,358	1,291	1,265	993
Return on Equity (per cent)	1.77	0.05	1.42	2.05	4.75
Return on Assets (per cent)	0.75	0.02	0.49	0.71	1.62
Loan Provisions as per cent of Portfolio	6.28	8.71	8.59	7.87	10.94
Loan Provisions as per cent of NP Portfolio	21.61	28.05	27.69	25.07	31.39

PART I

THE ECONOMY OF DOMINICA

The Dominican economy rebounded strongly from a series of external shocks including the recessionary effects from the pandemic. This is according to the Eastern Caribbean Central Bank, Annual Economic and Financial Review for the year ended December 2024. The report highlighted that economic activity expanded by 2.1 per cent in 2024 with a positive outlook averaging 2.8 per cent during 2025 to 2026. The expansion in 2024 was primarily driven by investments in agriculture and large-scale infrastructural developments, including the construction of the international airport, renewable energy development and other climate-resilient projects such as the resilient housing programs.

The moderate growth in 2024 followed a strong post pandemic recovery in 2022 and 2023 during which real GDP grew by an average of 10.4 per cent and 3.7 per cent respectively. These results were largely driven by growth in wholesale and retail trade due to increased tourism activity, expansive public investment projects and the recovery of both the accommodation and agricultural sectors.

Inflation, as measured by the Consumer Price Index, fell during 2024 to an estimated 2.4 per cent, due to softening in commodity and food prices from major trading partners, and lower utility cost.

During the year 2024, despite the slowdown in economic activity, there was an improvement in the fiscal position with the fiscal primary balance moving from a deficit of 6.2 per cent of GDP in 2023, to a surplus of 2.9 per cent of GDP in 2024, due to lower capital spending and higher grant receipts.

The current account deficit narrowed in 2024 to 25.7 per cent of GDP compared to a significant expansion to 33.9 per cent of GDP in 2023, when increased imports for the construction of strategic infrastructural projects outweighed tourism receipts.

According to the ECCB, Annual Economic and Financial Review, the economic outlook is positive. Real economic growth is projected to average 2.8 per cent during 2025 to 2026. This growth is supported by investments in agriculture and key infrastructural projects namely the new international

airport, geothermal power plant, the marina and a variety of climate resilient infrastructure and hotel projects. These are expected to boost tourism thereby supporting economic growth and an improved current account balance.

The report also highlighted additional potential positive outcomes. It informed that increased benefits from the recently completed airport runway extension could boost visitor arrivals with spillover effects in other related sectors. Additionally, the transition to local geothermal energy production could reduce the dependence on fossil fuel imports, thereby lowering the cost of energy and contributing to a narrowing of the current account deficit.

Downside risks as highlighted are rising trade protectionism and an intensification of geopolitical conflict. Additionally, the risks associated with climate change and the uncertainty surrounding CBI revenue remain present.

Outlined in the report are medium-term policy recommendations. The report informed that focus should be placed on strengthening the fundamentals for economic growth; developing strategies and policies to mitigate the risk of climate change; and adopting a fiscal framework which would position the country on a path to achieve its long-term debt target.

In comparison, global indicators, as highlighted in the January 2026 World Economic Outlook, point to increasing AI-related investments which could transform into sustainable growth. The report highlighted that trade and geopolitical tensions could erupt, causing uncertainty and a disruption in the global economy. Generally, global growth is projected at 3.3% for 2026 and 3.2% for 2027.



PART II

THE PERFORMANCE OF DAIDB

CREDIT OPERATIONS

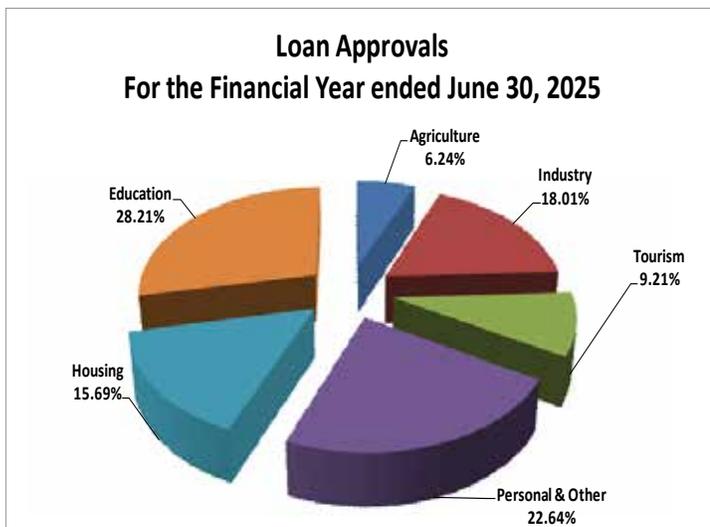
Loan Approvals

For the financial year ended June 30, 2025, six hundred and forty-six (646) loans were approved with a total value of \$21.21 million. Education loans valued at \$5.98 million or 28.21 per cent and Personal & Other loans valued at \$4.80 million or 22.64 per cent combined, accounted for 50.85 per cent of the total approvals for the period.

Loan approvals for the year ended June 30, 2025, were 12.57 per cent higher than the corresponding period ended June 30, 2024, when an amount of \$18.84 million was approved.

The sectoral allocation of approvals is presented in Graph 1 below.

GRAPH 1



Loan Disbursements

For the financial year ended June 30, 2025, loan disbursements totalled \$17.95 million. This amount was higher than the disbursements for the corresponding period ended June 30, 2024, by 3.77 per cent, when an amount of \$17.30 million was disbursed.

Disbursements for the year under review were made

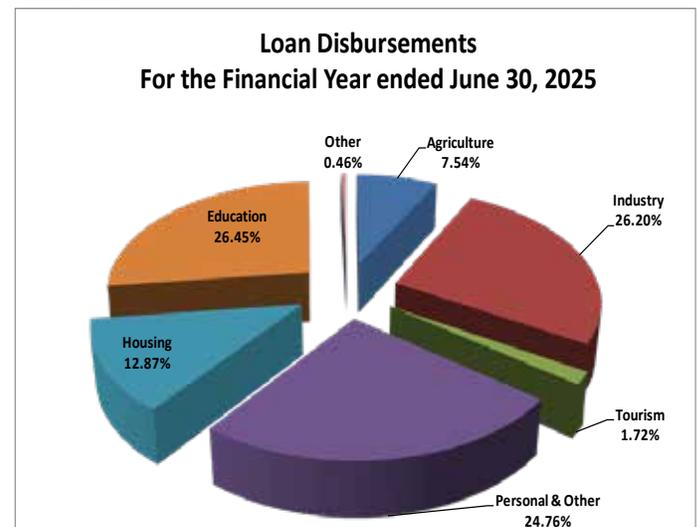
primarily in the Education Sector with a value of \$4.75 million or 26.45 per cent and Industry Sector with a value of \$4.70 million or 26.20 per cent.

The AID Bank supports several initiatives of the Government of Dominica which includes support to students. This programme supports access to tertiary education and skills development, contributing to human capital enhancement and national development. As at June 30, 2025, a total of \$8.80 million had been disbursed under this facility, which commenced operations in November 2010.

Another such initiative is support to the Kalinago Community by administering funds under the Kalinago Development Fund (KDF) on behalf of the Government of Dominica. This facility is specifically targeted at persons of Kalinago ancestry and is designed to reduce unemployment, promote economic stability, and improve the standard of living of beneficiaries. A total amount of \$1.31 million has been disbursed under the facility as at June 30, 2025.

The sectoral distribution of disbursements is presented in Graph 2 below.

GRAPH 2



Loan Rescheduling

The Bank continued to demonstrate its commitment to social responsibility by addressing the needs of customers adversely affected by internal and external shocks.

For the period under review, one hundred and two (102) loans valued at \$7.66 million were approved to be rescheduled. In comparison, for the twelve

months ended June 30, 2024, one hundred (100) loans valued at \$7.01 million were approved to be rescheduled.

Non-Performing Loans

Consistent efforts are targeted at improvement to the quality of the Bank’s loan portfolio. This has resulted in a significant reduction in the Non-Performing Portfolio of \$24.20 million over the past five (5) years.

As at June 30, 2025, the Non-Performing Portfolio evidenced a reduction of 2.10 per cent or a value of \$4.78 million when compared to June 30, 2024.

With respect to the distribution of this portfolio, the Tourism Sector accounted for the highest proportion at 45.59 per cent. The Industry Sector contributed the second highest at 37.87 per cent. Year on year improvements were recorded in the Agriculture, Industry, Housing and the Personal and Other Sectors. The most significant reductions of 9.81 per cent and 2.71 per cent were recorded in the Personal and Other, and Agriculture Sectors respectively.

Loan Portfolio

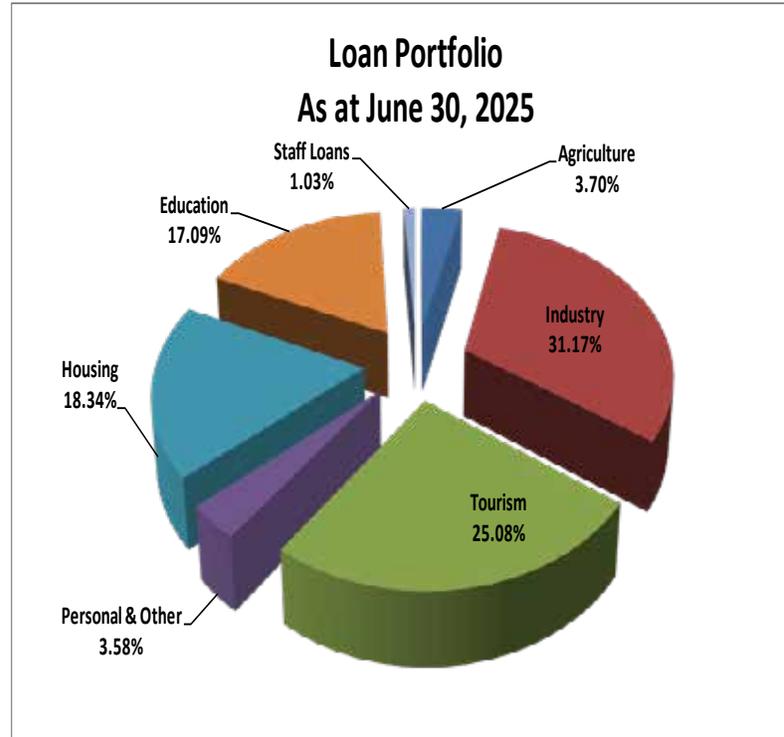
At the end of the financial year ended June 30, 2025, the Bank’s loan portfolio totalled \$153.83 million compared to \$158.68 as at June 30, 2024. The loan portfolio represents a decrease of 3.05 per cent over the same period the previous year which was a direct correlation with the Bank’s thrust towards portfolio quality enhancement.

A major component of the loan portfolio comprise assistance to the Micro, Small and Medium-sized Enterprise (MSME) sector. Over the past five years, an amount of \$49 million has been disbursed to this sector which created a total of 11,490 jobs. The development of this sector has also seen the emergence of businesses in agriculture and fishing, tourism, manufacturing, services and transportation.



Graph 3 represents the sectoral distribution of the loan portfolio as at June 30, 2025.

GRAPH 3



CUSTOMER ENGAGEMENT

SOCIAL MEDIA LAUNCH

As part of its customer engagement strategy and in response to evolving digital trends, the Bank launched its official Facebook and Instagram platforms in December 2024. These channels enhance marketing and communication efforts by promoting the Bank’s products and services while facilitating timely and responsive engagement with customers and stakeholders.

KALINAGO DEVELOPMENT FUND LAUNCH

To support the advancement of national objectives of inclusivity, employment creation, economic stability, and improvement to living standards, the Bank launched a targeted interventions within the Kalinago Territory in May 2025.

This initiative is in support of the Government of Dominica’s financial assistance to the Kalinago Community and includes the provision of extremely concessionary funding to the Kalinago Community to support existing local businesses, foster

entrepreneurship, and sustain livelihoods.

One prime objective of this initiative is the development of mechanisms aimed at preserving and strengthening the Territory's role as a key cultural and tourism destination. To reinforce these efforts, an Outreach Office was established at the St. Cyr Resource Centre, where the Bank has maintained a biweekly presence since May 2025, facilitating access to financing tailored to the needs of the indigenous community.

