

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED

ANNUAL REPORT



*Building Communities, Stabilizing the Credit Union Movement
and Securing Members Financial Future*





Credit Union Prayer

Prayer of St. Francis of Assisi

**Lord, make me an instrument of Thy peace;
Where there is hatred, let me show Love;
Where there is injury, Pardon;
Where there is doubt, Faith;
Where there is despair, Hope;
Where there is darkness, Light;
Where there is sadness, Joy.**

**O Divine Master,
Grant that I may not so much seek
To be consoled as to console;
To be understood as to understand;
To be loved as to love.
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying
That we are born to eternal life.**

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MISSION STATEMENT

“To be the Leading Financial Institution providing Services that Enhance the Quality of Life of ALL, consistent with Co-operative Principles.”

Our Co-operative Identity

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Our Co-operative Principles

- Voluntary and Open Membership
- Democratic Member Control
- Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Co-operation among Co-operatives
- Concern for the Community

Our Co-operative Values

- Self-Help
- Self-Responsibility
- Democracy
- Equality
- Equity
- Solidarity

Our Values

- Integrity
- Professionalism
- Loyalty
- Innovation
- Human Resource Development
- Good Governance

STANDING ORDERS

1. a) A member shall stand when addressing the Chair.
b) Speeches are to be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairperson to do so, after which he shall immediately take his/her seat.
3. No member shall address the meeting except through the Chairperson.
4. A member shall not speak twice on the same subject except:
a) The mover of a motion who has the right to reply.
b) He/she rises to object or to explain (with the permission of the Chair)
5. The mover of a “Procedural Motion” (Adjournment, Lay on the Table, Motion to Postpone) shall have no right of reply.
6. No speeches are to be made after the “Question” has been put and carried or negated.
7. A member rising on a “Point of Order” is to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Orders”).
8. a) A member shall not “call another member to order” but may draw the attention to the chair to a “Breach of Order.”
b) In no event can a member call the chair to order.
9. A “Question” shall not be put to the vote if a member desires to speak on it or move an amendment to it, except that a “Procedural Motion: The Previous Question”, “Proceed to the Next Business” or the Closure: ‘that the Question be now put’ may be moved at any time.
10. Only one amendment should be made before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairperson shall have the right to a “Casting Vote.”
13. If there is equality of voting on an amendment, and if the Chairperson does not exercise his casting vote, the amendment is lost.
14. Provision is to be made for protection by the Chairperson from vilification (personal abuse).
15. No member shall impute improper motives against another member.



NOTICE AND AGENDA

NOTICE

Notice is hereby given that the 6th Annual General Meeting of the National Co-Operative Credit Union [NCCU] Limited will be held on Sunday, June 26, 2016 at 3:00 P.M. at the Castle Bruce Secondary School, Castle Bruce, Commonwealth of Dominica, to consider the following:

AGENDA

1. Credit Union Prayer
2. Welcome Remarks
3. Ascertainment of Quorum
4. Apologies for Absence
5. Adoption of Agenda
6. President's Message
7. Reading and Confirmation of the Minutes of the 5th Annual General Meeting
8. Matters Arising from the Minutes
9. Reading and Confirmation of the Minutes of the Special General Meeting held on December 15, 2015
10. Matters Arising from the Minutes
11. Reports:
 - (a) Board of Directors
 - (b) Treasurer and Auditor
 - (c) Supervisory and Compliance Committee
 - (d) Credit Committee
12. Elections – Nominations Committee Report
13. Unfinished Business
14. New Business:
 - (a) Appropriation of Surplus
 - (b) Appointment of Auditor
 - (c) Proposed Amendments to NCCU Ltd. By-Laws
15. Any Other Business:
 - (a) Remarks and Suggestions
 - (b) Lucky Bird Prizes
16. Adjournment



CHARMAINE BRUMANT
SECRETARY

For and on behalf of the Board of Directors



Board of Directors

(L-R): Michael Augustine, Candia Joseph *[Treasurer]*, Janice Jean-Jacques Thomas, Bernard Francis, Alganah Degallerie *[Vice President]*, Vernice Bellony, Kyra Paul, Dexter Ducreay *[President]*, Magdalene Bontiff-Honore, Wallace Williams, Charmaine Brumant *[Secretary]*, Janice Roberts, Patrickson Albert

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED Board of Directors' Report

For The Year Ended December 31, 2015

OVERVIEW

The Board of Directors, Management and Staff are delighted to announce another successful and indeed, the most commendable year of performance by your Credit Union, the financial year January 1 to December 31, 2015. The end of the year in review signaled a milestone for the National Co-operative Credit Union (NCCU) Ltd. marking the completion of the Society's fifth year of operations.

The Society's loans portfolio grew by \$19,991,956 or 6.06%. The increase was substantially less than the previous year, when the increase totaled \$23,210,760; however, the results were predicted based on our assessment of the economic climate.

MEMBERSHIP

The Credit Union exists because of you, the members. As a result, the products and services continue to evolve to meet the needs of our members in the changing environment.

During the year in review, both financial and other support were provided to the members. Immediately following the passage of Tropical Storm Erika, a decision was taken to defer the loan payment of members directly impacted for a period of six (6) months. The Society also waived interest in excess of one hundred and fifty thousand dollars (EC\$150,000.00).

In order to bring further relief to the citizens most severely affected, relief vouchers were prepared and passed on to the Welfare Division for

distribution to those persons who were assessed as being in dire need of food, clothing and medical supplies.

The Society's membership grew from 38,983 at the commencement of the year to 40,324, an increase of 1,341 (3.44%).

The Member Share Capital continued on its growth path increasing to \$4,070,800 as at December 31, 2015 from \$3,703,050, at the end of the previous year. This reflected an increase of \$367,750 (9.93%) or 7,355 new shares purchased as compared to 10,476 in 2014.

Table 1 - SHARE CAPITAL RATE OF GROWTH

	2015	2014	2013	2012	2011
Value of Shares	\$4,070,800	\$3,703,050	\$3,179,250	2,815,050	2,723,600
No. of Members	40,324	38,983	37,573	36,261	35,167
Rate of Growth in Shares	9.93%	16.48%	12.94%	3.36%	3.62%
Rate of Growth in Membership	3.44%	3.75%	3.62%	3.11%	3.03%

FINANCIAL PERFORMANCE

Notwithstanding the challenges on the economic landscape, your Credit Union's financial performance strengthened during the year, resulting in a respectable return.

One of the many challenges was significant reduction in the yield on investments, primarily fixed deposits.

Hardship faced by members affected their ability to meet their commitment and the situation was further compounded by the devastating effects of the passage of the storm on several small businesses.

The Total Assets increased to \$471,206,380 as at December 31, 2015, compared to \$438,800,102 at the end of December 2014; this represents an increase of \$32,406,278 (7.39%).

The Liabilities growth remained strong, specifically as a result of exponential growth in members' Savings and Deposits. During the period under review, Savings and Deposits grew by \$24,007,223 (6.33%), with Total Deposit accumulated to \$403,119,575, evidence of members' confidence in the Society as a secure place to deposit their funds.

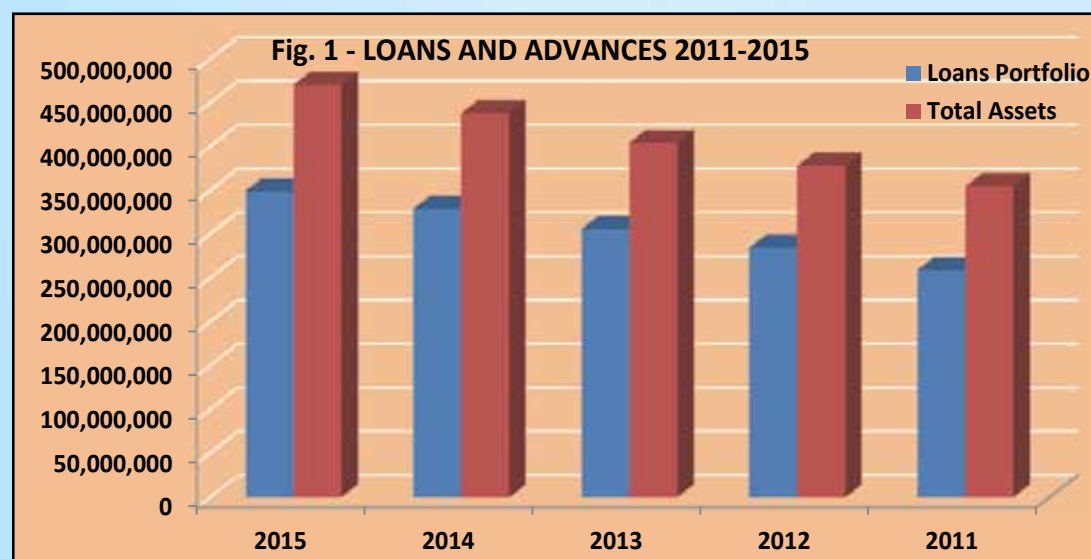
LOANS AND ADVANCES

The Society reviewed interest rates on Medical and Education Loans and promoted the greening of the economy by providing a special loan product to retrofit houses with solar energy.

A special promotion of Mortgage Loans to members also contributed to the growth in loans and advances.

Table 2- LOAN AND ADVANCES VS TOTAL ASSETS (2011 - 2015)

YEARS	LOANS PORTFOLIO	TOTAL ASSETS
	\$	\$
2015	349,829,748	471,206,380
2014	329,847,792	438,800,102
2013	306,637,032	405,220,051
2012	285,223,345	378,666,650
2011	259,565,148	355,217,404



LIQUIDITY MANAGEMENT

The growth of the Savings/Deposits reflects the fact that a significant portion of the Interest Bearing Liabilities was robust and continues to be responsible for the Society's strong liquidity position. The Deposits grew by \$24,007,223 or 6.33%.

Table 3 - CHANGES IN LIABILITIES - Dec. 2015 and Dec. 2014

INDICATORS	Dec. 31, 2015	Dec. 31, 2014	Increase/(Decrease)	
	\$	\$	\$	%
Savings/Ordinary Deposits	234,683,111	217,179,986	17,503,125	8.06
Fixed Deposits	135,785,208	132,399,846	3,385,362	2.56
Member Retirement Account	32,651,256	29,532,520	3,118,736	10.56
Other Liabilities	9,606,903	7,359,143	2,247,760	30.54
TOTAL	412,726,478	386,471,495		

Table 4 - LIABILITIES MIX - Dec. 2015 and Dec. 2014

CATEGORY	DEC. 2015		DEC. 2014	
	\$	%	\$	%
Saving/Ordinary Deposits	234,683,111	56.86	217,179,986	56.20
Fixed Deposits	135,785,208	32.90	132,399,846	34.26
Member Retirement Account	32,651,256	7.91	29,532,520	7.64
Other Liabilities	9,606,903	2.33	7,359,143	1.90
TOTAL	412,726,478		386,471,495	

MEMBERS' EQUITY

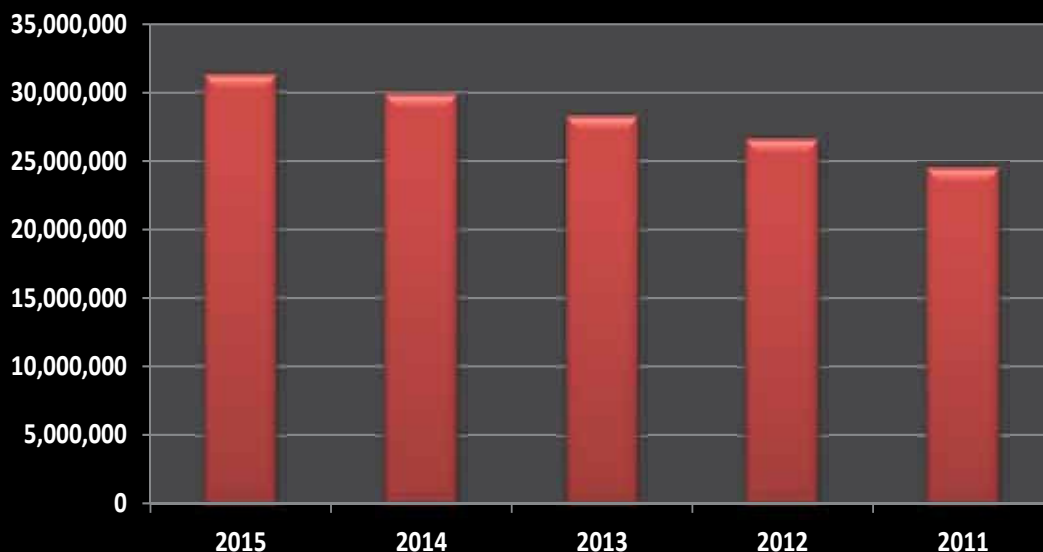
As at December 31, 2015, the Credit Union's Total Equity was \$58,479,902, an increase of \$6,151,295 or 11.76%. Such growth was as a direct result of the increases in retained surplus, statutory reserves and Members' Share Capital.

Members' Equity comprises Statutory Reserves, Revaluation Surplus, Various Funds, Retained Surplus and Member Share Capital.

STATEMENT OF INCOME AND APPROPRIATION

For the year ended December 31, 2015, the Society's interest income on loans grew to \$28,337,804 as compared to \$26,539,818 in the previous year, an increase of \$1,797,986 or 6.77%.

Fig. 2 - INCOME TRENDS 2011-2015



OPERATING EXPENSES

Operating Cost increased from \$11,156,816 for the financial year ended December 31, 2014 to \$11,404,099 for the year under review. The increase can be attributed primarily to Personnel Expenses, Advertising, Publicity & Promotion and Bank Charges.

INTEREST EXPENSES

Interest Expense was \$12,161,767 for the year ended December 31, 2015 as compared to \$12,772,683 at December 31, 2014, a reduction of \$610,919 or 4.78%, as a direct result of the management of interest rates on deposits.

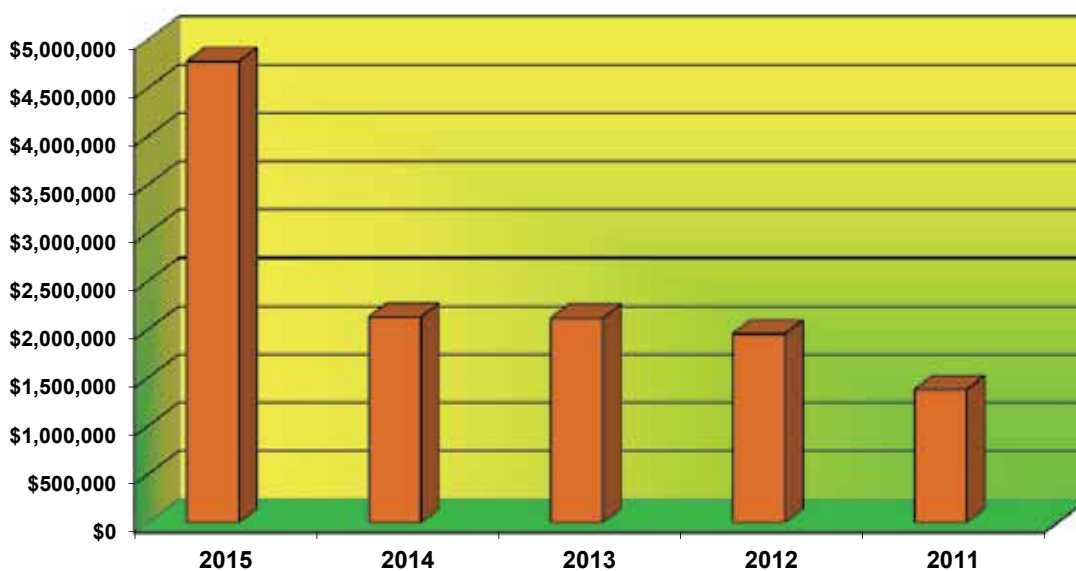
NET SURPLUS

Your Society recorded a Net Surplus of \$4,778,147 for the year ended December 31, 2015 as compared to \$2,131,067 for the previous financial year. This represents an increase of \$2,647,080 or 124.21%.

Table 6 - NET SURPLUS 2011-2015

YEARS	NET SURPLUS \$
2015	4,778,147
2014	2,131,067
2013	2,127,672
2012	1,957,831
2011	1,379,636

Fig. 3 - NET SURPLUS 2011-2015

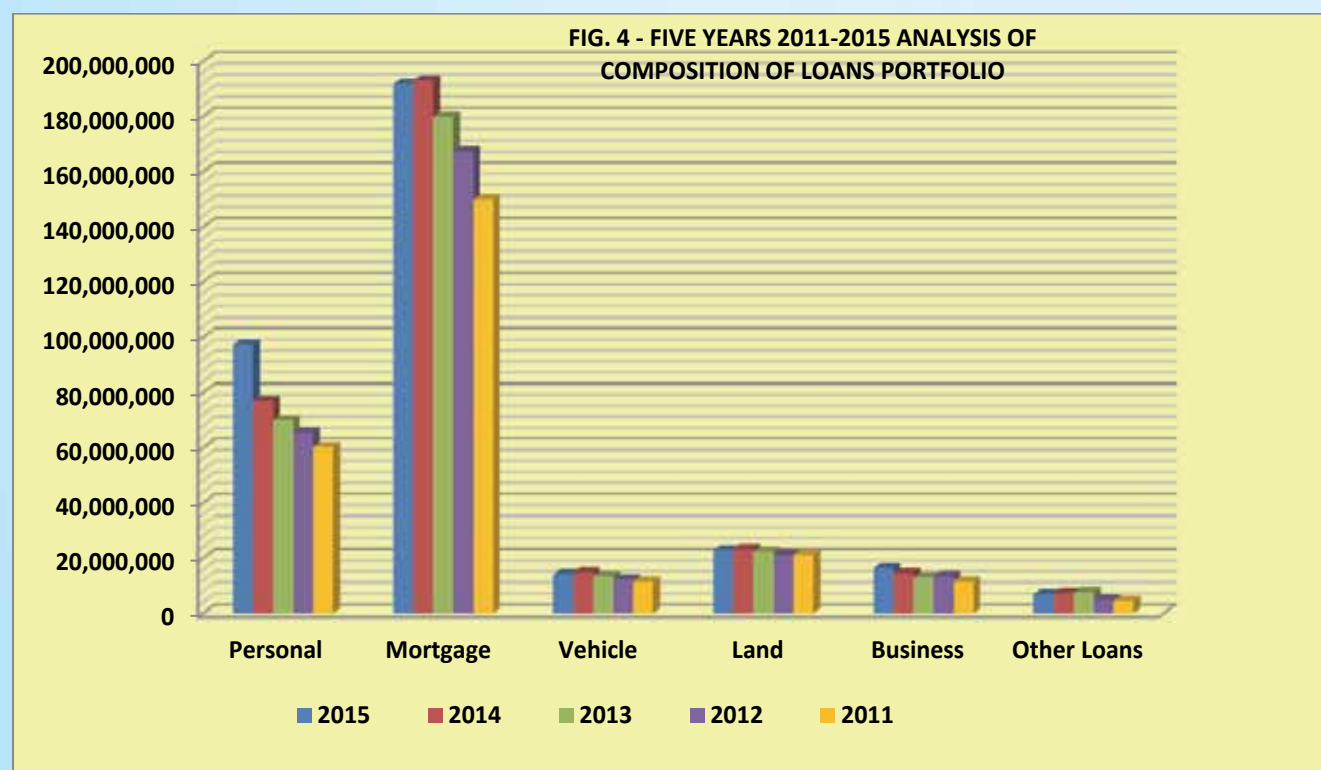


LOANS PORTFOLIO

The analysis of loans by sector revealed impressive growth in two main categories, that is, Personal and Business. The composition of the loans portfolio at the end of the year in review is shown in Table 7 and Figure 4 below:

Table 7 - COMPOSITION OF THE LOANS PORTFOLIO

LOAN CATEGORY	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
Personal	97,367,285	76,852,688	70,029,292	65,540,979	60,279,838
Mortgage	191,707,710	192,976,387	179,983,871	167,627,689	149,895,122
Vehicle	14,145,363	14,876,126	13,580,700	12,213,033	11,682,321
Land	22,972,669	23,321,453	22,477,545	21,111,702	21,363,510
Business	16,440,108	14,543,092	13,007,082	13,590,229	11,670,692
Other Loans	6,898,613	7,278,046	7,558,542	5,139,713	4,673,665



DELINQUENCY

The serious approach to managing delinquency continued during the period under review. Several matters were pursued through the Courts and others worked out through discussion with members. The number of requests for installment deferments increased significantly and, were moreso, following the passage of Tropical Storm Erika. Your Society has rescheduled and refinanced several loans, thereby assisting members and concurrently ensuring that their loans are repaid.

DECEASED MEMBERS

We extend sincere condolences to all members who lost loved ones during the year in review. Let perpetual light shine upon them.

TRAINING & DEVELOPMENT

Your Credit Union is committed to its mission to be the leading financial institution by continuously focusing on the importance of training to meet its development needs.

To achieve the set objectives, a number of training programmes were held for staff on various topics:

- | | |
|------------------------------------|----------------------------|
| ❖ Loan Mortgage Underwriting | ❖ Risk Management |
| ❖ Member Service Excellence | ❖ Anti Money Laundering |
| ❖ Loan Underwriting Techniques | ❖ Basic Cash Flow Analysis |
| ❖ Supervisory Leadership | ❖ Ethics in the Workplace |
| ❖ Conflict Management & Resolution | |



SCHOLARSHIPS

In 2015, the Society awarded ten (10) full scholarships to students who were successful at the National Assessment to attend secondary schools: one (1) merit and nine (9) on a needs basis. Currently, a total of fifty-six (56) students are holders of secondary school scholarships.

Three (3) partial scholarships were awarded to attend the Dominica State College: one (1) on the basis of merit and the others on need.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS (CCCU) ANNUAL CONVENTION & ANNUAL GENERAL MEETING

The Society was represented at the 58th Annual International Convention and 44th Annual General Meeting held in Cancun, Mexico under the theme “*Co-operatives: Celebrating Successes and Embracing New Challenges for Sustainable Development.*”

Among the many highlights of the Convention was the Presidents’ and Chief Executive Officers’ Forum where focus was placed on ensuring that the Society invests in improving network security and intrusion mitigation. Among the other presentations and topics discussed were:

- How to Zap the Multi Generation Gap.
- The Payment Revolution: The Impact of New Financial Technologies and Implications for Growth, Competition and Fraud.
- Growing Risks and Regulatory Reporting Requirements.
- Applied Governance in Co-operative Sector.

OECS CREDIT UNION SUMMIT

The 13th Annual OECS Credit Unions Summit was convened in Montserrat in August 2015 under the theme “*The Future of the OECS Credit Union Movement in the context of the OECS Economic Union and Single Financial Space.*”

The educational sessions were attended by members of the Board of Directors, Committees and Staff.

THE BOARD OF DIRECTORS

At the 5th Annual General Meeting held at the Teza Playing Field, Mahaut on Tuesday, May 19, 2015, the following Directors were elected to serve for a three (3) year term:

- Ms. Charmaine Brumant
- Ms. Candia Joseph
- Ms. Janice Roberts
- Ms. Kyra Paul
- Mr. Patrickson Albert

Table 7 - MEETINGS ATTENDANCE RECORD Jan. 2015 – Dec. 2015

DIRECTORS	MONTHLY B.O.D. MEETINGS			SPECIAL B.O.D. MEETINGS			JOINT COMMITTEE MEETINGS		
	Total Called	Meetings Attended	Excused	Total Called	Meetings Attended	Excused	Total Called	Meetings Attended	Excused
Dexter Ducreay - President	12	11	01	04	03	01	04	03	01
Alganon Degallerie - Vice President	12	11	01	04	03	01	04	03	01
Charmaine Brumant- Secretary	08	08	00	02	02	00	03	03	00
Candia Joseph - Treasurer	08	08	00	02	02	00	03	03	00
Michael Augustine	12	12	00	04	03	01	04	04	00
Janice Jean-Jacques Thomas	12	09	03	04	02	02	04	04	00
Vernice Bellony	12	12	00	04	04	00	04	01	03
Bernard Francis	12	07	05	04	04	00	04	03	01
Magdalene Bontiff-Honore	12	11	01	04	02	02	04	00	04
Wallace Williams	12	09	03	04	03	01	04	03	01
Kyra Paul	08	05	03	02	00	02	03	01	02
Patrickson Albert	08	08	00	02	01	01	03	01	02
Janice Roberts	08	04	04	02	01	01	03	02	01

SOCIAL RESPONSIBILITY & COMMUNITY INVOLVEMENT

The Society planned and executed a week of activities geared at engaging the youth during the month of April 2015. A number of educational activities were undertaken including:

- Financial Literacy Seminar for 155 Secondary School Students.
- Secondary Schools Youth Account Branding Competition.
- Youth Video and Photography Competition.
- Promotion of Youth Savings.

A number of outreaches were held at schools and business places to encourage prospective members to become part of the Credit Union family, as well as to promote the services and products available at the NCCU.

The year under review culminated with a massive Christmas loans promotion of Household Goods and Home Repair.



Financial Literacy Seminar for 155 Secondary School Students



Launching of NCCU's Youth Week



*2015 NCCU
Annual
Secondary
School
Scholarships*

FUTURE OUTLOOK

The economic landscape requires a proactive approach by the Society to ensure the continued success of the movement as a whole. As a result, in December 2015, the membership present and voting at a Special General Meeting held at Vieille Case, voted to accept the Assets and Liabilities of the Castle Bruce and South Eastern Co-operative Credit Unions.

We will continue to reach out to our members and make available ATM access where economically feasible. In that regard, a memorandum of understanding was signed with the Central Co-operative Credit Union (CCCU) Limited to install an ATM at its Portsmouth branch. The ATM will serve NCCU Ltd. members and those of CCCU Ltd. as well.

Building on our most recent achievements and having regard to continuous risk management, the Society is poised to become a bigger and stronger financial institution.

The Society is expected to be actively involved in the National Assessment Exercise as Dominica prepares for the Country Assessment in 2019.

It is also anticipated that the issue of de-risking will be high on the agenda for discussion as corresponding banking relationships are threatened.

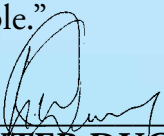
ACKNOWLEDGEMENT

The Board of Directors acknowledges the tremendous support of management and staff and extends its gratitude and appreciation for the support and facilitation during the year in review.

Your Board wishes to express appreciation to the Supervisory and Compliance and Credit Committees for their unwavering commitment to the success of the Society.

To you the members, the success of this very strong and progressive Credit Union is as a result of your continued loyal patronage and support which we exhort you to continue.

Together, let us continue to build our cherished Society, the Co-operative Movement and the Commonwealth of Dominica by holding fast to the Credit Union mantra - "People Helping People."