CUSTOMER SHOWCASE

In commemoration of its 53rd anniversary, the Bank launched its first ever Customer Showcase on October 31, to November 1, 2024. The two-day promotional event was featured on the Bank's beautifully landscaped frontage premises and showcased customers' products and services while also promoting the financial products and services offered by the Bank.

The initiative was embraced by the public and reflected the Bank's commitment to customer engagement. This initiative will be an annual feature reflecting the Bank's commitment to optimal customer service delivery and its contribution to Dominica's independence celebrations.

Similar customer engagements were conducted throughout the financial year, evidencing high levels of customer interaction. These engagements were well received and deeply appreciated at all sessions.

TI-VILAJ KWEYOL

As part of Dominica's 46th Independence celebrations under the theme "Peyi Nou, Kado Nou," the Bank actively participated in the Ti-Vilaj Kweyol annual event in October 2024. The event showcased local entertainment, cuisine, and entrepreneurs. During the festivities, the Bank engaged with existing and potential customers, reinforcing its commitment to national development, community engagement, and the preservation of our cultural heritage.

CHRISTMAS PROMOTION

In support of its mandate to expand outreach and promote its services, the Bank conducted a Christmas promotional activity in the vicinity of All Saints University in Roseau. This initiative provided an opportunity for direct engagement with customers

and prospective clients, while highlighting the Bank's loan products and reinforcing its commitment to supporting access to finance.

OPENING PARADE CARNIVAL FLOAT

After a long hiatus, the Bank participated as a corporate citizen in the Opening Carnival Parade, actively engaging with the community and showcasing its brand with staff participation and a uniquely decorated float. Our renewed presence and enthusiasm were recognized when the Bank emerged as the winner in the "Business Advertising Category". This underscored our dedication to supporting community initiatives and strengthening our visibility among stakeholders.

FINANCIAL EDUCATION AND EMPOWERMENT

During the financial year, the Bank actively promoted its services by enhancing public awareness of access to competitive financing, financial management, and general financial education and empowerment. These were marketed through a series of targeted presentations and outreach activities.

These initiatives reached a wide audience, including participants at the Tourism Stakeholders Forum, Dominica Youth Business Trust forums, Dominica State College, and events organized by the Ministry of Agriculture. Through these engagements, the Bank provided practical guidance on accessing financial opportunities, developing sound business practices, and improving financial literacy. The result of which empowered individuals, youth, and small business owners to strengthen their entrepreneurial capabilities thereby contributing to sustainable economic growth.

FUNDING

The financial year ended June 30, 2025, saw visible signs of economic recovery following a series of external shocks including the contracted effects from the pandemic. AID Bank continued its role as a development partner with the Government of Dominica by injecting appropriate funding into the productive sectors particularly to the Micro, Small and Medium-sized Enterprises (MSMEs).

Government of Dominica

The AID Bank, with assistance from the Government of Dominica has contributed immensely to the development of a vibrant MSME sector on the island.

The Bank continued the disbursement of concessionary funds into the economy to provide support to MSMEs. By June 30, 2025, a total of \$27.2 million or 98 per cent of the approved loan of \$27.8 million had been committed to the productive sectors of agriculture, tourism, manufacturing, transportation and services. The Bank saw the emergence of new businesses particularly to the youth in these sectors. This fund has met its main objectives of employment creation and enhanced productivity.

The Kalinago Development Fund another initiative of the Government of Dominica, has contributed to the development of the Kalinago Territory. The fund which was launched in March 2022 at an extremely concessionary interest rate of 2 per cent, has seen the emergence of residential and commercial development, cultural development, enterprise development, crop production and processing, education, offshore fisheries, art and craft, tourism and climate resilience and renewable energy development in the territory.

The Government of Dominica also provides funding to students at concessionary rates through the AID Bank with the objective of facilitating their studies. As at June 30, 2025, an amount of \$8.80 million has been disbursed to students under this facility.

Caribbean Development Bank

The Caribbean Development Bank provides consistent oversight, guidance and technical support to the AID Bank, particularly in the execution of their lines of credit.

The Bank is at an advanced stage in fully introducing an Environmental and Social Policy which was made possible from grant assistance from the CDB. This policy is intended to integrate environmental and social considerations into the Bank's Investment Policies and Procedures.

CDB has also provided grant support to the AID Bank to develop a Gender Equality Policy where focus will be placed on addressing the differential needs of male and female clients to improve their entrepreneurial opportunities. This process will commence within the next financial year.

European Investment Bank

The European Investment Bank remains a valued partner of the AID Bank by providing oversight, and financial and technical support. EIB continued its intervention through the provision of institutional strengthening assistance in the areas of strategic planning support, project appraisal, risk and liquidity management and debt recovery strategies.

CARICOM Development Fund

The CARICOM Development Fund is a pillar of support to the AID Bank by providing both financial and technical assistance. Through grant assistance, AID Bank has developed a detailed Finance and Accounting Policies and Procedures Manual which will add value to its business continuity program.

The Bank has also strengthened several of its internal operations to include its computer operating systems inclusive of upgraded servers, licenses, antivirus and data storage, increased energy efficient devices and enhanced structural restoration with support from the CARICOM Development Fund.

RISK AND COMPLIANCE

The AID Bank is dedicated to fostering a culture of proactive risk management practices throughout its daily operations and procedures. In so doing, in 2025 we have strengthened our Risk and Compliance management team, in a quest to develop and implement an enhanced Enterprise Risk Management (ERM) Framework, improve monitoring, as well as to strengthen our Anti-Money Laundering (AML) policies and compliance standards. Risk Management remains at the core of all decision making within the Bank, as we are mindful that the ability to meet our strategic and business objectives relies heavily on the Board's and Senior Management's ability to effectively identify, analyse, evaluate, react to, manage and monitor the associated risks.

In so doing, the Bank's overall loan appraisal process incorporates various robust risk considerations and the utilization of established policies in the decision-making process. In 2025, staff underwent additional training in risk management practices, inclusive of a rigorous Environmental and Social Risk Consultation in a quest to, not only develop a robust Environmental and Social Policy, but to improve and integrate the environmental and social risk considerations within our existing policies and procedures.

The Bank remains committed to be in compliance with all regulatory requirements set forth by its regulators and its policies and suitably safeguard our shareholders' and clients' financial assets and interests whilst we remain viable, despite the volatile market conditions in which we operate. With an aim to uphold our mandate to promote and influence economic development in Dominica and to mobilize funds for that purpose, proper risk management practices remain a priority to the Bank.

HUMAN RESOURCE AND ADMINISTRATION

The Bank recognizes that effective management of its human capital is essential to driving organizational success. Therefore, its human resource development continues to be a priority to ensure that the Bank's strategic goals and objectives are achieved. During the year under review, the Bank strengthened its human resource capacity through the recruitment of key managers and the retention of top talent. To ensure that skills are adequately aligned with the organization's objectives, employees benefited from several training programs through in-person and virtual modalities.

The Bank also enhanced its systems and processes utilizing enhanced technology and the development of an updated Environmental and Social Policy and Accounting Manual.

Focus was also placed on prioritizing health and wellness and ensuring a safe work environment for all employees. It is against this background that the Bank supported several health and wellness initiatives during the year to include health tips, physical activities, and encouraged healthy eating habits among employees. Enhancement and maintenance works were also undertaken to the Bank's physical structure, thereby supporting a secure and clean work environment.

During the year, the Bank supported training programmes organized by the Youth Development Division with the engagement of three (3) interns under a job attachment programme. We also continued partnership with the National Employment Programme towards the development of young persons.

At the end of the period, the Bank's staff complement totalled thirty-seven (37) employees under various categories.

MANAGEMENT INFORMATION SYSTEMS

The Management Information Systems (MIS) Department plays a critical role in supporting the Bank's operations by providing management and staff with modern, reliable and secure technological tools which facilitate informed decision-making and enhance overall operational efficiency.

During the period under review, significant emphasis was placed on the implementation of the Rent Manager Online Platform, which was successfully deployed and is currently in active use by both staff and tenants of the Industrial Estates. This initiative was further strengthened through the introduction of the Tenant Web Access Portal and the RM Resident Mobile Application, available for download via the Google Play Store and Apple App Store. These platforms provide tenants with 24/7 access to their transaction history and enable the submission of technical service requests. In addition, prospective tenants can now conveniently submit lease applications through the AID Bank's website.

The MIS Department continues to uphold the Bank's institutional standards and best practices. As part of the onboarding process, new employees are supported through structured training sessions designed to ensure familiarity with core systems, operational protocols, and information security requirements. To further support compliance and align with international best practices, the Bank invested in modern technological equipment during the year.

In keeping with the AID Bank's commitment to deliver value-added, customer-centric solutions, the MIS Department is advancing initiatives to further enhance digital service delivery. Notably, work is underway to integrate a payment portal that will enable customers to conveniently service their loans remotely, thereby overcoming geographical constraints. This initiative is expected to be implemented in the next financial year.

The implementation of the Bank's Business Continuity Plan including comprehensive Information Technology Disaster Recovery policies and procedures remain a top priority under the AID Bank's Strategic Plan. This exercise will be addressed within the next financial year given that all mechanisms have been finalized. The Bank looks forward to its execution and implementation of this Plan.

INDUSTRIAL ESTATES

During the financial year ended June 30, 2025, the Industrial Estates operation demonstrated its pivotal role in supporting national economic activity through its impact on the effective management of its investment properties. The Industrial Estates operation maintained its strategic focus on optimizing occupancy levels, strengthening lease administration, supporting the Bank's Credit Department and ensuring that facilities were maintained to standards conducive to business continuity and sustainable growth.

Rent management remained a critical priority, with targeted strategies implemented to reduce rental arrears and the management of the properties. While challenges in arrears recovery persisted, the Unit achieved meaningful progress in stabilizing revenue and aligning collections with operational expenditure.

By the end of the financial year, June 30, 2025, there were, four hundred and fifty (450) persons employed within the various enterprises on the estates, with a single employer within the ICT sector contributing 22.40 per cent or two hundred and thirteen (213) to the total work force.

The Industrial Estates operation continues to demonstrate its viability in terms of contribution to GDP, increasing investment property value and profitability. By the end of the financial year, the property value increased by 5.18 per cent, from \$74.50 million to \$78.40 million. The increase in property value resulted in a net profit in the Industrial Estate operation of \$2.7 million as at June 30, 2025.

Looking ahead, the Industrial Estates Unit will continue to prioritize operational efficiency, tenant retention and financial viability. Strategic emphasis will be placed on modernizing facilities, rental arrears reduction, advancing the beautification programme and exploring opportunities to expand the contribution to national development.

The Unit remains committed to its mandate of fostering industrial and commercial activity, thereby reinforcing the Bank's broader mission of supporting economic resilience and growth in the Commonwealth of Dominica.

PART III

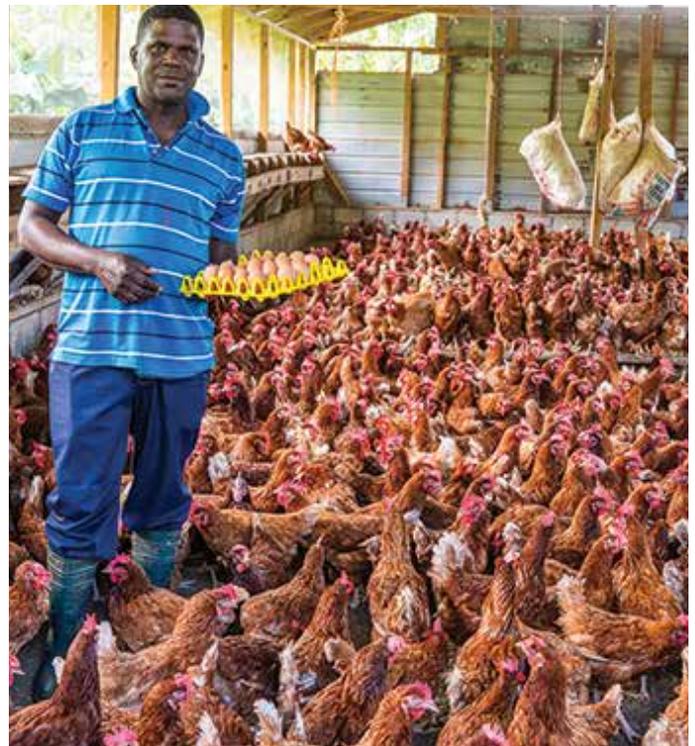
OTHER ACTIVITIES

FINANCIAL DATA SYSTEMS LIMITED

Financial Data Systems Limited (FDSL) is a software company established by five Development Banks in the Organization of Eastern Caribbean States (OECS), namely Dominica Agricultural Industrial and Development Bank (DAIDB), St. Kitts Development Bank, Grenada Development Bank, Antigua Development Bank and Bank of St. Lucia. The objective of the company is to develop, maintain, and market the DPAC loans management software package.