DEXTER DUCREAY
PRESIDENT
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FINANCIAL HIGHLIGHTS

For the Year Ended Dec. 31, 2011 to Dec. 31, 2015

Statement of Financial Position	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Cash and Bank Balances	19,854	12,549	9,041	9,776	11,148
Investment Held to Maturity & Available for Sale	58,460	58,489	57,411	52,615	59,854
Originated Loans (Net)	334,052	315,032	293,633	273,162	248,320
Property, Plant and Equipment	33,597	28,879	23,830	22,373	11,731
Other Assets/Shares	6,909	6,129	6,032	6,499	7,020
Statutory Reserves	<u>18,335</u>	<u>17,723</u>	<u>18,638</u>	<u>18,007</u>	<u>17,144</u>
	<u>471,206</u>	<u>438,801</u>	<u>408,585</u>	<u>382,432</u>	<u>355,217</u>
LIABILITIES					
Savings/Ordinary Deposits	234,683	217,180	199,406	192,331	183,662
Term Deposits	135,785	132,400	125,161	112,309	102,385
Member Retirement Account	32,651	29,532	27,753	27,101	25,566
Other	<u>9,607</u>	<u>7,358</u>	<u>6,858</u>	<u>6,273</u>	<u>7,208</u>
	<u>412,726</u>	<u>386,470</u>	<u>359,178</u>	<u>336,014</u>	<u>318,821</u>
EQUITY					
Share Capital	4,071	3,703	3,179	2,815	2,724
Statutory Reserve	16,523	15,292	14,738	14,186	13,783
Other Reserves	15,091	15,082	11,290	11,100	6,781
Retained Surplus	<u>22,795</u>	<u>18,252</u>	<u>16,435</u>	<u>14,552</u>	<u>13,107</u>
	<u>58,480</u>	<u>52,329</u>	<u>45,642</u>	<u>42,653</u>	<u>36,395</u>

STATEMENT OF INCOME AND APPROPRIATIONS

For the Year Ended Dec. 31, 2011 to Dec. 31, 2015

	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest Income	31,378	29,932	28,370	26,704	24,548
Interest Expense	(12,162)	(12,773)	(12,109)	(11,555)	(10,870)
Net Interest Income & Investment Income	19,216	17,160	16,261	15,159	13,678
Other Income	1,198	998	1,013	1,045	1,077
Operating Income	20,414	18,158	17,274	16,194	14,755
Other Operating Costs	11,404	11,157	10,611	(10,600)	(10,049)
Net Operating Income	9,010	7,001	6,663	5,594	4,706
Other Expenses	2,962	4,304	3,970	(3,636)	(3,326)
Surplus before Other Comprehensive Income	6,048	2,697	2,693	1,958	1,380

FINANCIAL STATISTICS IN PERCENTAGE

For the Year Ended Dec. 31, 2011 to Dec. 31, 2015

	2015	2014	2013	2012	2011
	%	%	%	%	%
Asset Growth	7.39	7.93	6.83	6.60	4.32
Loans and Advances Growth (Net)	6.04	7.29	7.51	10.00	8.52
Savings and Deposit Growth	8.06	8.81	4.77	3.63	4.82
Fixed Deposits Growth	2.49	5.78	11.44	9.69	2.82
Member Retirement Account Growth	9.55	6.41	2.40	6.01	13.33
Net Surplus					

Management



AYLMER A. IRISH
- Chief Executive Officer



CURTH CHARLES
- Chief Financial Officer



MICHELLE MATTHEW
- Legal Officer



GARTH JOSEPH
Branch Manager (Ag.)
- Roseau



VALDA SWEENEY
Branch Manager
- La Salette



THERESA ROYER
Branch Manager
- Vieille Case



MARGARET HAMILTON
Branch Manager (Ag.)
- St. Paul



VERONICA EVANS-SHILLINGFORD
- Human Resource Officer



MARCEL HARRIGAN
- Internal Auditor



RALPH BLAIZE
- Compliance Officer



JULIANA CUFFY
Administrative Officer
- St David's



MARIE-LOUISE JULIEN-GRELL
- Marketing Officer



CLIFFORD GIBBONS
- Systems Administrator

TREASURER'S REPORT

For The Year Ended December 31, 2015

Members, I am pleased to present to you the financial report for the year ended December 31, 2015.

OVERVIEW

For the year in review, the credit union recorded its most successful year of operation since amalgamation. Nothing withstanding the economic challenge and the operating environment, the Society recorded growth in major aspects of its business. (See *Table 1.1: Breakdown of the Financial Highlights*).

Table 1.1: Breakdown of the Financial Highlights:

Year ended 31 December	2015	2014	Increase/ Decrease 2015-2014	Growth % 2015-2014
Operating Results				
Interest Income	28,337,804	26,539,818	1,797,986	6.8%
Gross Income	32,576,396	30,930,630	1,645,766	5.3%
Total Expenses	26,528,108	28,233,077	(1,704,969)	(6.0%)
Net Surplus	4,778,147	2,131,067	2,647,080	124.2%
Financial Position				
Loans to members	349,839,748	329,847,792	19,991,956	6.1%
Investments	77,109,470	76,512,758	596,712	0.8%
Total Assets	471,206,380	438,800,102	32,406,278	7.4%
Savings and Deposits	234,683,111	217,179,986	17,503,125	8.1%
Term Deposits	135,785,209	132,399,846	3,385,363	2.6%
Member Ret. Account	32,651,256	29,532,520	3,118,736	10.6%
Total Liabilities	412,726,478	386,471,495	26,254,983	6.8%
Member Capital	4,070,800	3,703,050	367,750	9.9%
Members Equity	58,478,902	52,328,607	6,150,295	11.8%

Our discussion on the highlights of this performance follows:

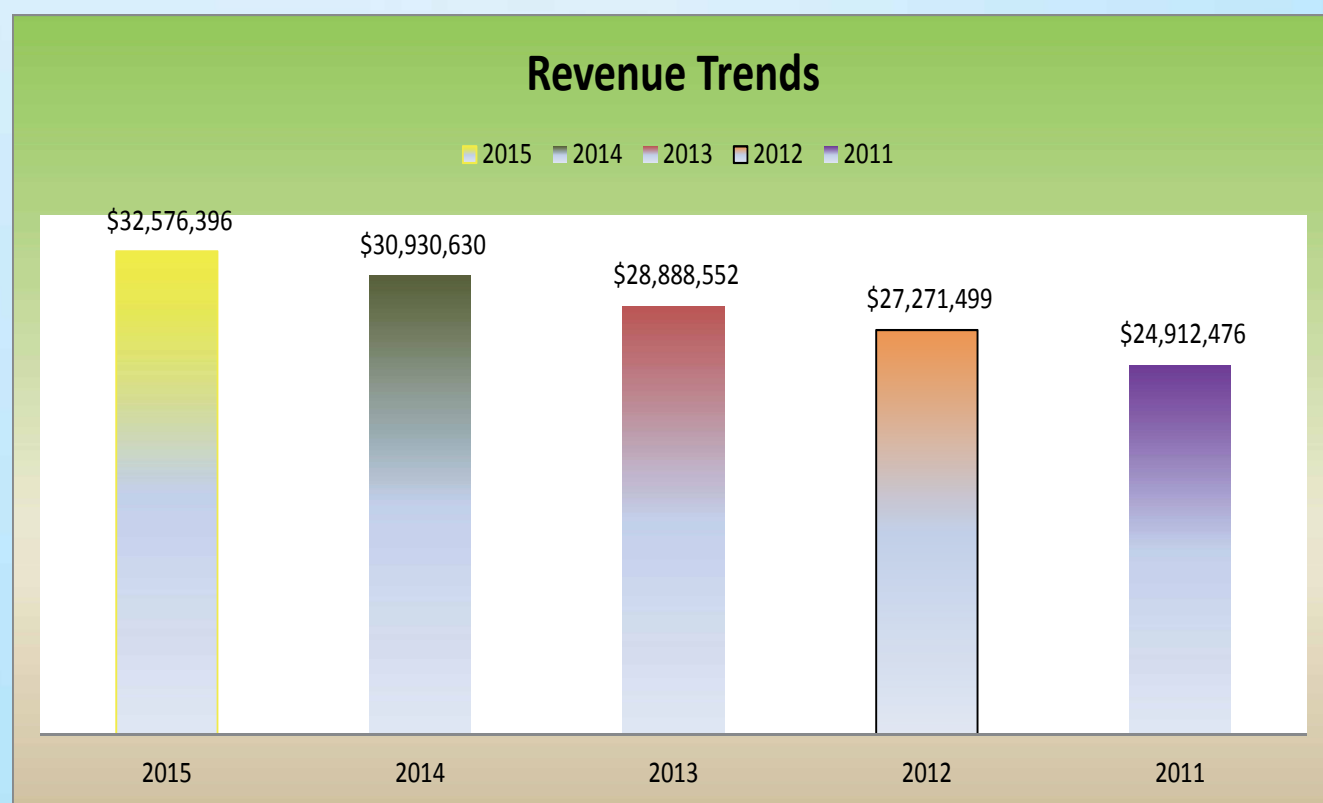
FINANCIAL PERFORMANCE

Gross Revenue

The Society recorded a steady growing trend in gross revenue over the five years period 2011 to 2015 (*See five year breakdown of the Gross Revenue*).

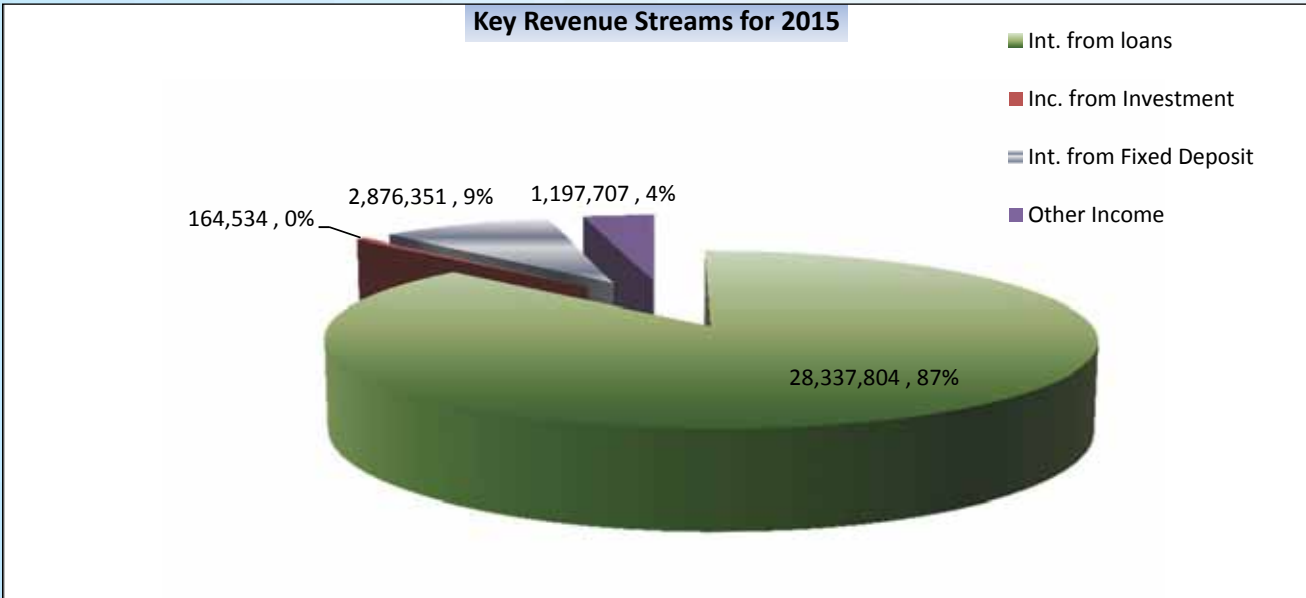
Total revenue for the year 2015 amounted to thirty-two million, five hundred and seventy-six thousand, and three hundred and ninety-six dollars (**\$32,576,396**) moving from thirty million, nine hundred and thirtythousand, six hundred and thirty dollars (**30,930,630**) in year the 2014. This constitutes a net increase of one million six hundred and forty-five thousand, seven hundred and sixty-six dollars (**\$1,645,766**) or **5.3%** as compared to the year 2014.

Graph 1.1: Revenue Trends 2011-2015



The major sources of revenue were from interest from loans of **\$28,337,804** (*see Graph 1.2*), and Interest from Fixed Deposits of **\$2,876,351** followed by Professional Services of **\$538,527**.

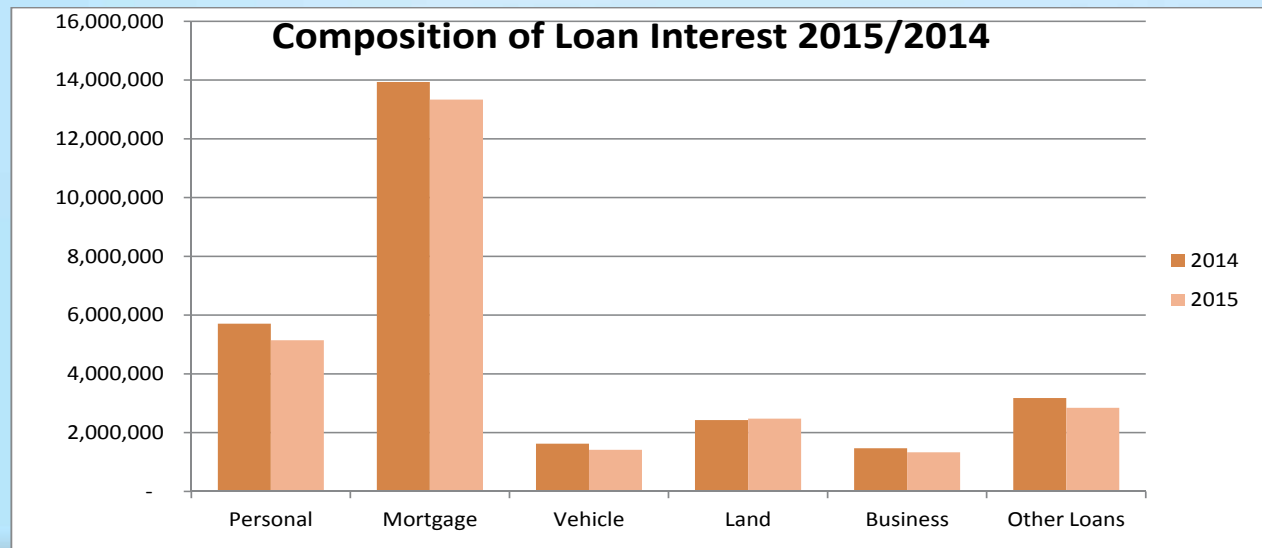
Graph 1.2: Key Revenue Streams 2015



Interest Income

The interest earned from loans recorded **\$28,337,804**, which was one million seven hundred and ninety-seven thousand, nine hundred and eighty-six dollars (**\$1,797,986**) or **6.8%** growth compared to that of the previous year.