During financial year ended June 30, 2025, FDSL focused mainly on the provision of technical support and training related to the use of the system and on the rewriting of all system documentation.

Plans for the new financial year include upgrading the database and development platform of DPAC. This will require strengthening the human resource capacity currently on staff. The company will continue to market the DPAC software, to remain competitive in the region as a provider of loans management software.



PART IV

CORPORATE SOCIAL RESPONSIBILITY

For the financial year ended June 2025, the AID Bank formed new and strengthened existing collaboration which assisted in cementing its work and contributions to economic development.

EDUCATION

Throughout the year, the Bank contributed to various graduation ceremonies islandwide. This support not only applauded the outstanding students for academic excellence but also demonstrated the Bank's vested interest in the advancement of the youth which translates to an educated and developed country.

Partnership with the Eastern Caribbean Central Bank (ECCB) agency office continued during the financial year. Under the theme "Financial Investing - From Savers to Investors" the activities under the Financial Information Month allowed stakeholders including the AID Bank to be engaged at various forums to share knowledge on financial information.

The Bank has maintained a strong strategic alliance which has been forged over the years with the Dominica Youth Business Trust (DYBT). The Bank continues to honour this affiliation in its service as a mentor to the Trust which helps develop young entrepreneurs into success stories.

SPORTS

Given our proximity to several sporting facilities and the need to promote and encourage a healthy lifestyle, a special contribution was made to the Dominica Amateur Basketball Association during the period under review.

AGRICULTURE

Strengthening and increasing our agricultural foundation is a key pillar of the Bank. Built on this objective, the Bank partnered with the Ministry of Agriculture, Fisheries, Blue and Green Economy to provide financial assistance in the expansion of the white potato industry on island.

Sponsorship was also made to the Ministry of Agriculture, Fisheries, Blue and Green Economy towards their Agricultural and Fisheries Recognition

Ceremony. An award was presented to the Horticulture Farmer of the year.

As a feature to highlight Women in Agriculture and create awareness, the Bank partnered with the World University Service of Canada (WUSC) in the production of a strategically positioned billboard.

Contributions were also made to the Dominica Export Import Agency (DEXIA) annual event "Market Day with a Difference" to feature and reward two outstanding long serving fish vendors.

ECONOMY

National development is the AID Bank's top priority. It is on this premise that participation in key national events offers the opportunity to promote and highlight the services we offer. Key support was provided to the Ministry of Tourism in hosting its Vacation Rentals Seminar which engaged stakeholders within the industry.

Alliance was undertaken with the Small Business Unit who hosted a Northern Regional Small Business Tradeshow. Participation in the event provided visibility to the Bank's contribution to growth of the communities in the north region.

COMMUNITY

It is said that a country's true essence is its people, which the Bank supports. In this regard, during the period under review, donations were made to the President's Charities Foundation annual dinner and the community of Soufriere which honoured their fathers on Father's Day.

During the DBS Radio Creole Speech Competition, a plaque was presented by the AID Bank to the school which placed first runner-up.

The Bank remains steadfast in its support to the Dominica Cancer Society in promoting overall health and well-being. To this end, the AID Bank staff and their families participated in the Annual Walk for Cancer Care which we undertake annually.

A key feature of the Bank's initiative which demonstrates our commitment to the environment is the "Adopt-a-Road" project. We have been maintaining the beautification and upkeep of the green space along the Edward O. LeBlanc highway from the Pottersville Playing Field to the Woodbridge Bay Port with consistent passion over the years. The Bank takes pride in this project which is the envy of visitors and locals alike.

PART V

FINANCIAL PERFORMANCE

Statement of Comprehensive Income

The AID Bank recorded a net loss of \$0.50 million in the financial year ended June 30, 2025. This figure compares to a net profit of \$0.03 million recorded in 2024 as indicated in the table below.

A total comprehensive income of \$1.87 million was recorded in the financial year ended June 30, 2025. This amount was \$1.82 million more than the amount of \$0.05 million recorded the previous financial year.

The key contributing factors to this performance were increases in the fair value of the Bank's Investment Properties and the revaluation of its land and building which were in line with market trends. Additionally, the Bank saw a 9.71 per cent increase in Interest Income and 28.93 per cent increase in Other Operating Income over the period which contributed to the overall positive result.

Table 3 below presents the Summary of Financial Results for the last two financial years.

TABLE 3
SUMMARY OF FINANCIAL RESULTS

	2025 - XCD	2024 - XCD
Interest income	6,396,486	5,830,419
Other operating income	3,118,650	2,418,834
Total income	9,515,136	8,249,253
Interest Expense	(3,888,065)	(3,687,823)
Staff Costs	(2,623,103)	(2,716,922)
Administrative Expenses	(1,118,521)	(1,037,643)
Factory sheds expenses	(768,306)	(825,600)
Other operating expenses	(1,777,812)	(641,191)
Depreciation	(323,477)	(276,836)
Total expenses	(10,499,284)	(9,186,015)
Net Loss from Operations before the following income/(charges):	(984,147)	(936,762)
Increase in Fair Value of Investment Properties	3,269,223	1,647,378
Impairment Losses on Loans and Receivables	(2,784,829)	(683,423)
Net Profit/Loss	(499,753)	27,193
Revaluation excess on property, plant and equipment	2,365,071	21,304
Total Comprehensive Income	1,865,318	48,497

Income

Total income recorded for the financial year was \$9.52 million, which was 15.35 per cent higher than the amount of \$8.25 million achieved in 2024.

Interest income increased by 9.71 per cent and other operating income also increased by 28.93 per cent from the previous financial year.

Expenses

Financial Expenses of \$3.89 million were 5.43 per cent higher than the previous year's \$3.69 million.

Total Staff Expenses of \$2.62 million decreased by 3.45 per cent from the amount of \$2.72 million recorded the previous year.

Administrative Expenses of \$1.12 million increased by 7.79 per cent from the amount of \$1.04 million recorded the previous year.

Total Operating Expenses of \$10.50 million were 14.30 per cent higher than the \$9.19 million recorded as at June 30, 2024.

Assets

At June 30, 2025, assets totalled \$253.91 million representing a 3.36 per cent increase from the previous year's \$245.66 million.

The major component of assets, net loans and advances valued at \$151.12 million registered a 0.28 per cent decrease from the previous year's \$151.55 million and adequately offset total long-term liabilities of \$124 million.

As at June 30, 2025, Net Loans and Advances comprised of principal outstanding of \$153.83 million, and interest receivable of \$7.42 million less loan provision of \$10.13 million.

The long-term debt to equity ratio of 1.17:1 was well within the industry suggested range of 4:1.

Cash in current and operating account, and short-term investments totalled \$7.01 million, which was 49.07 per cent higher than the previous year's \$4.70 million.

Other receivables of \$2.47 million were 12.92 per cent more than last year's \$2.19 million. Other receivables

include the Industrial Estate tenants' rental arrears, insurance premiums, legal and other fees paid on behalf of clients, and a short-term loan to Financial Data Systems Limited (FDSL).

Net investments in treasury bills, Government debentures and shares in companies totalled \$78.92 million, of which \$78.40 million represents Investment Properties. Net Investments were 5.11 per cent more than last year's \$75.08 million.

Net total fixed assets of \$12.67 million were 25.89 per cent higher than last year's \$10.11 million.

Liabilities

Total liabilities were \$148.17 million, which was 5.24 per cent more than last year's \$140.78 million.

Due to customers was \$9.48 million which was 7.28 per cent higher than the \$8.83 million in the previous financial year.

Borrowed funds of \$124 million registered a net increase of 4.15 per cent from last year's \$119.06 million.

Shareholders' Equity

Shareholders' Equity of \$105.75 million increased by 0.83 per cent from the previous year's \$104.88 million.

Retained Earnings of \$4.07 million decreased by 25.89 per cent for the financial year ended June 30, 2025 when compared to \$5.50 million in 2024.



DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK



AUDITOR'S REPORT AND FINANCIAL STATEMENTS

June 30, 2025

[Expressed in Eastern Caribbean dollars]



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dominica Agricultural Industrial and Development Bank

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Dominica Agricultural Industrial and Development Bank** (the "Bank"), which comprise the statement of financial position as at June 30, 2025, and the statement of changes in equity, statement of comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at June 30, 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 Financial Reporting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in the Commonwealth of Dominica, 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 included in the Bank's 2025 Annual Report

Other information consists of the information included in the Bank's 2025 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Bank's 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Dominica Agricultural Industrial and Development Bank

Responsibilities of Management and the Audit Committee 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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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 Bank'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 Bank to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Dominica Agricultural Industrial and Development Bank

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 the Audit Committee 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.

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

A handwritten signature in black ink, appearing to be 'PKF'.

Chartered Accountants
Castries, Saint Lucia
February 9, 2026

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Statement of Financial Position

As at June 30, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	2025 \$	2024 \$
Assets			
Cash and balances with Central Bank	6	1,299,623	1,619,184
Treasury bills	7	410,000	410,000
Deposits with banks and other financial institutions	8	7,008,167	4,701,313
Financial assets measured at amortised cost	9	117,533	135,778
Loans and advances to customers	10	151,121,973	151,546,360
Financial assets measured at FVTPL	12	417,899	414,899
Investment properties	13	78,395,211	74,536,873
Property and equipment	14	12,668,825	10,111,828
Other assets	15	2,472,599	2,189,734
Total assets		253,911,830	245,665,969
Liabilities			
Bank overdraft	16	-	74,798
Due to customers	17	9,475,310	8,832,247
Borrowed funds	18	123,996,646	119,056,410
Provisions	19	62,371	89,187
Other liabilities	20	14,630,698	12,731,840
Total liabilities		148,165,025	140,784,482
Equity			
Share capital	22	50,000,000	50,000,000
Contributed capital	23	22,679,317	22,679,317
Revaluation surplus	24	10,532,214	8,244,068
Reserves	25	18,461,872	18,461,872
Retained earnings		4,073,402	5,496,230
Total equity		105,746,805	104,881,487
Total liabilities and equity		253,911,830	245,665,969

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS



Director



Director

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Statement of Comprehensive Income

As at June 30, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	2025 \$	2024 \$
Interest income	26	6,396,486	5,830,419
Interest expense	26	(3,888,065)	(3,687,823)
Net interest income		2,508,421	2,142,596
Other operating income	27	3,118,650	2,418,834
Other operating expenses	28	(6,611,218)	(5,498,192)
Net interest and other operating income		(984,147)	(936,762)
Increase in fair value of investment properties	13	3,269,223	1,647,378
Net impairment loss on financial assets	11	(2,784,829)	(683,423)
Net (loss)/profit for the year		(499,753)	27,193
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Revaluation of land and buildings	14, 24	2,365,071	21,304
Total comprehensive income for the year		1,865,318	48,497

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Statement of Changes in Equity

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	Share Capital \$	Contributed Capital \$	Revaluation Surplus \$	Reserves \$	Retained Earnings \$	Total \$
Balance as July 1, 2024	22, 23	50,000,000	22,679,317	8,244,068	18,461,872	5,496,230	104,881,487
Additions during the year						(499,753)	(499,753)
Net loss for the year							
		50,000,000	22,679,317	8,244,068	18,461,872	4,996,477	104,381,734
Other comprehensive income							
Revaluation of land and billings		-	-	2,365,071	-	-	2,365,071
Dividends	31	-	-	-	-	(1,000,000)	(1,000,000)
Amortization of revaluation surplus	24	-	-	(76,925)	-	76,925	-
		-	-	(76,925)	-	(923,075)	(1,000,000)
Balance at June 30, 2025		50,000,000	22,679,317	10,532,214	18,461,872	4,073,402	105,746,805