Graph 1.3: Composition of Loan Interest Income by Sector for Year 2015/2014:



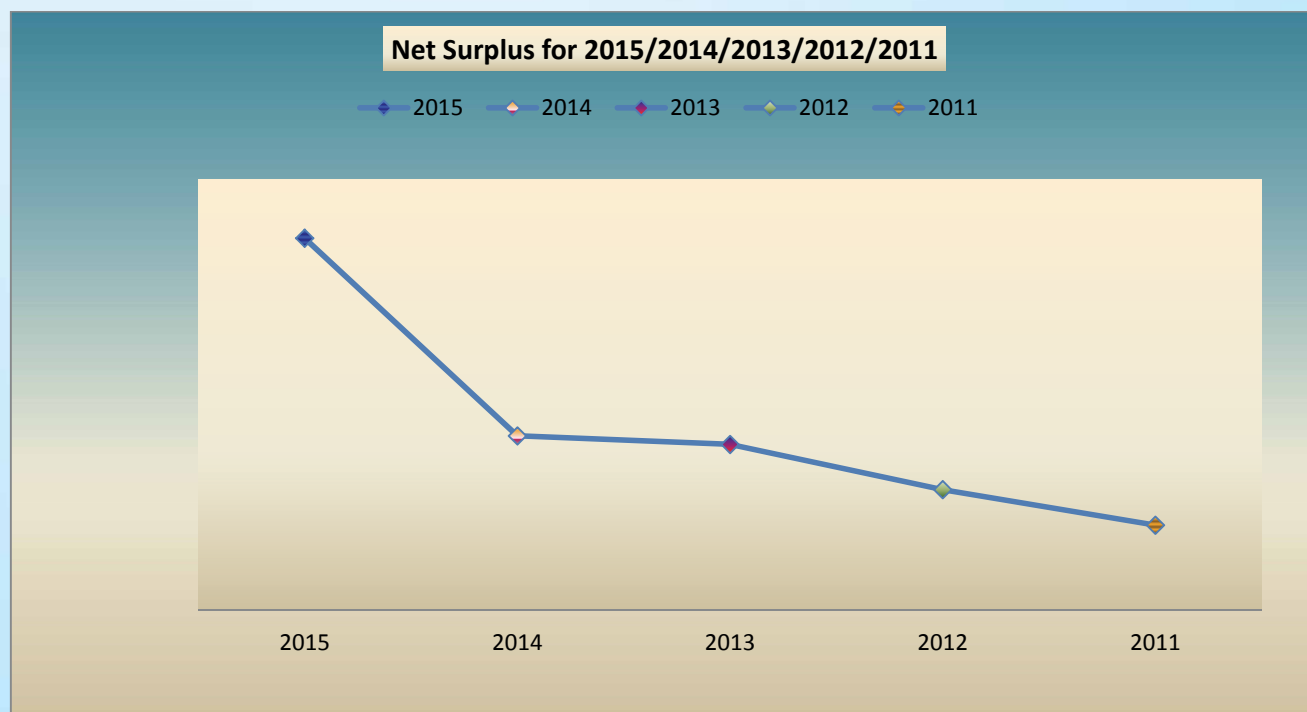
Interest Expenses

A **1.5%** reduction was primarily recorded in four expense categories namely financial cost, occupancy costs, insurance and general expenses; the most significant variance of **\$168,503 (13.87%)** was due to the reduction in interest rates payments on Savings and Deposits.

Net Surplus

The Society recorded net surplus before appropriation of 4.7million in 2015, from 2.1 million in both 2014 and 2013, 1.9 million in 2012 and 1.0 million in 2011.

	2015	2014	2013	2012	2011
Net Surplus	4,778,147	2,131,067	2,127,672	1,546,687	1,089,913



FINANCIAL POSITION

Assets

Total assets moved from \$438,800,102 in 2014 to \$471,206,380 in 2015 mainly due to the construction at the Roseau Branch, improved cash position and healthy loan portfolio. During the year, the net loans portfolio increased from \$315,031,656 to \$334,051,550, representing an increase of 6.03%.

As the yields on the Society's investment declined, the Society's liquidity position increased by \$7,305,574 as some investments were not renewed.

Liability

Liabilities have grown to four hundred and twelve million seven hundred and twenty-six thousand, four hundred and seventy-eight dollars (**\$412,726,478**) showing a **6.8%** (**\$26,254,983**) increase over financial year 2014.

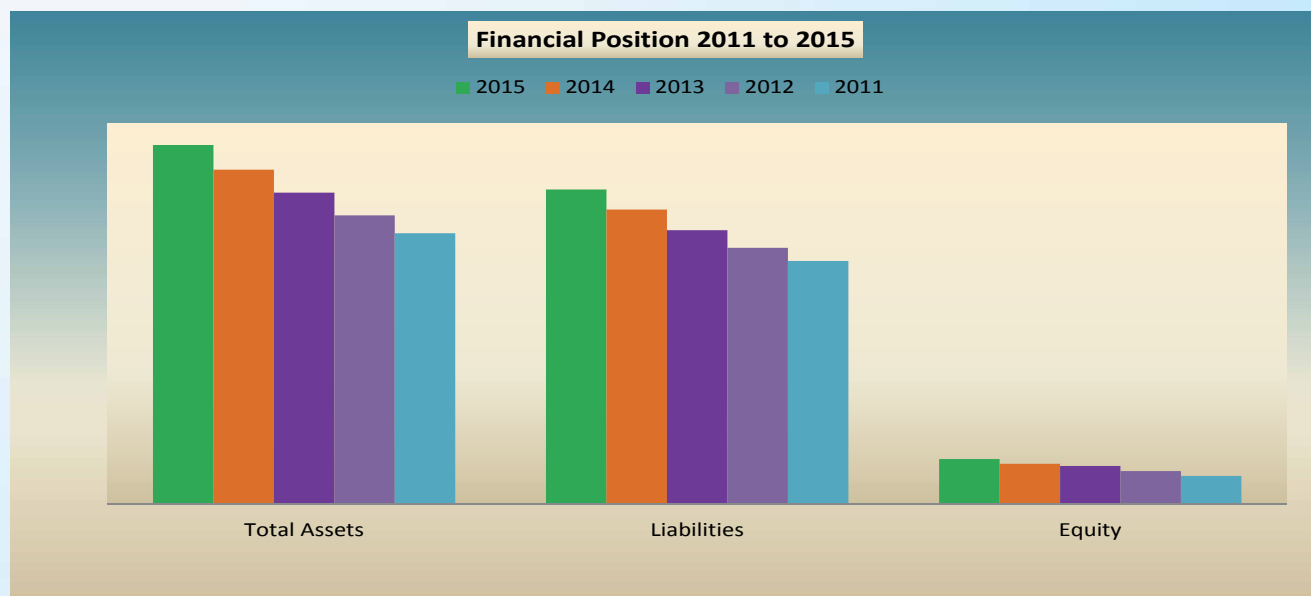
During the period under review, the dollar value increase was as follows: Members Savings/Deposits (**\$17,503,125**), Fixed Deposits (**\$3,385,363**) and the Members Retirement Account (**\$3,118,736**). These increases signified members' confidence in their Society.

Equity

Members' equity grew by **\$367,750** or **9.93%** as the attempts at increasing members share capital continued in 2015. Members purchased 7355 new shares, with an average monthly growth in membership of 112.

	2015	2014	2013	2012	2011
Members	40,324	38,983	37,575	36,261	35,167

Graph 2.3: Financial Position:



CONCLUSION AND ACKNOWLEDGEMENT

The volatility of interest rates on the market will require the Society to keep rates under constant review to manage the financial cost and at the same time ensuring that a reasonable return on loans and investments are received to pay savings and deposit holders and defray operating expenses.

I wish to express sincere thanks to the management and staff for their continued dedication towards the development of the Society.

The assistance of the Board of Directors, Supervisory and Compliance and Credit Committees was greatly appreciated.

The NCCU appreciates your continued loyalty and confidence and looks forward to providing you with excellent service.

CANDIA JOSEPH
TREASURER

For and behalf of the Board of Directors



Donation to Crime Stoppers



DONATION to Nemesis Football Team



NCCU Float Carnival Opening Parade



2015 Cadence Band Champ Ti Orchestre



**2015 Cadence Monarch
Anton Joseph White Fayrie**

Orlando Allan Richards FCCA CA
Chartered Certified Accountant
P.O. Box 202
Pedro Investments Building
Independence Street, Roseau
Commonwealth of Dominica

Telephone: (767) 448 2511

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

National Co-operative Credit Union Limited
Roseau
Commonwealth of Dominica

I have audited the accompanying financial statements of National Co-operative Credit Union Limited set out on pages 2 to 25 for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of National Co-operative Credit Union Limited as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Co-operative Societies Act No. 2 of 2011 and the Cooperative Societies Regulations S.R.O 26 of 2001 of the laws of the Commonwealth of Dominica.




Roseau, Dominica
May 18, 2016

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED**Statement of Financial Position****As at December 31, 2015**

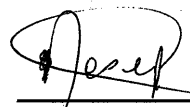
	Notes	2015 \$	2014 \$
ASSETS			
Cash and bank balances	4	19,854,407	12,548,833
Statutory reserve deposit	5	18,335,469	17,722,635
Shares at Dominica Co-operative Societies League Ltd	6	131,285	131,285
Related company account	7	183,027	169,465
Investment securities: held to maturity	8	53,180,016	53,526,208
Investment securities: available –for-sale	9	5,279,673	4,963,165
Originated loans	10	334,051,550	315,031,656
Other assets	11	6,591,755	5,822,996
Property, plant and equipment	12	33,596,627	28,878,913
Leasehold improvement	13	2,571	4,946
TOTAL ASSETS		471,206,380	438,800,102
LIABILITIES			
Members' savings and ordinary deposits	14	234,683,111	217,179,986
Term deposits	15	135,785,208	132,399,846
Member Retirement Account	16	32,651,256	29,532,520
Accounts payable and provisions	17	3,204,770	1,724,233
Accrued interest payable	18	6,380,816	5,613,593
European Union grant	19	21,317	21,317
TOTAL LIABILITIES		412,726,478	386,471,495
MEMBERS' EQUITY			
Shares (Members' Capital)	20	4,070,800	3,703,050
Statutory reserve	21	16,523,298	15,292,030
Education fund	22	332,637	354,721
Loan protection fund	23	1,033,669	1,057,802
Revaluation surplus	27	8,103,470	8,103,470
Capital reserve	25	461,196	461,196
Capital contribution	24	4,777,817	4,777,477
Fair value reserve	9	305,253	291,220
Development fund	26	76,803	36,017
Retained surplus		22,794,959	18,251,624
TOTAL MEMBERS' EQUITY		58,479,902	52,328,607
TOTAL LIABILITIES & MEMBERS' EQUITY		471,206,380	438,800,102

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

APPROVED BY THE BOARD ON MAY 18, 2016 AND SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



 DEXTER DUCREAY
 PRESIDENT



 CANDIA JOSPEH
 TREASURER

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Income and Appropriations
For the year ended December 31, 2015

	Notes	2015 \$	2014 \$
Interest and investment income	28	31,378,689	29,932,166
Interest expense	28	12,161,764	12,772,663
Net interest and investment income	28	19,216,925	17,159,503
Other income	29	1,197,707	998,464
Operating income		20,414,632	18,157,967
Operating costs	30	(11,404,099)	(11,156,816)
Provision for loan impairment	10	(1,650,000)	(1,772,519)
Loan protection fund		(60,000)	(60,000)
Impairment loss on investments	8	-	(1,230,783)
Depreciation	11	(1,249,870)	(1,237,921)
Loans written off		-	-
Leasehold amortisation	13	(2,375)	(2,375)
Surplus before other comprehensive income		6,048,288	2,697,553
Other comprehensive income			
Fair value gain on investments		14,033	-
Total comprehensive income before appropriation		6,062,321	2,697,553
Appropriation: Surplus before comprehensive income			
Transfer to statutory reserve		(1,209,658)	(539,511)
Transfer to education fund		-	-
Transfer to development fund		(60,483)	(26,975)
Transfer to fair value reserve		(14,033)	-
Net Surplus for the year		4,778,147	2,131,067

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

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Equity
For the year ended December 31, 2015

	Members' Capital (Shares)	Statutory Reserve	Education Fund	Development Fund	Revaluation Surplus	Capital Reserve	Capital Contribution	Loan Protection Fund	Fair Value Reserve	Retained Surplus	Total
	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$
Balance at 31/12/13	3,179,250	14,737,989	386,808	37,008	8,103,470	461,196	4,777,027	999,007	291,220	16,434,760	49,407,735
Appropriation	-	539,511	-	26,975	-	-	-	-	-	-	566,486
Transfers/adjustments	-	-	-	-	-	-	-	60,000	-	-	60,000
Net surplus	-	-	-	-	-	-	-	-	-	2,131,067	2,131,067
Payments	-	-	(32,087)	(27,966)	-	-	-	(1,205)	-	-	(61,258)
Receipts	523,800	-	-	-	-	-	450	-	-	-	524,250
Entrance fee	-	14,530	-	-	-	-	-	-	-	-	14,530
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Write back/adj. interest	-	-	-	-	-	-	-	-	-	(109,643)	(109,643)
Dividend	-	-	-	-	-	-	-	-	-	(204,560)	(204,560)
Balance at 31/12/14	3,703,050	15,292,030	354,721	36,017	8,103,470	461,196	4,777,477	1,057,802	291,220	18,251,624	52,328,607
Appropriation	-	1,209,658	-	60,483	-	-	-	-	-	-	1,270,141
Transfers	-	-	-	-	-	-	-	60,000	-	-	60,000
Net surplus	-	-	-	-	-	-	-	-	-	4,778,147	4,778,147
Payments	-	-	(22,084)	(19,697)	-	-	-	(84,133)	-	-	(125,914)
Fair value gain on investment	-	-	-	-	-	-	-	-	14,033	-	14,033
Adjustment	-	-	-	-	-	-	-	-	-	3,497	3,497
Receipts	367,750	-	-	-	-	-	340	-	-	-	368,090
Entrance fee	-	21,610	-	-	-	-	-	-	-	-	21,610
Dividend	-	-	-	-	-	-	-	-	-	(238,309)	(238,309)
Balance at 31/12/15	4,070,800	16,523,298	332,637	76,803	8,103,470	461,196	4,777,817	1,033,669	305,253	22,794,959	58,479,902

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



NATIONAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the year ended December 31, 2015

	2015	2014
	\$	\$
Cash flows from Operating Activities		
Surplus before appropriation	6,048,288	2,697,553
Adjustments for:		
Depreciation	1,249,870	1,237,921
Leasehold amortisation	2,375	2,375
Impairment loss on investments – insurance Co.	-	1,230,783
Loan protection fund	60,000	60,000
Fair value reserve	-	-
Write back interest / adjustment to surplus	3,497	(109,643)
Cash flows before changes in operating assets and liabilities	7,364,030	5,118,989
(Increase) / decrease in originated loans	(19,019,894)	(21,398,987)
Decrease /(increase) in other assets	(768,759)	(11,094)
Increase in subsidiary company account	(13,562)	(88,153)
Increase in members' savings and ordinary deposits	17,503,125	17,773,617
Increase in statutory reserve deposit	(612,834)	915,352
(Decrease) / Increase in term deposits	3,385,362	7,238,749
Increase / (decrease) in accrued interest payable	767,223	(19,388)
Increase in Member Retirement Account	3,118,736	1,779,699
Increase / (decrease) in accounts payable and provisions	1,480,537	520,831
Net cash from operating activities	13,203,964	11,829,615
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,967,584)	(6,286,553)
Leasehold improvement	-	-
Encashment / (Purchase) of investment securities: held to maturity	346,192	(2,284,054)
Purchase of investment securities – available for sale	(302,475)	(24,508)
Net cash from investing activities	(5,923,867)	(8,595,115)
Cash flows from financing activities		
Share capital	367,750	523,800
Dividend paid	(238,309)	(204,560)
Payments from funds	(125,914)	(61,258)
Capital contribution	340	450
Entrance fee	21,610	14,530
Net cash from financing activities	25,477	272,962
Net cash flows	7,305,574	3,507,462
CASH – beginning of year	12,548,833	9,041,371
CASH – end of year	19,854,407	12,548,833



1. Legal Status

National Co-operative Credit Union Limited is a co-operative registered under the Co-operatives Societies Act No. 2 of 2011 of the Laws of the Commonwealth of Dominica.

The Society's Head Office is located at 31-37 Independence Street, Roseau. Other branches are located at: Pointe Michel, Mahaut, Riviere Cyrique and Vieille Case with sub-branches at Penville, Paix Bouche and Thibaud in the Commonwealth of Dominica.

2. Summary of Significant Accounting Policies

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

(a) Basis of Preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention as modified by the revaluation of land and buildings and of certain available-for-sale financial assets. The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Although these estimates are based on Management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) Summary of IFRS pronouncements effective in 2015

The following is a summary of IFRS for pronouncements that must be applied, if applicable in 2015 a business entity with a calendar year-end that is preparing financial statements in accordance with IFRS. The pronouncements are effective for years beginning on or after January 1, 2015:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19).
- Annual Improvements to IFRSs 2010 - 2012 Cycle.
- Annual Improvements to IFRSs 2011 - 2013 Cycle.
- IFRS 14 Regulatory Deferral Accounts.
- Accounting for Acquisitions of Interests in Joint Operations (Amendments of IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41).
- Equity Method in Separate Financial Statements (Amendments to IAS 27).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Annual improvements to IFRSs 2012 - 2014 Cycle - various standards.

2. Summary of Significant Accounting Policies Cont'd

(c) Cash and Cash Equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition including: non-restricted cash and current account balances at commercial banks, deposits with non-banking financial institutions, and other short-term securities.

(d) Financial instruments

The Society initially recognises loans and advances, deposits and loans payable on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date, that is, the date the Society becomes a party to the contractual provision of the instrument.

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are initially measured at cost being their fair value plus transaction costs that are directly attributable to its acquisition or issue.

Financial Assets

A financial asset is any asset that is cash; an equity instrument of another entity; a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity; or a contract that will or may be settled in the entity's own equity instruments.

The Credit Union classifies its financial assets in the following categories:

Originated loans; held-to-maturity investments; and available-for-sale investments. Management determines the classification of its investments at initial recognition and re-evaluates the designation at every reporting date.

Originated loans

All member loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been classified as loans and receivables.

Member loans are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred.

Member loans are subsequently measured at amortised cost, using the effective interest rate method, less any impairment (losses).

2. Summary of Significant Accounting Policies Cont'd**Originated loans cont'd.**

Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans plus accrued interest. Interest is accounted for on the accrual basis for all loans.

If there is objective evidence that an impairment loss on member loans carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the loans carrying amount and the present value of expected cash flows discounted at the loans original effective interest rate, short-term balances are not discounted.

The Credit Union first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective for a group of financial assets with similar credit risk characteristics are estimated based on historical loss experience.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in net income.

Bad Debts Written Off

Bad debts are written off from time to time as determined by management and approved by the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the provisions for impairment, if a provision for impairment had previously been recognised. If no provision had been recognised, the write offs are recognised as expenses in net income.

Investment Securities

Investment securities are classified as held-to-maturity and available for sale.

Held to maturity

Held to maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that the Credit Union's management has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognised at fair value including direct and incremental transaction cost and are measured subsequently at amortised cost, using the effective interest rate method. Interest on held to maturity investments is included in the Statement of Comprehensive Income.

In case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and is recognised in the Statement of Comprehensive Income.

Were the Credit Union to sell other than an insignificant amount of held to maturity assets, the entire category would be tainted and reclassified as available for sale.

2. Summary of Significant Accounting Policies Cont'd

Available for sale

Available for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, or are investments not classified as loans, held to maturity investments, or financial assets at fair value through profit or loss.

Available for sale investments are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value, with gains and losses being recognised in the Statement of Comprehensive Income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised.

Unrealised gain or losses in available for sale investments are recognised directly in the fair value reserve in equity and reported under Other Comprehensive Income.

Impairment for financial assets

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the assets carrying amount and the present value of the expected future cash flows discounted at the financial instruments original interest rate. By comparison, the recoverable amounts of an instrument measured at a fair value is the present value of expected cash flows discounted at the current market rate of interest for a similar financial asset. Interest earned whilst holding investment securities is reported as interest income.

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Credit Union about the following loss events:

- (i) Significant financial difficulty of the issuer or obligor;
- (ii) A breach of contract, such as a default or delinquency in interest of or principal payments;
- (iii) The Credit Union granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- (iv) It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (v) The disappearance of an active market for the financial asset because of financial difficulties;
- (vi) Observable data indicating that there is a measureable decrease in 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 local economic conditions that correlate with defaults on the assets in the group.

2. Summary of Significant Accounting Policies Cont'd***Impairment for financial assets***

The Credit Union first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Credit Union determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Comprehensive Income.

Financial Liabilities

The Society's financial liabilities include members' savings and deposits, fixed deposits, Member Retirement Account and other liabilities. The Credit Union determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans payable, net of directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. The EIR amortisation, if any, is included in the Statement of Comprehensive Income. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(e) Foreign Exchange Transaction and Translation

Foreign exchange transactions during the year are converted at the rates prevailing on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies as at the year end are translated into Eastern Caribbean Dollars as at that date.

All amounts stated in these financial statements are expressed in Eastern Caribbean Dollars, which is the functional and presentation currency of the Commonwealth of Dominica. (US\$1 = EC\$2.67).

2. Summary of Significant Accounting Policies Cont'd**(f) Investment in subsidiary**

The investment in the subsidiary is accounted for by the cost method whereby the investment is initially recorded at cost and income from the investment is recognised to the extent that it arises from distribution of accumulated profits arising after the date of acquisition.

(g) Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Impairment charges are included in net income, except to the extent they reverse gains previously recognized in other comprehensive income.

(h) Property and Equipment

Land and building are stated at valuations carried out in 2011 and 2012 with subsequent additions at cost, less subsequent depreciation for building. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write down the cost of such assets to their residual value over their estimated useful lives as follows:

Buildings	25-50 years
Furniture, fixtures and equipment	5-7 years
Computer systems	3-5 years
Motor vehicles	4 years

Land is not depreciated. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value-in-use.

2. Summary of Significant Accounting Policies Cont'd

(i) Dividends

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

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

(j) Interest income and expense

Interest income on originated loans is recognised in the income statement when received and/or accrued for not more than three (3) months. Interest income and expense are recognised in the income statement for all interest bearing instruments on an accrual basis using effective interest rates. Interest income includes income on fixed investments.

If loans become doubtful, they would be written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest used to discount the future cash flows for the purpose of measuring the recoverable amount.

(k) Other income

Dividend income is recognised when the Society's right to receive payment is established. Other income including fees and commission are generally recognised on an accrual basis when the related service has been provided.

(l) Taxation

The Society's income is exempt from taxation under Section 25 (m) of the Income Tax Act of the laws of the Commonwealth of Dominica.

(m) Comparative figures

Where necessary, certain comparative figures have been reclassified to conform to current year's presentation.

(n) Member Deposits

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

(o) Accounts payable and other liabilities

Liabilities for trade creditors and other payables are classified as other financial liabilities and initially measured at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method.

2. Summary of Significant Accounting Policies Cont'd

(p) Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(q) Members' Shares

Members' shares issued by the Credit Union are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

(r) Revenue Recognition

Revenue from the provision of services to members is recognized when earned, specifically when amounts are fixed or can be determined and the ability to collect is reasonably assured.

3. Financial Risk Management

Risk is inherent in the Credit Union's activities but is managed through a process of on going identification, measurement and monitoring subject to risk limits and other controls.

This process of risk management is critical to the Credit Union's continuing profitability and each individual is accountable for the risk exposures relating to his or her responsibilities. The Credit Union is exposed to credit risk, interest rate risk, liquidity risk, market risk and operational risk.

The Credit Union's aim therefore is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

The Board of Directors has overall responsibility for the determination of the Society's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Credit Union's finance function. The Board of Directors receives monthly reports from the Credit Union's Chief Executive Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Board of Directors has recently appointed an Assets Liabilities Management Committee comprising of the Treasurer, the Chief Executive Officer, the Accountant and a representative from the Supervisory and Compliance Committee to monitor the key financial risks and key financial ratios and targets which the Board has set.

The Supervisory Committee has the responsibility to monitor the overall risk process within the Credit Union.

The Credit Union has recently reviewed and updated most of its operational policies. The Internal Audit Department audits various processes during the year to determine whether set policies, guidelines and procedures are being followed. The Board takes appropriate action based on the Internal Audit Department's findings.

3. Financial Risk Management cont'd

Credit Risk

Credit risk is the risk of financial loss to the Credit Union if a counterparty to a financial Instrument fails to make payments of interest and principal when due. The Credit Union is exposed to credit risk from claims against a debtor or indirectly from claims against a guarantor of credit obligations.

Risk Measurement

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Credit Union takes into consideration the member's character, ability to pay, and value of collateral available to secure the loan.

The Credit Union's credit risk management principles are guided by its overall risk Management principles. The Board of Directors ensures that management has a framework, and policies, processes and procedures in place to manage credit risks and that the overall credit risk policies are complied with at the business and transaction level.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Credit Union is exposed to this risk through traditional banking activities, such as deposit taking and lending and on its investment in fixed deposits with banks and other financial institutions.

The Credit Union's goal is to manage the interest rate risk of the statement of financial position to a target level. The Credit Union continually monitors the effectiveness of its interest rate mitigation activities.

Liquidity Risk

Liquidity risk is the risk that the Credit Union will not be able to meet all cash outflow obligations as they come due. The Credit Union mitigates this risk by monitoring cash activities and expected outflows so as to meet all cash outflow obligations as they fall due.

The Society is exposed to liquidity risk to the extent that it has unmatched positions of contractual maturities and interest rates of financial assets and liabilities. The Society manages liquidity risk by carefully monitoring and maintaining financial assets of adequate maturities to service commitments associated with financial liabilities that require outflows of cash or another financial asset at a particular date.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk.

The Credit Union is mainly exposed to interest rate risk. The Credit Union's exposure to currency risk is minimal since it does not have any significant foreign currency denominated assets. The Eastern Caribbean dollar is pegged to the United States Dollar at EC\$2.67. Most of the financial assets and liabilities of the Society is based in Eastern Caribbean Dollars. However, some of the members who have loans are based overseas. Fluctuation in foreign currencies against the Eastern Caribbean Dollar will influence the net amount remitted by members to service their loans.

3. Financial Risk Management cont'd

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

While operational risk is inherent to each of the Credit Union's business activities, the exposure is minimised by ensuring that the appropriate infrastructure, controls, systems and human resources are in place. Key policies and procedures, used in managing operating risk involve a strong internal audit function, segregation of duties, delegation of authority, and financial and managerial reporting.

Within the Credit Union, mitigation of operating risk is assigned to senior management supported by a well-defined organisational structure that segregates operational and administrative functions.

In addition periodic reviews are undertaken by the Internal Audit department. The results of the reviews are discussed with senior management and Board of Directors.

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 value of cash resources, accounts receivable and accounts payable are assumed to approximate their carrying value due to their short term value.

The fair values of securities are assumed to be equal to the estimated market value. The fair values of unquoted securities are estimated at book value which is not significantly different from their carrying value.

The estimated fair value of members' loans reflect changes in interest rates that have occurred since the loans were originated and is determined by discounting contracted future cash flows, over the remaining term to maturity, at current interest rates. The estimated fair values of members' loans is not significantly different from their carrying values.