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Statement of Changes in Equity (Cont'd)
For the Year Ended June 30, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	Share Capital \$	Contributed Capital \$	Revaluation Surplus \$	Reserves \$	Retained Earnings \$	Total \$
Balance as July 1, 2023		47,970,205	4,260,371	8,301,259	18,455,074	5,647,340	84,634,249
Additions during the year	22, 23	2,029,795	18,418,946	-	-	-	20,448,741
Net profit for the year		-	-	-	-	27,193	27,193
		50,000,000	22,679,317	8,301,259	18,455,074	5,674,533	105,110,183
Other comprehensive income							
Revaluation of land and buildings	24	-	-	21,304	-	-	21,304
Dividends							
Transfer to statutory reserve	31	-	-	-	-	(250,000)	(250,000)
Amortization of revaluation surplus	25	-	-	-	6,798	(6,798)	-
	24	-	-	(78,495)	-	78,495	-
		-	-	(78,495)	6,798	(178,303)	(250,000)
Balance at June 30, 2024		50,000,000	22,679,317	8,244,068	18,461,872	5,496,230	104,881,487

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Statement of Cash Flows

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

	Notes	2025 \$	2024 \$
Cash flow from operating activities			
Net (loss)/profit for the year		(499,753)	27,193
Adjustments for:			
Net impairment loss on loans and receivables	11	184,829	683,423
Increase in fair value of investment properties	13	(3,269,223)	(1,647,378)
Depreciation	14	323,476	276,836
Interest income on investments	26	(134,255)	(55,690)
Interest expense and similar charges	26	3,802,133	3,583,937
Foreign exchange loss	28	39,815	41,588
Cash flows before changes in operating assets and liabilities			
		447,022	2,909,909
Decrease/(increase) in loans and advances to customers		424,387	(2,276,907)
Decrease in fixed deposits and investments		18,245	47,950
Increase in other assets		(282,865)	(170,578)
Increase in due to customers		643,063	1,187,623
(Decrease)/increase in provisions		(26,816)	29,962
Increase/(decrease) in other liabilities		1,898,858	(1,226,816)
Cash generated from operations			
		3,121,894	501,143
Interest income received/(paid)		49,634	(90,320)
Interest expenses paid		(3,905,341)	(2,962,215)
Net cash used in operating activities			
		(733,813)	(2,551,392)
Cash flows from investing activities			
Purchase of investment properties	13	(589,115)	(67,425)
Purchase of property and equipment	14	(515,402)	(194,257)
Net cash used in investing activities			
		(1,104,517)	(261,682)
Cash flows from financing activities			
Proceeds from borrowed funds		14,926,065	10,743,200
Repayment of borrowed funds		(10,025,644)	(9,829,908)
Dividends paid		(1,000,000)	(250,000)
Net cash generated from financing activities			
		3,900,421	663,292
Net increase/(decrease) in cash and cash equivalents			
		2,062,091	(2,149,782)
Cash and cash equivalents - beginning of the year	6	6,655,699	8,805,481
Cash and cash equivalents - end of the year	6	8,717,790	6,655,699

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

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DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

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DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

1. Corporate Information

The Dominica Agricultural Industrial and Development Bank (the “Bank”) is a corporate body established under Chapter 74:03 of the revised laws of the Commonwealth of Dominica, with its principal objectives being to promote and influence the economic development of the Commonwealth of Dominica and to mobilize funds for the purpose of such development. The Bank manages lands and buildings at four industrial estates in Canefield, Geneva, Picard, Hertford/Jimmit. The Estates collectively comprise 19 buildings with one each in Geneva and Picard and seventeen (17) in Canefield. The industrial estates are managed by the Industrial Estate Unit (the “IEU”) which is separate from the core lending functions of the Bank. The core lending function and the management of the industrial estate units together constitutes the Bank referred to above.

The Bank’s principal place of business and registered office is located at the corner of Charles Avenue and Rawles Lane, Goodwill, Commonwealth of Dominica.

The financial statements were approved by the Board of Directors and authorized for issue on February 9, 2026.

2. Material accounting policy information

(a) Overall policy

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

Statement of compliance

The **Dominica Agricultural Industrial and Development Bank’s** financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

Basis of preparation

The financial statements of **Dominica Agricultural Industrial and Development Bank** have been prepared on the historical cost convention, except for the following material items that are measured at fair value:

- Building
- Investment properties

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, which is the Bank’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(a) Overall policy (cont'd)

(i) Uses of Estimate and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(b) New standards, amendments to standards and interpretations

(i) *New standards, amendments to standards and interpretation effective in the 2025 financial year are as follows:*

Amendments to IAS 1 – Classification of Liabilities as Current and Non-current with Covenants (effective 1 January 2024)

In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

IAS 1.76ZA has been added to require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

The amendments had no impact on the financial statements.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(i) *New standards, amendments to standards and interpretation effective in the 2025 financial year are as follows: (cont'd)*

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective January 1, 2024)

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors that results in information that is relevant and reliable.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The amendments had no impact on the consolidated financial statements.

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(i) New standards, amendments to standards and interpretation effective in the 2025 financial year are as follows: (cont'd)

Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements (effective 1 January 2024)

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments had no impact on the financial statements.

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(ii) *New standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows:*

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations may be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

Amendments to IAS 21 – Lack of exchangeability (effective 1 January 2025)

In August 2023, the Board issued lack of exchangeability (Amendments to IAS 21).

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

When applying the amendments, comparative information is not restated.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(ii) *New standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows: (cont'd)*

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026)

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

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

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(ii) *New standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows: (cont'd)*

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments:

- Update the 'own-use' requirements for in-scope contracts. Under the amendments, the sale of unused nature-dependent electricity will be in accordance with an entity's expected purchase or usage requirements, if specified criteria are met;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments will allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met;
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. IFRS 7 has been amended to require specific disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments.

The amendments only apply to contracts that reference nature-dependent electricity. These are contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind.

The amendments relating to the own-use exception must be applied retrospectively. An entity is not required to restate prior periods, and it is only permitted to do so if this can be done without using hindsight.

The hedge accounting amendments must be applied prospectively to new hedging relationships designated on or after the date of initial application.

The IFRS 7 disclosure amendments must be applied when the IFRS 9 amendments are applied. If an entity does not restate comparative information, then the entity must not present comparative disclosures.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(ii) *New standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows: (cont'd)*

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

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

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

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

IFRS 18 must be applied retrospectively.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(ii) *New standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows: (cont'd)*

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

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

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

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

An entity has public accountability if:

- Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business).

If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(b) New standards, amendments to standards and interpretations

(ii) *New standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows: (cont'd)*

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively.

(iii) *Improvements to International Financial Reporting Standards*

The annual improvements process for the IASB deals with non-urgent but necessary clarifications and amendments to IFRS.

Annual improvements to IFRS Accounting Standards-Volume 11

The following amendments are applicable to annual periods beginning on or after January 1, 2026.

IFRS – Subject of Amendment

IFRS 1	First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-Time Adopter.
IFRS 7	Financial Instruments: Disclosures – Gain or Loss on Derecognition.
IFRS 7	Financial Instruments: Disclosures – Guidance on implementing Introduction, Disclosures of Deferred Difference Between Fair Value and Transaction Price and Credit Risk Disclosures.
IFRS 9	Financial Instruments – Lessee Derecognition of Lease Liabilities.
IFRS 9	Financial Instruments – Transaction Price.
IFRS 10	Consolidated Financial Statements – Determination of a 'De Facto Agent'.
IAS 7	Statement of Cash Flows – Cost Method.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(c) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including: cash and non-restricted balances with the Central Bank, treasury bills, deposits with other banks and other short-term securities.

(d) Financial instruments

The Bank classifies financial assets based on the following IFRS 9 measurement categories:

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income ("FVTOCI").
- Debt instruments at fair value through profit or loss ("FVTPL").
- Equity instruments designated as measured at FVTOCI.
- Equity instruments at FVTPL.

IFRS 9 classification is based on the business model in which a financial asset is managed and its contractual cash flows. As at the reporting date, no financial instruments were measured at FVTOCI.

On initial recognition, financial assets are classified by the Bank as follows:

Debt Instruments

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- FVTOCI; and
- FVTPL

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Debt Instruments (cont'd)

Investments in debt instruments are measured at amortized cost if it meets both of the following conditions and is not designated as fair value through profit or loss ("FVTPL"):

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the outstanding principal balance.

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The Bank's business model assessment is based on the following categories:

- *Hold to Collect* - The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- *Hold to collect and sell* - both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- *Other Business model – this business model is neither hold-to-collect nor hold-to-collect and sell.* The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The model is not assessed on an instrument-by-instrument basis, but rather at a portfolio level and based on factors such as:
 - How the performance of the financial assets held within that business model are evaluated and reported to the Bank's management personnel.
 - The risks that affect the performance of the assets held within a business model (and, in particular, the way those risks are managed).
 - The expected frequency, value and timing of sales activity.

The stated policies and objectives for the portfolio and the operation are those in practice, in particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the financial liabilities that are funding those assets or realizing cash flows through the sale of the assets.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Business model assessment Cont'd)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's expectations, the Bank does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of contractual cash flows

As a second step in the classification process the Bank assesses the contractual terms of the financial assets to identify whether they meet the solely payments of principal and interest ("SPPI") test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin.

Debt instruments measured at amortized cost

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

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Debt instruments measured at fair value through other comprehensive income

Investments in debt instruments are measured at fair value through other comprehensive income where they meet the following two conditions and they have not been designated at FVTPL:

- Contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

These debt instruments are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognized in profit and loss. Upon disposal, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the income statement.

Impairment on debt instruments at FVOCI is calculated using the expected credit loss ("ECL") approach. The ECL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the Statement of Financial Position, which remains at fair value.

Equity instruments

All equity securities are measured at fair value. On initial recognition the Bank may make an irrevocable decision to present in OCI gains and losses from changes in fair value of certain equity instruments. When insufficient information is available to measure fair value, then the instrument is measured at cost when it represents the best estimate of fair value. When an equity instrument classified at FVOCI is sold the cumulative profit or loss recorded in OCI is not recycled to profit or loss. Dividends recorded from securities measured at FVOCI are recognized in profit or loss.

A financial instrument with a reliably measurable fair value can be designated at FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the selling or repurchasing.

Financial liabilities

At initial recognition financial liabilities are measured at fair value plus or minus, in the case of financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Financial liabilities other than loan commitments, financial guarantees and derivatives are subsequently measured at amortized cost.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Impairment of financial assets

Scope

The adoption of IFRS 9 has fundamentally changed the Bank's impairment model by replacing IAS 39's incurred loss approach with a forward looking three-stage expected credit loss ("ECL") approach. As of July 1, 2018, the Bank has recorded the allowance for expected credit losses for the following categories of financial assets:

- Debt instruments measured at amortized cost; and
- Off-balance sheet loan commitments.

No impairment loss is recognized on equity instruments.

Expected credit loss impairment model

The three stage ECL allowance model is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss ("LTECL")), unless there has been no significant increase or deterioration in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss (12m ECL). The 12m ECL is the portion of the LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime expected credit losses and 12 month expected credit losses are calculated on an individual basis but for purposes of determining the probability of default and loss given default financial assets are grouped according to common characteristics.

The three-stage approach applied by the Bank is as follows:

Stage 1: 12-months ECL

The Bank assesses ECLs on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Bank recognizes a provision on the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. Stage 1 loans include those instruments that are in arrears for 30 days or less and those facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: Lifetime ECL-not credit impaired

The Bank assesses ECLs on exposures where there has been a significant increase in credit risk since initial recognition but is not credit impaired. This category includes loans which are over 30 days but less than 90 days in arrears. For these exposures, the Bank recognizes as a provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Expected credit loss impairment model (cont'd)

Stage 3: Lifetime ECL- credit impaired

The Bank identifies, individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental effect on the estimated future cash flows of that asset have occurred. Loans that are overdue for 90 days or more are considered credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

Measurement of ECL

ECLs are probability weighted estimates of credit losses. They are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Bank expects to receive);
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn loan commitments:* the present value of the difference between contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

The inputs used to estimate the expected credit losses are as follows:

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Forward looking information

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

Macroeconomic factors

The standard also requires incorporation of macroeconomic factors in models for ECLs. In its models, the Bank conducted an assessment of a range of forward-looking economic information as possible inputs, such as GDP growth, non-performing loans ratios, consumer price index and inflation and interest rates.

The standard recognizes that the inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be used as temporary adjustments using expert credit judgement.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers both quantitative and qualitative information and analysis based on its historical experience and credit risk assessment. The Bank considers as a backstop that significant increase in credit risk occurs when an asset is more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECLs to 12- months.

Expected life

For instruments in Stages 2 or 3, loss allowances reflect expected credit losses over the expected remaining life of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Presentation of allowances for ECLs

Loss allowances for ECLs are presented in the Statement of Financial Position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- Undrawn loan commitments and financial guarantees generally as a provision in other liabilities.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Presentation of allowances for ECLs (cont'd)

- Debt instruments measured at fair value through OCI and the ECLs are not recognized in the Statement of Financial Position because the carrying amounts of these assets remain their fair values. However, the loss allowance is disclosed and is recognized in the fair value reserve in equity with a corresponding charge to profit and loss. The accumulated loss recognized in OCI is recycled to profit or loss upon derecognition of the assets.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the assessment is made of whether the financial asset should be derecognized in ECLs and measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discontinued from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit impaired financial assets

At each reporting date the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit impaired (referred to as "Stage 3 financial assets"). A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower;
- A breach of contract such as default or past due events;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Credit impaired financial assets (cont'd)

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - Adverse changes in the payment status of borrowers in the group; or
 - National or economic conditions that correlate with defaults on the assets in the group.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more are considered credit impaired.

Definition of default

The Bank considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- Significant financial difficulty of the borrower;
- Default or delinquency of principal and interest by a borrower;
- Restructuring of a loan or advance by the Bank on terms that the Bank would not normally consider;
- Measurable decrease in the estimated cash flows from the loan or the underlying assets that secure the loan; or
- The disappearance of an active market for a security because of financial difficulties.

The Bank considers that default has occurred and classifies the financial asset as credit impaired when it is more than 90 days past due.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(d) Financial instruments (cont'd)

Write-offs

The write-off of a financial asset is a derecognition event. Loans and related impairment losses are either written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realisation of collateral. In circumstances where the new realisable value on any collateral has been determined and there is no reasonable expectation of recovery, write-off may be earlier.

(e) Renegotiated loans

During the normal course of business financial assets carried at amortized cost may be restructured with the mutual agreement of the Bank and the counterparty. When this occurs for reasons other than those which could be considered indicators of impairment, the Bank assesses whether the restructured or renegotiated financial asset is significantly different from the original one by comparing the present value of the restructured cash flows discounted at the original instruments interest rate. If the restructured terms are significantly different the Bank derecognizes the original financial asset and recognizes a new one at fair value with any difference recognized in the statement of comprehensive income. Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans.

(f) Offsetting financial instruments

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

(g) Property and equipment

(i) Initial measurement

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(g) Property and equipment (cont'd)

(ii) *Subsequent measurement*

Land and building

After recognition, land and building, whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

When a building is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Land is not depreciated.

Motor vehicle, furniture and equipment and computer equipment

After recognition, an item of property and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(g) Property and equipment (cont'd)

(iii) Depreciation

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

Buildings	2%
Motor vehicles	20%
Furniture and equipment	20% - 33 1/3%
Computer equipment	20% - 33 1/3%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income.

(h) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Bank and/or the Industrial Estate Unit (IEU), are classified as investment properties. Investment properties comprise freehold land and buildings.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the position. Gains or losses arising from changes in the fair value of investment properties are included in the statement of comprehensive income in the year in which they arise.

(i) Impairment of other non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(j) Prepayments

Prepayments represent expenses not yet incurred but are already paid. Prepayments are initially recorded as assets and measured at the amount paid. Subsequently, these are charged to the statement of profit or loss and other comprehensive income as they are consumed in the operations or expire with passage of time.

(k) Borrowings

Borrowings are recognized initially at fair value, being their issue proceeds (fair value consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between proceeds net of transactions cost and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

(l) Grants

Grants are recognized at the fair value where there is a reasonable assurance that the grant will be received, and the Bank will comply with all attached conditions. Grants relating to costs are deferred and recognized in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction from the proceeds.

(n) Contributed capital

Contributed capital is reported as part of shareholders' equity and represents:

- The land vested by the Government of the Commonwealth of Dominica to the Bank.
- An equity conversion of loans in the amount of \$2.6M payable to the Government of the Commonwealth of Dominica.

(o) Dividends on ordinary shares

Dividends on ordinary shares are recognized in equity in the period in which they are declared. Dividends that are declared after the reporting date are disclosed as a subsequent event.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(p) Retained earnings

Retained earnings include all current and prior period results of operations as disclosed in the statement of comprehensive income.

(q) Interest income and expense

Interest income and expense for all financial instruments are recognized within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method.

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

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

(r) Fees and other income

Fees and other income are recognized to the extent that it is probable that future economic benefits will flow to the Bank and the income can be measured reliably. Income is generally recognized on an accrual basis when the service has been provided.

Loan commitment fees are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan.

(s) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

2. Material accounting policy information (cont'd)

(t) Leases

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(u) Financial liabilities

The Bank's financial liabilities are at amortized cost. Financial liabilities are derecognized when extinguished. Financial liabilities measured at amortized cost are due to customers and other liabilities.

(v) Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of a past event, it is more likely that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(w) Rental income

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease of the respective Industrial Estate Units.

(x) Financial instruments

Financial instruments carried on the statement of financial position include cash, investment securities, loans and advances to customers, deposits with other banks, due to customers and borrowings. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

(y) Comparatives

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current year.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management

(a) Financial risk factors

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

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework, and it also assesses financial and control risks to the Bank.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Bank's Board of Directors oversees how management monitors compliance with the Bank's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Bank.

Strategy in using financial instruments

By its nature, the Bank's activities are principally related to the use of financial instruments. The Bank secures funds from various lending agencies at both fixed and variable interest rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Bank seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that may fall due.

The Bank also seeks to raise its interest margins by obtaining above average margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standings. Such exposures involve loans and advances to customers.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk

The Bank takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Bank's portfolio, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk.

Cash and balances with Central Bank

Credit risk from balances with banks and financial institutions is managed by the Bank in accordance with the Bank's policy. Balances are held with reputable financial institutions and limits are set to minimise the concentration of risks and financial loss through potential counterparty's failure to meet their obligations.

Debt securities and other bills

For debt securities and treasury bills, external ratings such as CariCRIS or its equivalent are used by senior management for managing of the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirements at the same time.

Loans and advances to customers

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers and to industry segments. Such risks are monitored on a revolving basis and subject to monthly reviews. The Bank also undertakes supervised credit of large projects whereby loans are disbursed in tranches. A progress report is completed after each tranche is disbursed to ascertain the project value. The Bank is exposed to potential loss only in the amount of loan disbursed. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral, corporate guarantees and personal guarantees.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Industrial Estate Unit ("IEU")

Credit risk also arises from the possibility that counterparties may default on their rental obligations to the Bank's industrial estate operations. The Industrial Estate Unit deals primarily in the rental industry which potentially exposes that operation to concentrations of credit risk. Policies are in place to ensure that rental of properties are made to customers with an appropriate credit history. Management also performs periodic credit evaluations of its customers' financial condition.

(i) *Credit risk measurement – Loans and advances*

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties. They have been developed based on the Eastern Caribbean Central Bank guidelines. Customers of the Bank are segmented into five rating classes. The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary.

Bank's rating	Description of the grade
1	Pass
2	Special mention
3	Sub-standard
4	Doubtful
5	Loss

(ii) *Risk limit control and mitigation policies*

The Bank manages limits and controls concentrations of credit risk wherever they are identified - in particular, to individual counterparties groups, and to industries. The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to the industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on-and-off statement of financial position exposures, and daily delivery risk limits in relation to trading items. Actual exposures against limits are monitored. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(iii) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, property and equipment and motor vehicles;
- Charges over financial instruments such as debt securities' and equities;
- Assignment to the Bank of key-man, life, homeowners and motor vehicle insurances.

Long-term lending to customers is generally secured. In order to minimize the credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed. Collateral held as security will depend on the nature of the instrument. Debt securities, treasury and other eligible bills are usually unsecured.

(iv) Credit-related commitments

Commitments to extend credit represent undisbursed portions of approved loans. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(v) Impairment and provisioning policies

The internal and external rating systems described under "credit risk measurement" focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the reporting date based on objective evidence of impairment.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The impairment provision shown in the statement of financial position at year-end is derived from each of five internal rating grades. The table below shows the percentage of the Bank's loans and advances and the associated impairment provision for each of the Bank's internal rating categories:

	2025		
	Loans and Advances (%)	Collective Impairment (%)	Individual Impairment (%)
Bank's rating			
1. Pass	62.50	-	4.97
2. Special mention	8.44	-	7.14
3. Sub-standard	1.24	-	7.72
4. Doubtful	0.93	-	2.24
5. Loss	26.89	-	77.93
	2024		
	Loans and Advances (%)	Collective Impairment (%)	Individual Impairment (%)
Bank's rating			
1. Pass	60.32	-	4.72
2. Special mention	8.61	-	6.01
3. Sub-standard	0.37	-	2.16
4. Doubtful	0.63	-	2.60
5. Loss	30.07	-	84.51

The internal rating tool assists management to determine whether objective evidence of impairment exists under IFRS 9, based on the following criteria set out by the Bank:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income as a percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

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

Maximum exposure

	Maximum credit risk exposure	
	2025	2024
	\$	\$
Treasury bills	410,000	410,000
Deposits with banks and other financial institutions	7,008,167	4,701,313
Financial assets measured at amortised cost	117,533	135,778
Loans and advances to customers:		
Demand loans	124,311,391	123,882,104
Mortgage loans	26,810,582	27,664,256
Other assets	2,472,599	2,189,734
	161,130,272	158,983,185
Credit risk exposure relating to financial assets off the statement of financial position		
Loan commitments	1,568,454	5,425,511
	162,698,726	164,408,696

The above table represents a worst-case scenario of credit risk exposure to the Bank at June 30, 2025 and 2024, without taking account of any collateral held or other credit enhancements attached. For financial assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position at the reporting date.

As shown above, 92.89% (2024 - 92.18%) of the total maximum exposure is derived from loans and advances to customers.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loans and advances portfolio based on the following:

- 70.94% (2024 - 68.93%) of the loans and advances portfolio is categorised in the top two grades of the internal rating system;
- 29.15% (2024 – 29.07%) of the loans and advances portfolio are considered to be neither past due nor impaired; and
- the Bank has introduced a more stringent selection process upon granting loans and advances.

Loans and advances

Loans and advances are summarised as follows:

	2025	2024
	\$	\$
Neither past due not impaired	47,003,769	48,258,728
Past due but not impaired	67,381,286	66,177,097
Impaired	46,866,204	51,575,867
	161,251,259	166,011,692
Less: Allowance for impairment losses	(10,129,286)	(14,465,332)
	151,121,973	151,546,360

The total impairment provision for loans and advances is \$10,129,286 (2024 - \$14,465,332) of which \$8,903,070 (2024 - \$12,913,079) represents the Stage 3 ECL and the remaining amount of \$1,226,216 (2024 - \$1,552,253) represents the Stages 1 and 2 ECLs. Further information on the allowance for impairment losses on loans and advances to customers is provided in Notes 10 and 11.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(i) Loans and advances neither past due nor impaired

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

	Demand Loans \$	Mortgage Loans \$	Total \$
June 30, 2025			
Grades			
1. Pass	35,480,972	11,522,797	47,003,769
June 30, 2024			
Grades			
1. Pass	36,013,810	12,244,918	48,258,728

(ii) Loans and advances past due but not impaired

Loans and advances less than ninety (90) days past due are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers net of unearned interest that were past due but not impaired were as follows:

	Demand Loans \$	Mortgage Loans \$	Total \$
June 30, 2025			
Past due up to 30 days	46,978,941	12,322,741	59,301,682
Past due 30-60 days	459,254	59,966	519,220
Past due 60-90 days	581,384	65,645	647,029
Past due over 90 days	6,410,430	502,925	6,913,355
Total	54,430,009	12,951,277	67,381,286
June 30, 2024			
Past due up to 30 days	47,261,051	12,387,425	59,648,476
Past due 30-60 days	466,485	53,991	520,476
Past due 60-90 days	594,882	47,632	642,514
Past due over 90 days	4,968,974	396,657	5,365,631
Total	53,291,392	12,885,705	66,177,097

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets.