4. Cash and Bank Balances

	2015 \$	2014 \$
Cash on hand	2,049,694	2,037,635
Cash at banks	17,804,713	10,511,198
	<u>19,854,407</u>	<u>12,548,833</u>

5. Statutory Reserve Deposit

	2015 \$	2014 \$
Fixed deposits at banks	16,592,929	15,689,576
Demand deposit at Dominica Co-operative Societies League Ltd	1,742,540	2,033,059
	<u>18,335,469</u>	<u>17,722,635</u>

6. Shares at Dominica Co-operative Societies League Ltd

	2015 \$	2014 \$
Shares at cost	131,285	131,285

7. Related Company Account

	2015 \$	2014 \$
This represents net payments on behalf of NCCU Cadence Lypso Inc., a company incorporated by NCCU under the Companies Act	<u>183,027</u>	<u>169,465</u>

8. Investment Securities: held to maturity

	2015 \$	2014 \$
Eastern Caribbean Home Mortgage Bank Bond (ECHMB)	2,000,000	2,266,449
Fixed deposits at League and Credit Unions	2,394,213	1,997,505
Fixed deposits at banks and other institutions	48,785,803	49,262,254
Fixed deposits at Colonial Life Insurance Company (CLICO)	3,549,920	3,549,920
Fixed deposits at British American Insurance Company (BAICO)	4,292,035	4,292,035
	<u>61,021,971</u>	<u>61,368,163</u>
Provision for impairment loss on fixed deposits at CLICO & BAICO	<u>(7,841,955)</u>	<u>(7,841,955)</u>
	<u>53,180,016</u>	<u>53,526,208</u>
Provision for impairment on investments		
Provision beginning of year	7,841,955	6,611,172
Provision for the year	-	1,230,783
Provision end of year	<u>(7,841,955)</u>	<u>(7,841,955)</u>
Provision for the year - CLICO	-	443,373
Provision for the year - BAICO	-	787,410
	<u>-</u>	<u>1,230,783</u>

Both the Colonial Life Insurance Company and British American Insurance Co. are insolvent and are under judicial management. The Society's management has made a 100% provision for these investments against possible losses.

9. Investment Securities: available-for-sale

	2015	2014
	\$	\$
229,298 shares at cost in National Bank of Dominica	104,200	104,200
Shares at DOMLEC (140,328 @ \$4.10; 2014: \$4.00)	575,345	561,312
EC HOME Mortgage Bank shares at cost (250 @ \$100; 20,250 \$160)	3,265,000	3,265,000
ECSE capitalization account (5,000 class C shares @ \$10)	50,000	50,000
Shares in Dominica Unit Trust Corporation Ltd less provision \$441,400	110	110
DUTC: Income Fund (less diminution \$28,377)	100	100
First Citizens Investment Services Fixed Income Investment	1,227,078	918,203
Government of Dominica – Treasury bills	9,840	-
Government of Dominica - Bond	48,000	64,240
	<u>5,279,673</u>	<u>4,963,165</u>
 Fair value of investment in DOMLEC		
Original cost of investment	270,092	270,092
Fair value gain	305,253	291,220
	<u>575,345</u>	<u>561,312</u>

The fair value gain on investments is not available for distribution.

10. Originated Loans

	2015	2014
	\$	\$
(a) Originated loans – Loans and advances to members loans		
Members' loans	344,708,422	321,946,243
Overdraft	3,234,799	3,550,859
Staff advances and loans	1,896,527	4,350,690
	<u>349,839,748</u>	<u>329,847,792</u>
Total	349,839,748	329,847,792
Less: Provision for loan impairment	(15,788,198)	(14,816,136)
	<u>334,051,550</u>	<u>315,031,656</u>
(b) Sectoral Analysis		
Personal	97,367,285	76,852,688
Mortgage	191,707,710	192,976,387
Vehicle	14,453,363	14,876,126
Land	22,972,669	23,321,453
Business	16,440,108	14,543,092
Other loans (litigated loans)	6,898,613	7,278,046
	<u>349,839,748</u>	<u>329,847,792</u>

(c) Terms and Conditions

The terms and conditions with regard to loan granting and approval are governed by loan Policies and guidelines set out by the Board of Directors. These policies cover interest rate, collateral, repayment period and loan administration.



10. Originated Loans cont'd

(d) Provision for loan impairment

	2015	2014
	\$	\$
<i>Movement on Provision for Loan Impairment</i>		
Provision at beginning of year	14,816,136	13,004,363
Bad debts recovered	-	146,027
Bad loans written off during the year	(677,938)	(106,773)
	14,138,198	13,043,617
Additional provision made	1,650,000	1,772,519
	15,788,198	14,816,136
Provision at end of year	15,788,198	14,816,136
Performing loans	295,703,622	284,952,066
Non-performing loans	54,136,126	44,895,726
Total loans	349,839,748	329,847,792
Less: provision for loan impairment	(15,788,198)	(14,816,136)
	334,051,550	315,031,656
<i>The provision for loan loss is comprised of:</i>		
Specific provision – impaired non-performing loans	7,246,710	8,013,759
Specific provision – unimpaired non-performing loans	3,752,946	3,764,304
General provision	4,788,542	3,038,073
Total provision	15,788,198	14,816,136

The Credit Union has determined the likely impairment loss which have not maintained the loan repayments in accordance with the loan agreement or where there is other evidence of potential impairment.

11. Other Assets

	2015	2014
	EC\$	EC\$
Interest receivable on investments	2,151,218	1,526,999
Inventory of stationery / office supplies	433,321	325,278
Prepayments	1,312,552	315,110
Deferred expenses	465,887	1,094,631
Loans receivable interest	1,522,383	1,356,869
Debtors	352,410	869,361
Receivable staff education	30,691	30,691
Other receivables	323,293	304,057
Total provision	6,591,755	5,822,996

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2015

12. Property, Plant and Equipment	Land EC\$	Building EC\$	Furniture Fixtures & Equipment EC\$	Computer Systems EC\$	Motor Vehicles EC\$	ATM EC\$	Legal Library EC\$	Building in Progress EC\$	Total EC\$
Cost/valuation									
Balance beginning of year 31/12/13	3,018,564	14,375,684	4,445,788	8,542,188	404,800	2,748,117	19,525	4,105,416	37,660,082
Additions	-	4,209	133,442	169,222	-	-	-	5,979,680	6,286,553
Disposals	-	-	-	-	-	-	-	-	-
Balance end of year 31/12/14	3,018,564	14,379,893	4,579,230	8,711,410	404,800	2,748,117	19,525	10,085,096	43,946,635
Additions	-	484,022	662,048	522,504	-	-	-	4,299,010	5,967,584
Disposals	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Balance end of year 31/12/15	3,018,564	14,863,915	5,241,278	9,233,914	404,800	2,748,117	19,525	14,384,106	49,914,219
Accumulated Depreciation									
Balance beginning of year 31/12/13	-	280,168	3,775,316	7,387,240	253,500	2,114,052	19,525	-	13,829,801
Depreciation charge for the year	-	294,856	204,284	462,851	64,560	211,370	-	-	1,237,921
Balance end of year 31/12/14	-	575,024	3,979,600	7,850,091	318,060	2,325,422	19,525	-	15,067,722
Depreciation charge for the year	-	297,195	303,784	388,284	52,227	208,380	-	-	1,249,870
Eliminated on disposal	-	-	-	-	-	-	-	-	-
Balance end of year 31/12/15	-	872,219	4,283,384	8,238,375	370,287	2,533,802	19,525	-	16,317,592
Net Book Value									
Beginning of year	3,018,564	13,804,869	599,630	861,319	86,740	422,695	-	10,085,096	28,878,913
End of year	3,018,564	13,991,696	957,894	995,539	34,513	214,315	-	14,384,106	33,596,627



13. Leasehold Improvement

	2015	2014
	\$	\$
Balance beginning of year	4,946	7,321
Amortised during the year	(2,375)	(2,375)
Unamortised balance end of year	<u>2,571</u>	<u>4,946</u>

This represents cost of improvement to leased property (branch office) which cost is being Amortised over 5 years.

14. Members' Savings / Ordinary Deposits

	2015	2014
	\$	\$
Members' savings / ordinary deposits	<u>234,683,111</u>	<u>217,179,986</u>

Members' savings formerly called "members; / shares" are now recorded as a liability in accordance with International Financial Reporting Standards (IFRS). According to Section 129 of the Co-operative Societies Act No. 2 of 2011, the Credit Union may distribute by way of dividend or bonus among its members in proportion to their business with the Society at such rates as may be prescribed by its bye-laws. Members' savings and ordinary deposits subject to special terms and conditions are due on demand.

15. Term Deposits

	2015	2014
	\$	\$
Term deposits	<u>135,785,208</u>	<u>132,399,846</u>

Term deposits bear fixed rates of interest at rates in the range of 2.75% to 4% p.a. up to 11/08/15 and from 1.75% to 3.10% p.a. from 12/08/15.

16. Member Retirement Account

	2015	2014
	\$	\$
Member Retirement Account	<u>32,651,256</u>	<u>29,532,520</u>

The Credit Union operates a retirement savings plan for the benefit of its members. Under this plan, members enjoy a rate of interest higher than the normal deposit interest rate on condition that the savings are not withdrawn before the member has reached normal retirement age. Currently, members' savings are limited to EC\$1,000 per month to a maximum of \$12,000 in any calendar year. As at year end, the rate offered to members was 6% per annum.

17. Accounts Payable and Provisions

	2015	2014
	\$	\$
Accounts payable	791,444	658,899
Audit fee payable	36,000	36,000
Clearing accounts	981,092	926,320
Other	1,396,234	103,014
	<u>3,204,770</u>	<u>1,724,233</u>

18. Accrued Interest Payable

	2015	2014
	\$	\$
Accrued interest payable on term deposits	<u>6,380,816</u>	<u>5,613,593</u>

19. European Union (EU) Grant

	2015	2014
	\$	\$
Technical assistance grant for small business development	<u>21,317</u>	<u>21,317</u>

20. Share Capital

	2015	2014
	\$	\$
Issued and fully paid shares of \$50 par value per share		
Balance beginning of year	3,703,050	3,179,250
Issued during the year 7,355 (2014: 10,476)	<u>367,750</u>	<u>523,800</u>
Balance end of year	<u>4,070,800</u>	<u>3,703,050</u>

The liability of each member is limited to the paid up shares.

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

21. Statutory Reserve

The Co-operative Societies Act No. 2 of 2011 Section 125(4) stipulates that a Society shall credit no less than 20% of its net surplus to a reserve; and such Reserve Fund, may subject to the approval of the Registrar, be used in the business of the Society, for the purpose of an exceptional nature including unforeseen losses, unexpected shortfalls in liquid cash, capital retention, repair and maintenance and the avoidance of external borrowing.

	2015	2014
	\$	\$
Movements during the year were as follows:		
Balance beginning of year	15,292,030	14,737,989
Add: Entrance fees	21,610	14,530
Appropriation from surplus	1,209,658	539,511
Balance end of year	16,523,298	15,292,030

The Society's statutory reserve is represented by a fixed deposit at the Dominica Co-operative Societies League Limited and fixed deposits at banks. See note 5.

22. Education Fund

This represents funds appropriated from surplus for member education.

23. Loan Protection Fund

This represents amounts set aside by the Society to cover that portion of members' loan balances not covered under the CUNA Mutual Insurance scheme set up to EC\$ 123,000.

24. Capital Contribution

Five (5) Credit Unions, namely, Roseau, La Salette, St. David, St. Paul and Vieille Case Credit Unions amalgamated in accordance with the Cooperative Societies Act to form the National Cooperative Credit Union Limited (NCCU). The assets and liabilities of the five (5) former Credit Unions were vested in the NCCU in accordance with the Cooperative Societies Act as of November 1, 2010. The resulting credit balance on amalgamation is accounted for under Members' Equity as Capital Contribution.

25. Capital Reserve

This represents contribution by members during the construction of the Society's office building in Roseau.

26. Development Fund

Section 126 of the Co-operative Societies Act No. 2 of 2011, states that every Society shall establish and maintain a Development Fund. Every Society that realises a surplus from its operations as ascertained by the annual audit shall make such annual contribution, not exceeding ten percent of that surplus, and the Co-operative Society shall use the funds for strengthening the capacity and growth of Co-operative Societies and for human development.

27. Revaluation Surplus

This represents the surplus on valuation over cost of the Society's land and buildings, following valuations carried out in December 2012 by Mc Kenzie Architect and Construction Services Incorporated. The valuation was accepted by the Board of Directors. The excess of the revalued amount over cost is included under Revaluation surplus.