(iii) *Loans and advances individually impaired*

The table below shows the individually impaired loans and advances to customers before taking into consideration the cash flows from collateral held.

The breakdown of the gross amount of individually impaired loans and advances by class are as follows:

	Demand Loans \$	Mortgage Loans \$	Total \$
June 30, 2025			
Stage - 3			
individually impaired loans	42,903,775	3,962,429	46,866,204
June 30, 2024			
Stage - 3			
individually impaired loans	46,789,195	4,786,672	51,575,867

(iv) *Loans and advances renegotiated*

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a current status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of the Bank's management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans, in particular customer finance loans. Renegotiated loans that would otherwise be past due or impaired totaled \$7,829,357 as of June 30, 2025 (2024 - \$7,007,024).

(v) *Repossessed collateral*

At the June 30, 2025, the Bank had repossessed collateral totaling \$510,220 (2024 - \$53,732).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(vi) Geographical Sectors

The Bank operates primarily in the Commonwealth of Dominica and the exposure to credit risk is concentrated in this area.

(vii) Industry Sectors

The following table breaks down the Bank's credit risk exposures at gross amounts by industry sectors:

	2025		2024	
	%	\$'000	%	\$'000
Industrial	29.99	48,363	32.78	54,428
Tourism	27.86	44,924	29.07	48,254
Mortgage	17.63	28,437	18.02	29,917
Education	16.54	26,668	14.85	24,651
Agricultural	3.72	5,992	3.34	5,545
Other consumers	4.26	6,867	1.94	3,217
Total before deduction for allowance for losses on loans and advances	100.00	161,251	100.00	166,012

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(c) Market risk

The Bank takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Bank's exposure to market risks arise from its non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the Bank's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of equity risks arising from the Bank's available-for-sale investments.

(i) Price risk

The Bank is exposed to price risk because of investments in FVTPL. To manage its price risk arising from investments in equity securities, the Bank diversifies its portfolio as particularised in Note 12.

At June 30, 2025, if equity securities prices had been 10% higher/lower with all other variables held constant, post-tax profit for the year would have been \$16,833 (2024 - \$16,533) higher/lower as a result of the increase/decrease in fair value of available-for-sale equity securities.

(ii) Currency risk

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows, primarily with respect to the United States dollar (US\$). The Board of Directors sets limits on the level of exposure by currency and in total which are monitored daily. The Bank's exposure to currency risk is minimal with respect to the US\$ since the exchange rate of the Eastern Caribbean dollar (EC\$) to the US\$ has been formally pegged at EC\$2.70 = US\$1.00 since 1974.

(iii) Interest rate risk

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

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(c) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

The table below summarises the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier contractual repricing or maturity dates.

	1 year \$	2-5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
As at June 30, 2025					
Cash	-	-	-	1,299,623	1,299,623
Treasury bills	410,000	-	-	-	410,000
Deposits with the banks and other financial institutions	6,525,810	-	-	482,357	7,008,167
Financial assets measured at amortised cost	-	-	120,000	-	120,000
Loans and advances to customers	23,496,363	56,151,621	71,473,989	-	151,121,973
Financial assets measured at FVTPL	-	-	-	417,899	417,899
Other assets	-	-	-	2,472,599	2,472,599
Total financial assets	30,432,173	56,151,621	71,593,989	4,672,478	162,850,261
Due to customers	424,482	1,316,845	-	7,733,983	9,475,310
Borrowed funds	30,666,190	26,017,594	67,312,862	-	123,996,646
Other liabilities	-	-	-	14,630,698	14,630,698
Total financial liabilities	31,090,672	27,334,439	67,312,862	22,364,681	148,102,654
Net interest repricing gap	(658,499)	28,817,182	4,281,127	(17,692,203)	14,747,607

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(c) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

	1 year \$	2-5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
As at June 30, 2024					
Cash	-	-	-	1,619,184	1,619,184
Treasury bills	410,000	-	-	-	410,000
Deposits with the banks and other financial institutions	4,436,729	-	-	264,584	4,701,313
Financial assets measured at amortised cost	-	-	136,000	-	136,000
Loans and advances to customers	24,271,784	53,130,563	74,144,013	-	151,546,360
Financial assets measured at FVTPL	-	-	-	414,899	414,899
Other assets	-	-	-	2,189,734	2,189,734
Total financial assets	29,118,513	53,130,563	74,280,013	4,488,401	161,017,490
Bank overdraft	74,798	-	-	-	74,798
Due to customers	431,236	1,339,601	-	7,061,410	8,832,247
Borrowed funds	32,208,474	33,227,854	53,620,082	-	119,056,410
Other liabilities	-	-	-	12,821,027	12,821,027
Total financial liabilities	32,714,508	34,567,455	53,620,082	19,882,437	140,784,482
Net interest repricing gap	(3,595,995)	18,563,108	20,659,931	(15,394,036)	20,233,008

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(c) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

The table below summarises the effective interest rate by major currencies for monetary financial instruments not carried at fair value through profit or loss:

	EC\$ %	US\$ %
As at June 30, 2025		
Assets		
Treasury bills	5.60	-
Deposits with banks and other financial institutions	1.40	-
Financial assets measured at amortized cost	3.73	-
Loans and advances to customers	3.89	-
Liabilities		
Due to customers	1.42	-
Borrowed funds	4.86	2.30
As at June 30, 2024		
Assets		
Treasury bills	5.60	-
Deposits with banks and other financial institutions	2.27	-
Financial assets measured at amortized cost	3.71	-
Loans and advances to customers	3.62	-
Liabilities		
Due to customers	1.32	-
Borrowed funds	3.14	2.21

(iv) Sensitivity analysis

Cash flow interest rate risks arise from borrowings at variable rates. At June 30, 2025 if variable interest rates had been 1% higher/lower with all other variables held constant, profit for the year would have been \$260,742 (2024 - \$265,953) higher/lower.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(d) Liquidity risk

The Bank is exposed to daily calls on its available cash resources from maturing deposits and loan disbursements. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of other borrowing facilities that should be placed to cover withdrawals at unexpected levels of demand.

The matching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and different types. An unmatched position potentially enhances profitability, but also increases the risks of losses.

The maturities and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest rates.

(i) Non-derivative cash flow

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash inflows.

	1 year \$	2-5 years \$	Over 5 years \$	Total \$
As at June 30, 2025				
Financial liabilities				
Due to customers	5,391,728	4,108,063	-	9,499,791
Borrowed funds	39,494,168	53,409,111	76,175,761	169,079,040
Other liabilities	4,217,106	4,160,794	6,315,168	14,693,068
Total financial liabilities	49,103,002	61,677,968	82,490,929	193,271,899
As at June 30, 2024				
Financial liabilities				
Bank overdraft	74,798	-	-	74,798
Due to customers	6,845,403	2,014,036	-	8,859,439
Borrowed funds	37,228,908	42,980,699	61,342,232	141,551,839
Other liabilities	3,415,121	4,215,493	5,190,413	12,821,027
Total financial liabilities	47,564,230	49,210,228	66,532,645	163,307,103

3. Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

(ii) Loan commitments

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extended credit to customers and other facilities are summarised in the table below.

	1 year \$	2-5 years \$	Total \$
As at June 30, 2025			
Loan commitments	5,000,000	4,208,170	9,208,170
As at June 30, 2024			
Loan commitments	5,000,000	5,979,439	10,979,439

(e) Fair value of financial assets and liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable willing parties who are under no compulsion to act and is best evidenced by a quoted market value if one exists. The following methods and assumptions were used to estimate the fair value of financial instruments.

The fair values of cash resources, fixed deposits, debentures, other assets and liabilities, cheques, and other items in transit and due to other banks are assumed to approximate their carrying values due to their short-term nature.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair values of loans and advances represent the discounted amount of estimated future cash now expected to be received. Expected cash flows are discounted at current market rate to determine fair value.

Investment securities

Assets classified as FVTPL are measured at fair value.

Borrowed funds

The estimated fair value of borrowed funds is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and maturity.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(e) Fair value of financial assets and liabilities (cont'd)

Due to other banks and customers, and other liabilities

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

Deposits payable on a fixed date are at rates that reflect market conditions and are assumed to have fair values which approximate carrying values.

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Bank's statement of financial position at their fair value.

	2025	Carry value	2025	Fair value
	\$	2024	\$	2024
		\$		\$
Financial assets				
Loans and advances to customers	151,121,973	151,546,360	181,147,034	187,139,454
Financial liabilities				
Borrowed funds	123,996,646	119,056,410	112,551,763	120,939,034

(f) Fair value hierarchy

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

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchange.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(f) Fair value hierarchy (cont'd)

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

Assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at June 30, 2025				
Financial assets				
Financial assets at FVTPL	-	85,000	332,899	417,899
Non-financial assets				
Investment properties	-	-	78,395,211	78,395,211
Land and building	-	-	12,264,834	12,264,834
	-	-	90,660,045	90,660,045
	-	85,000	90,992,944	91,077,944
As at June 30, 2024				
Financial assets				
Financial assets at FVTPL	-	82,000	332,899	414,899
Non-financial assets				
Investment properties	-	-	74,536,873	74,536,873
Land and building	-	-	9,878,288	9,878,288
	-	-	84,415,161	84,415,161
	-	82,000	84,748,060	84,830,060

The financial assets at FVTPL classified as Level 3 as at June 30, 2025 and 2024 relates to unquoted equity investments measured at cost.

The fair value of the Bank's non-financial assets was carried out using a market approach that reflects observed rental rates for similar properties and incorporates adjustments for factors specific to the property in question, including plot size, location, current use, and estimated amount of accumulated depreciation for buildings.

The fair value is estimated based on appraisals performed by an independent professionally qualified valuer who holds a recognized and relevant professional qualification. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board and Finance and Audit Committee at each reporting date.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(f) Fair value hierarchy (cont'd)

Assets for which fair values are disclosed (cont'd):

There were no transfers between levels in the fair value hierarchy in 2025 and 2024.

There were no gains or losses for the period included in the statement of comprehensive income for assets held at Level 3 as at June 30, 2025 and 2024.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at June 30, 2025				
Financial assets				
Loans and advances to customers	-	-	181,147,034	181,147,034

As at June 30, 2024				
Financial assets				
Loans and advances to customers	-	-	187,139,454	187,139,454

Liabilities for which fair values are disclosed:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at June 30, 2025				
Financial liabilities				
Borrowed funds	-	-	112,551,763	112,551,763

As at June 30, 2024				
Financial liabilities				
Borrowed funds	-	-	120,939,034	120,939,034

The valuation technique and unobservable quantitative input for receivables and liabilities classified as Level 3 as of June 30, 2025 and 2024 are summarized below:

	Valuation Techniques	Unobservable Inputs	Range 2025 %	Range 2024 %
Loans and advances to customers	Discounted cash flows	Discount rates	0 to 13	0 to 13
Borrowed funds	Discounted cash flows	Discount rates	0 to 5.05	0 to 5.05

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

3. Financial risk management (cont'd)

(g) Capital Management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial positions, are:

- To comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management.

4. Segment analysis

In the financial years 2025 and 2024, segment reporting by the Bank was prepared in accordance with IFRS 8, 'Operating segments'. Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Bank's Board of Directors (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assessing their performance. During the year, the Bank had two operating segments, which meet the definition of reportable segment under IFRS 8. The Bank's segment operations are its core financial lending with a majority of revenues being derived from interest income and from the rental income from the IEU. The Bank's Board of Directors relies primarily on net interest income and rental income to assess the performance of the segments. The revenue from external parties reported to the Bank's Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

Revenue from external customers is recorded as such and can be directly traced to each business segment. The Bank's management reporting is based on a measure of operating profit comprising net interest income and rental income. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information, which are regularly reviewed by the Bank's Board of Directors. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position. Transactions between business segments are on an arm's length basis and are eliminated on combination of their financial information. There were no revenues derived from transactions with a single external customer that amount to 10% or more of the Bank's revenue.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

4. Segment analysis (cont'd)

Total assets and liabilities by segment are as follows:

	AID Bank \$	Industrial Estate \$	Total \$
As at June 30, 2025			
Total assets	204,547,531	49,364,299	253,911,830
Total liabilities	145,334,458	2,830,567	148,165,025
As at June 30, 2024			
Total assets	199,940,144	45,725,825	245,665,969
Total liabilities	138,791,607	1,992,875	140,784,482

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

4. Segment analysis (cont'd)

2024 and 2023 Segment reporting:

	AID Bank \$	Industrial Estate \$	Total \$
For the year ended June 30, 2025			
External revenue	1,200,906	1,920,744	3,121,650
Interest income	6,396,486	-	6,396,486
Interest expense	(3,864,116)	(23,949)	(3,888,065)
Net operating income	3,733,276	1,896,795	5,630,071
Depreciation	(296,946)	(26,530)	(323,476)
Impairment recovery/(loss) on loans and advances	(2,463,915)	(348,485)	(2,812,400)
Impairment recovery on loan commitments	26,814	-	26,814
Impairment loss on investments	(2,245)	-	(2,245)
Other operating expenses	(4,170,423)	(2,117,317)	(6,287,740)
Changes in fair value of investment properties	-	3,269,223	3,269,223
Total operating (expenses)/income	(6,906,715)	776,891	(6,129,824)
Net (loss)/income for the year	(3,173,439)	2,673,686	(499,753)
For the year ended June 30, 2024			
External revenue	605,232	1,813,602	2,418,834
Interest income	5,830,419	-	5,830,419
Interest expense	(3,663,561)	(24,262)	(3,687,823)
Net operating income	2,772,090	1,789,340	4,561,430
Depreciation	(251,002)	(25,834)	(276,836)
Impairment loss on loans and advances	(395,532)	(257,979)	(653,511)
Impairment loss on loan commitments	(29,962)	-	(29,962)
Impairment recovery on investments	50	-	50
Other operating expenses	(3,966,101)	(1,255,255)	(5,221,356)
Changes in fair value of investment properties	-	1,647,378	1,647,378
Total operating (expenses)/income	(4,642,547)	108,310	(4,534,237)
Net (loss)/income for the year	(1,870,457)	1,897,650	27,193

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

5. Critical accounting estimates and judgements

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Going concern*

The Bank's management is satisfied that it has the resources to continue in business for the foreseeable future. The Bank's management is not aware of any material uncertainties that may cast significant doubt upon its ability to continue as a going concern.

(b) *Impairment losses on loans and advances*

The Bank reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio.

(c) *Impairment of assets carried at fair value*

The Bank determines that equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows. The Bank individually assesses debt securities for objective evidence of impairment. If an impaired instrument has been renegotiated, interest continues to be accrued on the reduced carrying amount of the asset and is recorded as part of "interest income". If the fair value of the instrument increases in a subsequent year, the impairment loss is reversed through the statement of comprehensive income.

(d) *Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less cost of disposal is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental cost of disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for DCF model as well as the future cash inflows.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

5. Critical accounting estimates and judgements (cont'd)

(e) *Revaluation of land and buildings and investment property*

The Bank measures its land and buildings and investment property at revalued amounts with changes in fair value being recognized in other comprehensive income and in the statement of comprehensive income respectively. The Bank engages independent valuation specialists to determine fair value of its land and buildings. The valuer uses judgment in the application of valuation techniques such as the income approach, replacement cost, capitalisation of potential rentals and the market price of comparable properties, as applicable in each case.

6. Cash and balances with Central Bank

	2025 \$	2024 \$
Balances with Central Bank	1,298,217	1,617,799
Cash on hand	1,406	1,385
	1,299,623	1,619,184

For the purpose of the statement of cash flows, cash and cash equivalents include the following:

	Notes	2025 \$	2024 \$
Cash and balances with Central Bank		1,299,623	1,619,184
Treasury bills	7	410,000	410,000
Deposits with banks and other financial institutions	8	7,008,167	4,701,313
Bank overdraft	16	-	(74,798)
		8,717,790	6,655,699

7. Treasury Bills

	2025 \$	2024 \$
Treasury bills	410,000	410,000

Treasury bills are debt securities issued by the Government of the Commonwealth of Dominica for a term of three (3) months. The weighted average effective interest rate in 2025 is 5.60% (2024 – 5.60%).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

8. Deposits with banks and other financial institutions

	2025	2024
	\$	\$
Placements with banks	<u>7,008,167</u>	<u>4,701,313</u>

The weighted average effective interest rate in respect of interest-bearing deposits in 2025 is 1.40% (2024 – 2.27%).

There were no certificates of deposit included in placements with banks and other financial institutions.

9. Financial assets measured at amortized cost

	2025	2024
	\$	\$
Financial assets measured at amortized cost:		
3.50% debenture expiring on June 1, 2034	120,000	136,000
Less: Allowance for ECL	<u>(2,467)</u>	<u>(222)</u>
	<u>117,533</u>	<u>135,778</u>

Movement of the Bank's allowance for ECL is as follows:

	2025	2024
	\$	\$
At the beginning of the year	222	272
Expensed/(recovery) during the year	<u>2,245</u>	<u>(50)</u>
At the end of the year	<u>2,467</u>	<u>222</u>

Financial assets measured at amortized cost are debentures and debt securities, issued by the Government of the Commonwealth of Dominica for a term of five (5) to thirty (30) years. The weighted average effective interest rate in 2025 is 3.73% (2024 – 3.71%).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

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(Expressed in Eastern Caribbean Dollars)

10. Loans and advances to customers

	2025	2024
	\$	\$
Demand loans	132,814,756	136,094,396
Mortgage loans	28,436,503	29,917,296
	161,251,259	166,011,692
Less: Allowance for impairment losses	(10,129,286)	(14,465,332)
	151,121,973	151,546,360
Current	23,496,363	24,271,784
Non-current	127,625,610	127,274,576
	151,121,973	151,546,360

The weighted average effective interest rate on productive loans at June 30, 2025 is 3.89% (2024 – 3.62%).

11. Allowance for impairment losses on loans and advances

The movement in allowance for impairment losses per loan category is as follows:

	Demand Loans \$	Mortgage Loans \$	Total \$
As at June 30, 2025			
At the beginning of the year	12,212,292	2,253,040	14,465,332
Provisions recovered for the year	(3,708,927)	(627,119)	(4,336,046)
At the end of the year	8,503,365	1,625,921	10,129,286
As at June 30, 2024			
At the beginning of the year	11,765,774	2,304,146	14,069,920
Provisions expensed/(recovered) for the year	446,518	(51,106)	395,412
At the end of the year	12,212,292	2,253,040	14,465,332

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

11. Allowance for impairment losses on loans and advances (cont'd)

Analysis of allowance for impairment losses on loans and advances to customers is as follows:

	Stage 1 & 2 \$	Stage 3 \$	Total \$
As at June 30, 2025			
At the beginning of the year	1,552,253	12,913,079	14,465,332
Provisions recovered for the year	(326,037)	(4,010,009)	(4,336,046)
At the end of the year	1,226,216	8,903,070	10,129,286
As at June 30, 2024			
At the beginning of the year	2,136,206	11,933,714	14,069,920
Provisions expensed for the year	(583,953)	979,365	395,412
At the end of the year	1,552,253	12,913,079	14,465,332

Impairment (recovery)/loss on financial assets recognized in the statement of profit or loss and other comprehensive income is as follows:

	2025 \$	2024 \$
(Recovery)/expense for the year	(4,336,046)	395,412
Increase in provision during the year	348,485	257,979
(Recovery)/expense on loan commitments during the year	(26,816)	29,962
Expense/(recovery) on investments during the year	2,245	(50)
Loans written-off during the year	6,796,961	120
	2,784,829	683,423

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

12. Financial assets measured at FVTPL

	2025	2024
	\$	\$
Financial assets measured at FVTPL:		
Equity securities at fair value		
- Listed	85,000	82,000
- Unlisted	332,899	332,899
	<u>417,899</u>	<u>414,899</u>

13. Investment properties

	Land and Buildings \$
As at June 30, 2024	74,536,873
Net additions during the year	589,115
Increase in fair value	<u>3,269,223</u>
As at June 30, 2025	<u>78,395,211</u>
As at June 30, 2023	72,822,070
Net additions during the year	67,425
Increase in fair value	<u>1,647,378</u>
As at June 30, 2024	<u>74,536,873</u>

The investment properties are industrial sheds being held for long and short-term rental for use in the production or supply of goods or services, administrative purposes or for sale in the ordinary course of business; and lands held for capital appreciation or sale in the ordinary course of business.

An independent valuation of the Bank's investment properties was performed by an independent professionally qualified valuer who holds a recognized and relevant professional qualification and who has recent experience in the location and category of the investment property being valued. The valuation was carried out using a market-based income approach that reflects observed rental prices for similar properties and incorporates adjustments for factors specific to the property in question, including plot size, location and current use.

Rental income from investment properties recognized in the statement of profit or loss and other comprehensive income was \$1,883,714 (2024 - \$1,774,917) and is further particularised in Note 27, while direct operating expenses arising from these investment properties during the year was \$768,306 (2024 - \$825,600) and is further particularised in Note 28. Rent is charged below market rates.

Certain properties are used as security for the borrowings from the National Bank of Dominica, which is further particularized in Note 18.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements
For the Year Ended June 30, 2025
(Expressed in Eastern Caribbean Dollars)

14. Property and equipment

	Notes	Land \$	Building \$	Motor Vehicle \$	Furniture and Equipment \$	Computer Equipment \$	Total \$
As at June 30, 2023							
Cost or valuation		2,358,697	9,207,744	215,747	2,013,065	1,303,097	15,098,350
Accumulated depreciation		-	(1,525,302)	(209,378)	(1,903,233)	(1,287,334)	(4,925,247)
Net book value		2,358,697	7,682,442	6,369	109,832	15,763	10,173,103
Year ended June 30, 2024							
Opening net book value		2,358,697	7,682,442	6,369	109,832	15,763	10,173,103
Additions		-	-	-	56,500	137,757	194,257
Revaluations	24	-	21,304	-	-	-	21,304
Depreciation	28	-	(184,155)	(6,369)	(59,486)	(26,826)	(276,836)
Closing net book value		2,358,697	7,519,591	-	106,846	126,694	10,111,828
As at June 30, 2024							
Cost or valuation		2,358,697	9,229,048	215,747	2,069,565	1,440,854	15,313,911
Accumulated depreciation		-	(1,709,457)	(215,747)	(1,962,719)	(1,314,160)	(5,202,083)
Net book value		2,358,697	7,519,591	-	106,846	126,694	10,111,828
Year ended June 30, 2025							
Opening net book value		2,358,697	7,519,591	-	106,846	126,694	10,111,828
Additions		69,962	136,094	115,000	41,558	152,788	515,402
Revaluations	24	62,648	2,302,423	-	-	-	2,365,071
Depreciation	28	-	(184,581)	(21,613)	(52,740)	(64,542)	(323,476)
Closing net book value		2,491,307	9,773,527	93,387	95,664	214,940	12,668,825
As at June 30, 2025							
Cost or valuation		2,491,307	11,667,565	330,747	2,111,123	1,593,642	18,194,384
Accumulated depreciation		-	(1,894,038)	(237,360)	(2,015,459)	(1,378,702)	(5,525,559)
Net book value		2,491,307	9,773,527	93,387	95,664	214,940	12,668,825

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

14. Property and equipment (cont'd)

An independent valuation of the Bank's land and buildings was performed by a professionally qualified property valuer in 2025 to determine the fair value. The valuation was carried out using a market value that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the property in question. The revaluation surplus was credited to other comprehensive income and is shown in 'revaluation surplus' in equity.