28. Net Interest and Investment Income

	2015	2014
	\$	\$
Interest Income		
Income from loans	28,337,804	26,539,818
Income from investments	164,534	420,560
Interest on fixed deposits	2,876,351	2,971,788
	<u>31,378,689</u>	<u>29,932,166</u>
Interest Expense		
Interest on term deposits	5,158,572	5,367,064
Interest on members' savings/deposits	5,188,488	5,738,855
Interest on Member Retirement Account (MRA)	1,808,897	1,660,510
Interest on Christmas Savings Club	5,807	6,234
	<u>12,161,764</u>	<u>12,772,663</u>
Net interest and investment income	<u>19,216,925</u>	<u>17,159,503</u>

29. Other Income

	2015	2014
	\$	\$
Rent	51,765	51,865
Cheque book fees	145,635	136,945
Sale of rule and pass books	25,883	22,441
Professional services	538,527	390,782
Sundry service charges	270,532	232,670
CUNA rebates	-	12,725
Bad debts recovered/written off	4,200	14,598
Commissions	67,880	70,716
Other income	93,285	65,722
	<u>1,197,707</u>	<u>998,464</u>

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2015

30. Operating Costs

	2015	2014
	\$	\$
Personal expenses (see note 31)	6,375,218	6,186,171
Governance (Board & Committees' expenses and honoraria)	161,067	159,524
CUNA insurance	966,625	930,503
Annual general meeting	72,829	64,245
Scholarship	66,380	49,920
Overseas travel and conference	303,151	334,194
Computer services and expenses	567,154	560,310
Stationery and office supplies	220,694	213,085
Fraternity expenses	226,790	229,341
Audit fee	36,000	36,000
Consultancy fees	25,183	-
Occupancy expenses	816,191	969,156
Insurance building and contents	167,668	221,453
General expenses (see note 32)	1,399,149	1,202,914
	11,404,099	11,156,816

31. Employees' benefit expenses

	2015	2014
	\$	\$
Salaries staff benefits and allowances	5,617,231	5,448,069
Social security	305,692	300,928
Pension and insurance	29,802	27,122
Uniform allowances and transportation	422,493	410,052
	6,375,218	6,186,171
Key management compensation		
Salaries and other short term benefits	1,433,428	1,433,428
Gratuity	274,948	274,948
	1,708,376	1,708,376

32. General Expenses

	2015	2014
	\$	\$
Security expenses	148,801	157,058
Postage	16,011	19,219
Advertising, publicity, promotion and dues	303,926	331,469
4 Cs expenses	168,644	117,384
Donations	91,395	47,184
ATM services and expenses	239,162	256,235
Entertainment	36,010	25,995
Maintenance and fixed assets	206,820	194,761
Valuation and legal fees	24,585	1,725
Bank charges	97,414	10,310
Other expenses	66,381	41,574
	1,399,149	1,202,914

33. Related Party Disclosures

Parties are considered to be related in one party had the ability to control the other party or exercise significant influence over the other party by making financial and operational decisions. As at the year end, related party transactions/balances were as follows:

	2015 \$	2014 \$
<i>Loan balances at year end</i>		
Directors & volunteers	3,913,589	3,937,869
Key management staff	2,267,822	2,681,170
	<u>6,181,411</u>	<u>6,619,039</u>
<i>Savings balances at year end</i>		
Directors & volunteers	1,760,070	2,172,431
Key management staff	1,828,306	2,109,078
	<u>3,588,376</u>	<u>4,281,509</u>

34. Commitments and Contingencies

Loans and advances committed but not yet drawn down at the balance sheet date totaled \$ 4,540,658 (2014: \$2,391,913).

The Society has entered into a contract for the extension of its office building in Roseau. The contracted sum for the project is EC\$ 10.85 million as at year end cost incurred to date was \$14.38 million. The building is expected to be completed in 2016.

35. Post Balance Sheet Event

As at January 11, 2016, the assets and liabilities of the Castle Bruce Co-operative Credit Union Limited were transferred to the National Co-operative Credit Union Limited.

Credit Committee Report

For The Year Ended December 31, 2015

As per the requirements of the Co-operative Societies Act No. 2 of 2011, the Credit Committee of the National Co-operative Credit Union (NCCU) present the report of its activities for the period ended December 2015. The twelve (12) member Committee served with dedication and enthusiasm leading up to the 2015 Annual General Meeting and after. Table 1 highlights meetings attended by the Committee Members.

NAMES	Loan Review Meetings Scheduled	Loans Review Meetings Attended	Joint Committee Meetings Scheduled	Joint Committee Meetings Attended
Dr. Damien Dublin	43	36	04	04
Mrs. Maria Etienne - Pascal	42	34	04	04
Ms. Shirlyn Pond	45	36	04	04
Ms. Kay Fontaine	40	36	04	03
Ms. Priscilla Panthier	43	36	04	04
Ms. Roanna Joseph	38	31	04	04
Mr. George Maxwell	39	36	04	04
Mr. Nyerere Richards	24	22	03	02
Mr. Quincy Angol	29	25	03	03
Mr. Craig Stedman	25	20	03	03
Ms. Chekira Lockhart	25	21	03	03
Ms. Lise Dangleben	24	22	03	03



OVERVIEW

The year under review was a hectic but rewarding one as your Credit Committee sought to fulfill its mandate guided by the Loans Policy requirements but ever mindful of the prevailing financial circumstances. Recurrent issues of frequent debt consolidation, additional mortgage funds, loan refinancing etc., points to the need to continue the member education thrust in areas of:

- Prudent Financial Management
- Loan Policy Requirements
- Services Available
- Thrift
- Member Responsibilities/Role

ANALYSIS

The attached Summary of Loans Approved provides the number and value of the various loan categories for 2015 and also informs of the percentage (%) increase or decrease over that of 2014.

Table 2: Composition of the Loans Portfolio by Sector for the Year Ended Dec. 31, 2015

LOAN CATEGORY	2015 \$	2014 \$	INCREASE/ (DECREASE)	%
Personal	97,367,285	76,852,688	20,514,597	27%
Mortgage	191,707,710	192,976,387	(1,268,677)	-1%
Vehicle	14,453,363	14,876,126	(422,763)	-3%
Land	22,972,669	23,321,453	(348,784)	-1%
Business	16,440,108	14,543,092	1,897,016	13%
Other Loans	6,898,613	7,278,046	(379,433)	-5%

The total number of loans approved was 8627 compared to 8876 in 2014; a decrease by 249 or 2.8%.

The total value of loans approved was \$76,663,895.16 compared to \$77,527,174.49 in 2014, a decrease by \$863,279.31 or 1%.



Further review of the loan categories indicated an increase in growth the following:

➤ Equipment	189%
➤ Agricultural Land	26%
➤ Building Construction & Purchase	4%
➤ Business	10%
➤ Legal Expenses	62%
➤ Motor Vehicle (Private)	38%
➤ Education	16%
➤ Household Goods	48%

Whilst the following categories showed a decrease in growth:

➤ Agricultural Expenses	23%
➤ Domestic	12%
➤ Dwelling House Repairs	6%
➤ Medical	6%

In all the loan categories these three (3) were very noticeably the highest in number:

- Domestic
- Now 4 Now
- Debt Consolidation

RELATED ACTIVITIES

The Branch Outreach Strategy to dialogue with the Managers and Loans Staff was effected as a sequel to the last one undertaken after the Amalgamation. The final reports were forwarded to the Board of Directors and the Supervisory and Compliance Committee.

Outreaches were held at:

- La Salette - 13th September
- St. Paul - 21st October
- St. David's - 14th November
- Vieille Case - 15th December

Training sessions participated in were:

- Review of NCCU Ltd. By-Laws

- Ethics/Professionalism in the Work Place
 - Review of Co-operative Societies Act No. 2 of 2011
 - Anti Money Laundering Update
- Committee members attended the Community Outreach Sessions.
 - The Chairman served as a Judge in the NCCU Ltd. Youth Action Branding Competition.

REPRESENTATION

The Committee was represented at the 12th OECS Credit Unions Summit held in Montserrat by Mr. George Maxwell. Mrs. Julie Durand and Miss Isabella Prentice represented the Committee at the Caribbean Confederation of Credit Unions 57th Annual International Convention & 43rd Annual General Meeting held in Mexico.

RECOMMENDATION

The Credit Committee reiterates the need for members to make more use of varied loans and other services, participate fully in Community Outreaches and Education Programs and also to honor their stated loan repayment agreements.

CONCLUSION

The Committee would like to thank the members who continue to support their Credit Union. The Committee applauds the Chief Executive Officer, Branch Managers, Loans Department Management and Staff and all other members of staff for their continued assistance.

Special thanks to the Board of Directors and the Supervisory and Compliance Committee for their collaboration during the reporting period.

“NCCU is ours, let us continue to Nurture, Protect and Develop it.”



DR. DAMIEN DUBLIN
CHAIRPERSON

For and on behalf of the Credit Committee

Summary of Loans Approved by the Credit Committee and Manager 2015

	LOANS APPROVED IN 2015					
	BY THE MANAGER ON BEHALF OF THE CREDIT COMMITTEE		DIRECTLY BY THE CREDIT COMMITTEE		TOTAL APPROVED BY THE CREDIT COMMITTEE	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
BUILDING CONSTRUCTION & PURCHASE	106	\$ 1,833,066.15	157	\$ 23,839,220.55	263	\$ 25,672,286.70
LAND	80	\$ 2,640,375.81	13	\$ 1,923,207.55	93	\$ 4,563,583.36
DEBT CONSOLIDATION HR/CC	225	\$ 972,005.39	33	\$ 358,225.89	258	\$ 1,330,231.28
DEBT CONSOLIDATION	857	\$ 6,200,889.58	111	\$ 1,995,754.12	968	\$ 8,196,643.70
BUSINESS	215	\$ 2,123,307.79	23	\$ 2,046,173.91	238	\$ 4,169,481.70
EQUIPMENT	32	\$ 193,674.45	4	\$ 182,009.55	36	\$ 375,684.00
TRAVEL	145	\$ 834,591.89	6	\$ 31,500.00	151	\$ 866,091.89
AGRICULTURAL LAND	0	\$ -	2	\$ 242,926.81	2	\$ 242,926.81
MOTOR VEHICLE - AGRICULTURE	0	\$ -	0	\$ 26,825.30	0	\$ 26,825.30
MOTOR VEHICLE - PRIVATE	302	\$ 5,907,204.76	55	\$ 2,064,633.61	357	\$ 7,971,838.37
HOUSE HOLD GOODS	111	\$ 795,942.06	10	\$ 106,572.85	121	\$ 902,514.91
DWELLING HOUSE REPAIR	241	\$ 2,421,760.67	15	\$ 234,661.32	256	\$ 2,656,421.99
EDUCATION	199	\$ 1,877,692.03	15	\$ 569,893.20	214	\$ 2,447,585.23
AGRICULTURAL EXPENSES	50	\$ 66,561.48	0	\$ 40,085.38	50	\$ 106,646.86
DOMESTIC	3096	\$ 9,008,994.31	32	\$ 147,579.51	3128	\$ 9,156,573.82
MOTOR VEHICLE REPAIRS	105	\$ 702,457.23	10	\$ 97,339.18	115	\$ 799,796.41
LEGAL EXPENSES	36	\$ 294,315.20	6	\$ 79,834.01	42	\$ 374,149.21
LEARN WHILE U EARN	41	\$ 229,665.01	0	\$ -	41	\$ 229,665.01
MEDICAL	91	\$ 582,015.25	6	\$ 52,660.00	97	\$ 634,675.25
LINE OF CREDIT	114	\$ 652,300.44	0	\$ -	114	\$ 652,300.44
NOW 4 NOW	2083	\$ 5,287,972.92	0	\$ -	2083	\$ 5,287,972.92
SPECIAL AGRICULTURE	0	\$ -	0	\$ -	0	\$ -
TOTAL	8129	\$ 42,624,792.42	498	\$ 34,039,102.74	8627	\$ 76,663,895.16

LOANS APPROVED IN 2014							
BY THE MANAGER ON BEHALF OF THE CREDIT COMMITTEE		DIRECTLY BY THE CREDIT COMMITTEE		TOTAL APPROVED BY THE CREDIT COMMITTEE		COMPARATIVE INCREASE/DECREASE OVER 2014	
NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	AMOUNT	%
341	\$ 2,353,502.24	152	\$ 22,339,373.20	493	\$ 24,692,875.44	\$ 979,411.26	4%
89	\$ 3,584,090.82	16	\$ 1,963,334.76	105	\$ 5,547,425.58	\$ (983,842.22)	-18%
329	\$ 1,358,812.46	48	\$ 668,186.45	377	\$ 2,026,998.91	\$ (696,767.63)	-34%
933	\$ 7,701,599.70	112	\$ 2,906,857.54	1045	\$ 10,608,457.24	\$ (2,411,813.54)	-23%
145	\$ 1,632,418.10	26	\$ 2,164,353.10	171	\$ 3,796,771.20	\$ 372,710.50	10%
24	\$ 129,895.90	0	\$ -	24	\$ 129,895.90	\$ 245,788.10	189%
105	\$ 721,019.66	7	\$ 85,088.00	112	\$ 806,107.66	\$ 59,984.23	7%
1	\$ 200.00	3	\$ 192,772.50	4	\$ 192,972.50	\$ 49,954.31	26%
1	\$ 427.60	0	\$ -	1	\$ 427.60	\$ 26,397.70	0%
237	\$ 4,448,056.17	38	\$ 1,340,483.49	275	\$ 5,788,539.66	\$ 2,183,298.71	38%
74	\$ 495,248.48	14	\$ 139,072.92	88	\$ 634,321.40	\$ 268,193.51	42%
200	\$ 2,348,583.91	17	\$ 475,263.89	217	\$ 2,823,847.80	\$ (167,425.81)	-6%
167	\$ 1,502,204.70	21	\$ 604,887.66	188	\$ 2,107,092.36	\$ 340,492.87	16%
47	\$ 98,816.48	1	\$ 40,085.38	48	\$ 138,901.86	\$ (32,255.00)	-23%
3234	\$ 10,164,377.44	43	\$ 202,466.63	3277	\$ 10,366,844.07	\$ (1,210,270.25)	-12%
103	\$ 661,491.74	8	\$ 130,520.92	111	\$ 792,012.66	\$ 7,783.75	1%
24	\$ 199,757.00	2	\$ 30,785.35	26	\$ 230,542.35	\$ 143,606.86	62%
10	\$ 50,268.00	1	\$ 27,462.66	11	\$ 77,730.66	\$ 151,934.35	100%
78	\$ 637,886.75	5	\$ 39,900.00	83	\$ 677,786.75	\$ (43,111.50)	-6%
193	\$ 719,402.44	0	\$ -	193	\$ 719,402.44	\$ (67,102.00)	0%
2026	\$ 5,358,220.43	0	\$ -	2026	\$ 5,358,220.43	\$ (70,247.51)	0%
1	\$ 10,000.00	0	\$ -	1	\$ 10,000.00	\$ (10,000.00)	0%
8362	\$ 44,176,280.02	514	\$ 33,350,894.45	8876	\$ 77,527,174.47	\$ (863,279.31)	-1%





DONATION to Dominica Infirmary

Donations to Grotto Home



St. Paul Branch Public Community Meeting at Mahaut



Donation to the Nature Island Literary Festival Book Drive



***Cletus (Halibut) Joseph
- Cadence 2nd
Place Winner***



Staff in Creole Wear



***Lucky Seat Christmas
Surprises for members***



***Cash Donation to the DGS
for Ceiling Fans***



***Donation towards the renovation of
Operation Youth Quake facility***

The Supervisory and Compliance Committee Report

For the year ended December 31, 2015

In accordance with the Provisions of Section 65 of the Co-operative Societies Act No. 2 of 2011, the Supervisory and Compliance Committee is pleased to report on its activities for the year ended December 31, 2015. The following members served on the Supervisory and Compliance Committee for the year under review:

Mr. Clement Marcellin Jr. - Chairperson
Mr. Mervyn Dailey - Secretary
Mr. Festus Dalrymple - Assistant Secretary (Jan – May)
Mr. Augustus C. Etienne - Member
Mr. Jason R. Francis – Member (Jan – May)
Mrs. Cynthia Joseph – Member (Jan – May)
Mr. Rupert Lance - Member
Mr. David E. Maximea – Member (Jan – May)
Ms. Linda Gonzalez-Peltier – Member (Jan -May)
Ms. Ingrid Roosburg - Member
Ms. Esther Shillingford – Member
Ms. Nadette Williams – Member
Ms. Evadney Esprit - Member
Mr. Ian-Michael Anthony – Member– (May – Dec)
Mr. Jerome Bardouille – Member (May – Dec)
Mrs. Corinthia Carbon – Member (May – Dec)
Mrs. Hannah Leblanc-Pierre – Member (May – Dec)
Mrs. Clare Seraphine-Wallace – Member (May – Dec)



The table below provides a record of the attendance of members at regular and special meetings of the Committee.