15. Other assets

	2025 \$	2024 \$
Rent receivable	1,993,815	1,647,490
Less: allowance for impairment losses	(1,978,614)	(1,635,271)
	15,201	12,219
Other receivable	2,270,738	1,990,855
Due from Financial Data Services Limited	186,660	186,660
	<u>2,472,599</u>	<u>2,189,734</u>

Analysis of allowance for impairment losses on other assets is as follows:

	2025 \$	2024 \$
At the beginning of the year	1,635,271	1,377,293
Written-off during the year	(5,141)	-
Provisions during the year	348,484	257,978
At the end of the year	<u>1,978,614</u>	<u>1,635,271</u>

16. Bank overdraft

	2025 \$	2024 \$
National Bank of Dominica	-	74,798

The overdraft facility was guaranteed by the Government of Dominica in accordance with the provision of the Loans Act, Chapter 64:05 Section 3(1) of the 2017 Revised Laws of the Commonwealth of Dominica. Interest is charged on the facility at a rate of 5% (2024 – 5%) per annum.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

17. Due to customers

	2025	2024
	\$	\$
Fixed deposits	1,741,327	1,770,837
Refundable deposits	2,091,379	2,012,417
Loan prepayments	5,642,604	5,048,993
	<u>9,475,310</u>	<u>8,832,247</u>
Current	5,391,728	6,845,403
Non-current	4,083,582	1,986,844
	<u>9,475,310</u>	<u>8,832,247</u>

All cash collateral carries fixed interest rates. The weighted average effective interest rate of cash collaterals at June 30, 2025 is 1.42% (2024 - 1.32%).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

18. Borrowed funds

	2025	2024
	\$	\$
Caribbean Development Bank	53,113,842	52,453,292
Development Bank of Venezuela	18,812,542	18,812,542
National Bank of Dominica	18,474,959	8,431,023
Dominica Social Security	14,683,931	16,448,158
Government of the Commonwealth of Dominica	7,065,384	8,565,384
PetroCaribe Fund	6,110,302	6,589,966
Dominica National Petroleum Company Ltd.	1,041,902	1,146,538
European Investment Bank	916,460	2,149,325
CARICOM Development Fund	314,061	1,547,103
	120,533,383	116,143,331
Interest payable	3,463,263	2,913,079
	123,996,646	119,056,410
Current	27,164,695	28,706,978
Non-current	96,831,951	90,349,432
	123,996,646	119,056,410

Interest on the above borrowings ranges from 0% to 5.05% (2024 – 0% to 5.05%) and are guaranteed by the Government of the Commonwealth of Dominica.

The National Bank of Dominica loan is secured by certificate of titles to land and buildings, stamped to cover \$35,562,000 (2024 - \$35,562,000) along with the assignment of insurance cover over said buildings.

19. Provisions for loan commitments

The Bank is required to allocate a provision for Expected Credit Losses related to loan commitments issued as a result of the implementation of IFRS 9. As at the year end the provision was \$62,371 (2024 - \$89,187).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

20. Other liabilities

	2024	2024
	\$	\$
Others	3,909,365	3,322,355
Agency liabilities	6,481,468	6,204,228
Dividends payable	3,398,510	2,398,510
Grants	432,363	432,363
Deferred income	408,990	374,384
	14,630,696	12,731,840
Current	4,217,106	3,415,121
Non-current	10,413,592	9,316,719
	14,630,698	12,731,840

Deferred income relates to the unearned portion of appraisal fees from loans and advances to customers.

Agency liabilities are funds issued to the Bank by the Government of the Commonwealth of Dominica and other local agencies to be used for qualifying purposes. The Bank earns agency fees as prescribed by the contractual agreements.

Others relate to accrued liabilities and comprise as follows:

	2025	2024
	\$	\$
Gratuity payable	1,505,834	1,644,615
Vacation leave and salaries payable	272,027	292,734
IEU tenant's security deposits	288,274	287,774
Other payable	1,843,231	1,097,232
	3,909,366	3,322,355

21. Fiduciary activities

The Bank acts as executing and collecting agent for funds used for specific purposes issued to the Bank by the Government of the Commonwealth of Dominica and other local agencies. The Bank earns agency fees as prescribed by the contractual agreement.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

22. Share capital

	2025	2024
	\$	\$
Authorized		
10,000,000 ordinary shares with a \$5 par value	<u>50,000,000</u>	<u>50,000,000</u>
Issued and fully paid		
At the beginning of the year	50,000,000	47,970,205
Issued during the year	<u>-</u>	<u>2,029,795</u>
At the end of the year	<u>50,000,000</u>	<u>50,000,000</u>

Section 16A of Chapter 74:03 of the 2017 Revised Laws of the Commonwealth of Dominica empowers the Bank to redeem its shares at any time after the expiration of ten years from the date of issue. Shares issued to the Government of Dominica are not redeemable.

Based on the statutory rules and orders No. 57 of 1993 of the Government of the Commonwealth of Dominica titled, Dominica Agricultural Industrial and Development Bank (Subscription and Holdings of Shares) Regulations 1993, the Dominica Social Security may subscribe for one million ordinary shares at \$5 par value and be entitled to an annual dividend of not less than 5% of the par value of the shares subscribed.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

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(Expressed in Eastern Caribbean Dollars)

25. Reserves

	2025	2024
	\$	\$
General reserve	88,234	88,234
Statutory reserve	15,278,186	15,278,186
Loan loss reserve	2,654,330	2,654,330
Special reserve	441,122	441,122
	<u>18,461,872</u>	<u>18,461,872</u>

Movements in reserves were as follows:

	2025	2024
	\$	\$
General reserve		
At the beginning and end of the year	<u>88,234</u>	<u>88,234</u>

Prior to July 1, 1978, the Government of the Commonwealth of Dominica paid certain administrative expenses on behalf of the Bank. The Government decided to waive the amount of \$88,234 due to it and instructed the Bank to create a general reserve for this amount.

	2025	2024
	\$	\$
Statutory reserve		
At the beginning of the year	15,278,186	15,271,388
Transfer from retained earnings	-	6,798
At the end of the year	<u>15,278,186</u>	<u>15,278,186</u>

The prior year transfer represents 25% of the net earnings of the Bank for the financial year allocated to the reserve account as required by Section 20 of Chapter 74:03 of the 2017 Laws of Dominica Revised Edition. There were no transfers in the current year.

	2025	2024
	\$	\$
Loan loss reserve		
At the beginning and end of the year	<u>2,654,330</u>	<u>2,654,330</u>

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

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25. Reserves (cont'd)

The loan loss reserve was set up in compliance with the provision of the European Investment Bank ("EIB") loan agreement, which requires the Bank to set aside provision to cover potential loan losses, which shall not be less than 40% of the Portfolio at Risk.

	2025	2024
	\$	\$
Special reserves		
Caribbean Development Consolidated Entity Provision		
At beginning and end of the year	<u>441,122</u>	<u>441,122</u>

Under the provision of the Caribbean Development Bank ("CDB") loan I6/SFR-D Section 9 (9) for agricultural production, the Bank is required to set aside an amount representing 1/3 of earned interest per annum on each sub-loan. This amount is to be used in such a manner as the CDB may from time to time determine.

Special reserves include accumulated transfers from retained earnings based on the European Investment Bank Loan Agreement Section 6.07 requiring interest received by the Bank on sub-loans in excess of 8% per annum to be credited on a special account called Foreign Exchange Equalization Fund ("FEEF"). The balance on the FEEF shall attract interest at an annual rate corresponding to the monthly rate payable by the Bank, for deposits in Eastern Caribbean Dollars of equivalent size.

26. Net interest income

	2025	2024
	\$	\$
Interest income		
Loans and advances	6,262,231	5,774,729
Investments	134,255	55,690
	<u>6,396,486</u>	<u>5,830,419</u>
Interest expense		
Borrowings	(3,802,133)	(3,583,937)
Bank charges	(70,973)	(82,025)
Interest on deposits	(14,959)	(21,861)
	<u>(3,888,065)</u>	<u>(3,687,823)</u>
Net interest income	<u>2,508,421</u>	<u>2,142,596</u>

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

27. Other operating income

	Note	2025 \$	2024 \$
Rental income from IEU operations	13	1,883,714	1,774,917
Recovery on written-off loans		742,454	220,901
Other		289,241	251,308
Commitment fees		188,228	171,580
Agency fees		15,013	128
		3,118,650	2,418,834

28. Other operating expenses

	Notes	2025 \$	2024 \$
Staff costs	29	2,623,103	2,716,922
Litigation fees		1,187,390	-
General and administrative expenses	30	1,118,521	1,037,643
Factory sheds expenses	13	768,306	825,600
Building occupancy expenses		550,605	599,603
Depreciation	14	323,476	276,836
Foreign exchange loss		39,817	41,588
		6,611,218	5,498,192

29. Staff costs

	Note	2025 \$	2024 \$
Salaries and wages		2,187,119	2,093,632
Other staff costs		251,256	452,675
Social security costs		143,272	130,544
Group insurance		41,456	40,071
	28	2,623,103	2,716,922

During the year, the number of employees at the Bank was 38 (2024 - 38).

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

30. General and administrative expenses

	2025	2024
Note	\$	\$
Legal and professional fees	397,044	303,077
Directors' emoluments and expenses	184,440	165,969
Advertising	101,232	54,582
Telephone, postage and fax	74,315	111,206
Subscriptions and donations	70,057	70,450
Printing, stationery, and office supplies	67,369	88,091
Repair and maintenance of furniture and equipment	59,190	91,644
Bad debt expenses	48,657	35,603
Insurance	40,225	40,225
Miscellaneous expenses	29,828	7,849
Annual report expenses	24,763	44,328
Motor vehicle expenses	21,401	24,619
	<u>28</u>	<u>1,037,643</u>
	<u>1,118,521</u>	<u>1,037,643</u>

31. Dividends

On March 10, 2025, the directors of the Bank declared a 5% dividend of the par value of the shares subscribed with respect to the ordinary shares held by the Dominica Social Security for the year ended June 2024. Dividends have not been paid to the Dominica Social Security for the financial year ended June 2025.

32. Related party balances and transactions

A party is related to the Bank, if:

- (i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Bank (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Bank that gives it significant influence over the Bank; or has joint control over the Bank;
- (ii) the party is an associate of the Bank;
- (iii) the party is a joint venture in which the Bank is a venture;
- (iv) the party is a member of the key management personnel of the Bank or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is the entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v);
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Bank, or of any entity that is a related party of the Bank.

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

32. Related party balances and transactions (cont'd)

Loans and advances outstanding from related parties are as follows:

	2025	2024
	\$	\$
Financial Data Services Limited	844,019	844,019

At year-end, Directors of the Bank and companies in which they have an interest had no fixed deposits with the Bank (2024 - \$Nil) and had loans and guaranteed loans with outstanding balances of \$68,712 (2024 - \$69,214).

In 2025, the total remuneration paid to Directors and key management personnel was \$1,157,717 (2024 - \$1,166,355).

The Bank's outstanding obligations to its related parties are as follows:

	Note	2025	2024
		\$	\$
Dominica Social Security	18	14,683,931	16,448,158
Government of the Commonwealth of Dominica	18	7,065,384	8,565,384
		21,749,315	25,013,542
Interest payable		-	-
		21,749,315	25,013,542

A number of banking transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions, at market rates.

The Bank had the following related party transactions during the year:

Name of Related Party	Description	2025	2024
		\$	\$
Dominica Social Security	Principal repayments	1,764,226	1,825,194
Government of the Commonwealth of Dominica	Principal repayments	1,500,000	500,000
Key management	Principal repayments	25,568	28,795
Key management	Loan advances	-	136,028
Directors	Remuneration	127,000	132,000
Key management	Salaries	1,089,321	1,034,355
Directors	Principal repayments	-	-

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK

Notes to the Financial Statements

For the Year Ended June 30, 2025

(Expressed in Eastern Caribbean Dollars)

33. Contingent liabilities and commitments

Loans and advances

As at year-end, loans and advances approved by the Bank but not yet disbursed, amounted to approximately \$9,208,170 (2024 - \$10,979,439).

Litigation

There is an ongoing legal matter for approximately \$13,708,863 against the Bank. The Bank has disclaimed liability and is defending the action. The Directors are of the view that no material losses will arise in respect of the legal claim at the date of issuance of these financial statements. The outcome of the claim cannot be determined with sufficient reliability at this juncture.

34. Taxation

Under the provision of Chapter 74:03 Sections 32 of the 2017 Revised Laws of the Commonwealth of Dominica, the Bank is exempted from the payment of income tax.