Committee Members	Regular Meetings Scheduled	Regular Meetings Attended	Joint Committee Meetings	Excused/ Absent
Clement Marcellin Jr.	14	14	3	0/0
Mervyn Dailey	14	14	2	1/0
Festus Dalrymple	6	6	0	0/0
Evadney Esprit	14	9	2	6/0
Augustus C. Etienne	14	9	1	7/0
Jason R. Francis	6	4	0	1/1
Linda Gonzalez-Peltier	6	5	0	1/0
Cynthia R. Joseph	6	3	0	3/0
Rupert S. Lance	14	12	3	2/0
David Maximea	6	2	0	1/3
Ingrid Roosburg	14	11	1	5/0
Esther Shillingford	14	12	3	2/0
Nadette Williams	14	13	2	2/0
Ian-Michael Anthony	7	5	2	3/0
Jerome Bardouille	7	5	0	3/2
Corinthia Carbon	7	3	2	5/0
Hannah Leblanc-Pierre	7	4	3	2/1
Clare Seraphine-Wallace	7	7	2	1/0

Summary of Major Activities

Pursuant to its mandate, the Committee undertook a number of activities to ascertain that the Society's business was being conducted in an effective and efficient manner. A series of meetings was held and visits were undertaken to the various branches of the Society. The following were among the main activities pursued during the year under review:

- Convening of Board Evaluation meetings.
- Examination of reports of the Credit Committee, Compliance Officer and Internal Auditor.

- Perusal of Reports on Delinquent Loans.
- Conducting of Cash Counts at all the branches.
- Examination of the Accounts and Loan files of Staff and Volunteers
- Inspection of the Physical Plants.

Internal Structure

The Committee held periodic meetings with the Compliance Officer and Internal Auditor in order to examine and review their work plans, schedules and reports. Where necessary, recommendations were made to the relevant authorities.

The Committee also met with the Credit Committee to assess its operations. In addition, evaluation meetings were held with the Board of Directors and from time to time, Committee members also attended meetings of the Board as observers.

Human Resource and Training

Members of the Committee benefited from various training workshops/seminars organized by the Dominica Co-operative Societies League Ltd. (DCSL). A number of volunteers from the other committees as well as members of staff also took advantage of the training opportunities provided by the DCSL. The following were among the areas in which training was provided:

- Ethics in the Workplace
- The Co-operative Societies Act (2011)
- Induction for New Volunteers
- Anti-Money Laundering

Policies and Procedures

The Committee is particularly pleased that the Board has—through policy review—sought to address many of the pertinent issues raised, in the quest to better safeguard the Society's interest.

Finance and Management

Surprise cash counts were conducted at all branches throughout the year. In addition, the usual end-of-year cash count was undertaken in collaboration with the External Auditor.

The Accounts and Loan Files of staff and volunteers were examined while random checks were made on the Accounts and Loan Files of the general membership. Management Reports, as well as reports of the Credit Committee, Compliance Officer and Internal Auditor were reviewed and valid concerns, issues and recommendations were duly noted. Reports on Delinquent Loans were also examined.

The Committee is disappointed that, to date, the loan application process has not been automated. It remains convinced that automation of this process would redound to greater efficiency and effectiveness in that particular area.

Physical Plant

The Committee is pleased that considerable improvements have been effected in making the buildings at some of the branches more comfortable for staff and members, while also enhancing security; although there is still work to be done. It is also gratifying that work on the Roseau Branch Building Expansion Project is virtually completed. The said project is expected to be completed early in the upcoming financial year. All reports, as well as on-site visits, point to the fact that the Society is on course to providing its members with improved services within an enhanced environment.

Looking Ahead

There is need for:

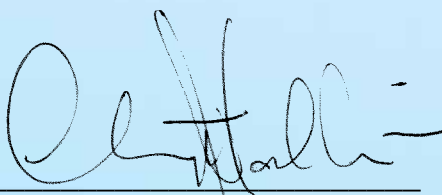
- Greater focus on monitoring and evaluation to inform the review of policies and procedures;
- Continued interaction with the membership to obtain feedback on provision of services;
- The Committee to continue pursuing its work through relevant sub-committees;
- Monitoring of the financials on a monthly basis;

- Training in the areas of:
 - Compliance
 - Risk Management
 - Roles and responsibilities of the various Committees—Board of Directors, Credit and Supervisory and Compliance.

Conclusion

It must be reiterated that the role of the Supervisory and Compliance Committee is crucial to the proper functioning of the Society. Hence, in order to ensure that the Society operates within the required legislative framework, the Committee has to examine and monitor the functioning of all facets of the Society. This necessitates the thorough examination of functional areas and the perusal of pertinent documents and records.

Towards that end, a team of committed and dedicated volunteers is essential. At the same time, collaboration with volunteers from the other committees, management & staff, as well as the general membership is also critical. Thus, the Committee's accomplishments during the past year would not have been possible without the cooperation and support of Management and Staff, members of the Board of Directors, Credit Committee and the general membership. The Committee, therefore, wishes to place on record its sincere appreciation to all who facilitated its work during the past year.



CLEMENT MARCELLIN JR.

CHAIRPERSON

SUPERVISORY AND COMPLIANCE COMMITTEE.

Nominations Committee Report

For The Year Ended December 31, 2015

The Nominations Committee approved by the Board of Directors in accordance with the Society's By-Laws 59(a) met at the Society's Head Office Board Room to deliberate and consider possible volunteers to serve on the Board of Directors, the Supervisory and Compliance Committee and the Credit Committee.

Members of the Society were invited via media advertisements to nominate eligible and willing members to serve as volunteers on the various Committees. A number of nominations were received and these were deliberated on.

The Nominations Committee comprised the following members:

- Ms. Charmaine Brumant – Chairperson
- Mrs. Magdalene Bontiff-Honore
- Mr. Rupert Lance
- Miss Roanna Joseph
- Mr. Aylmer A. Irish

During deliberations, the Committee ensured that all nominees were in good standing and were able to serve. In keeping with Section 53(4) of the Co-operative Societies Act No. 2 of 2011, Section 27 of the Financial Services Act No. 8 of 2008, and the Society's By-Laws, due diligence was carried out in addition to reviewing of individual activity on the Society's system of the members nominated to determine their eligibility to serve on the Board and Committees.

The Committee makes the following nominations for five (5) persons each to serve on the Board and Committees as follows:

BOARD OF DIRECTORS	TERM
<ul style="list-style-type: none"> Mrs. Josephine Dublin <ul style="list-style-type: none"> <i>Previously served as Chairperson of the Credit Committee at NCCU; Employed as the Principal of the Convent High School</i> 	Three (3) years
<ul style="list-style-type: none"> Mr. Cecil Shillingford <ul style="list-style-type: none"> <i>Employed with the Government of Dominica at the Office of Disaster Management as Disaster Risk Management Specialist</i> 	Three (3) years
<ul style="list-style-type: none"> Mrs. Singoalla Blomqvist-Williams <ul style="list-style-type: none"> <i>Self-employed as a Lawyer</i> 	Three (3) years
<ul style="list-style-type: none"> Mrs. Linda Gonzalez-Peltier <ul style="list-style-type: none"> <i>Previously served as Chairperson of the Supervisory and Compliance Committee of NCCU; Employed at the AID Bank as Application Support Analyst (MIS); Holder of Bachelor's Degree in Management Studies;</i> 	Three (3) years
<ul style="list-style-type: none"> Mr. Daniel James <ul style="list-style-type: none"> <i>Employee of the Government of Dominica as Clerk (Ag.), House of Assembly</i> 	Three (3) years
SUPERVISORY AND COMPLIANCE COMMITTEE	TERM
<ul style="list-style-type: none"> Mr. Beran Cuffy <ul style="list-style-type: none"> <i>Previously employed as Plant Analyst at Dominica Coconut Products</i> 	Three (3) years
<ul style="list-style-type: none"> Mr. Carlisle Jno. Baptiste <ul style="list-style-type: none"> <i>Previously served as Secretary on the Board of Directors of NCCU and as Director on the Board of the Dominica Cooperative Societies League; A journalist by profession;</i> 	Three (3) years

<ul style="list-style-type: none"> • Mrs. Edith Thomas-Roberts <ul style="list-style-type: none"> - <i>Manager of Human Resource Department at DOMLEC; Holder of a Master's Degree Human Resource Management</i> 	Three (3) years
<ul style="list-style-type: none"> • Mrs. Sophia Albert-Charles <ul style="list-style-type: none"> - <i>Employed at the Dominica State College as the Senior Administrative Officer; Holder of a Master's Degree in Business Administration (Human Resource Management)</i> 	Three (3) years
<ul style="list-style-type: none"> • Mrs. Julie Shillingford-Durand <ul style="list-style-type: none"> - <i>Previously served as Member on the Credit Committee of NCCU; Employed as Accountant at Dominica Water & Sewerage Company</i> 	Three (3) years
CREDIT COMMITTEE	TERM
<ul style="list-style-type: none"> • Mrs. Hyacinth Durand-Ducreay <ul style="list-style-type: none"> - <i>Employed as Marketing Officer at Corporate Finance Facility Ltd. (Corp-EFF)</i> 	Three (3) years
<ul style="list-style-type: none"> • Mr. David Maximea <ul style="list-style-type: none"> - <i>Previously served as Member of the Supervisory and Compliance Committee of NCCU; Employed with the Government of Dominica as an Education Officer (Eastern District)</i> 	Three (3) years
<ul style="list-style-type: none"> • Mrs. Jodie Dublin-Dangleben <ul style="list-style-type: none"> - <i>Employed with the Government of Dominica as a Civil and Environmental Engineer; Holder of a Bachelor's Degree in Civil and Environmental Engineering</i> 	Three (3) years

<ul style="list-style-type: none"> • Ms. Keturah Deschamps - <i>Employed at the Dominica Water & Sewerage Company as Accounts Receivables Clerk</i> 	Three (3) years
<ul style="list-style-type: none"> • Mr. Jeremiah Polydore - <i>Employed as a Linesman at Dominica Electricity Services Ltd.</i> 	Three (3) years

The Nominations Committee recommends the above-named nominees to the 6th Annual General Meeting of the National Co-operative Credit Union Ltd.

The following were additional nominations received from members:

BOARD OF DIRECTORS

- Mrs. Oyane Matthew-Henderson
- Mrs. Candia Carrette-George
- Mrs. Carol Rabess
- Mr. Bernard Nation

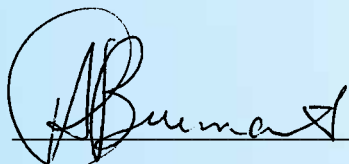
SUPERVISORY AND COMPLIANCE COMMITTEE

Ms. Grace Lawrence

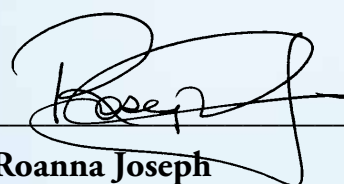
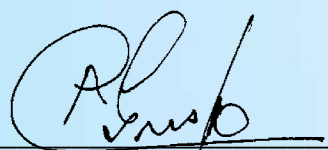
CREDIT COMMITTEE

- Mr. Augustus Lewis
- Mr. Ronald Smith
- Mr. Sylvester Mark
- Ms. Janel James

The Nominations Committee is pleased to present this report to you the Members.


Charmaine Brumant

Magdalene Bontiff-Honore


Rupert Lance
Roanna Joseph
Aylmer A. Irish

NATIONAL CO-OPERATIVE CREDIT UNION LIMITED
PROPOSED CHANGES TO BY-LAWS No. 1 - 2012

(a) **Page 15; By-Law 20**

Insert the words ***“to the Registrar”*** after the word ***“termination”***

Amended By-Law

Subject to the Act, a member whose membership has been terminated may appeal the termination ***to the Registrar*** pursuant to Section 34 of the Act.

(b) **Page 17; By-Law 24**

Insert the words ***“with or without remuneration”*** after the word ***“shares”***

Amended By-Law

All applications for transfer of shares ***with or without remuneration*** shall be made on the Form contained in the Schedule to these By-Laws.

(c) **Page 17; By-Law 26**

Insert the sentence ***“In extra-ordinary circumstances, the Society may repurchase shares from members.”*** at the end of the paragraph

Amended By-Law

A transfer of shares can only be made to a member of the Society or any other person who meets the requirements of membership with the Society. ***In extra-ordinary circumstances, the Society may repurchase shares from members.***

(d) **Page 19; By-Law 35**

Insert the words ***“or its authorised representatives”*** after the word ***“Board”***

Amended By-Law

No member may withdraw any pledged savings below the amount of his total liability to the Society as borrower, co-maker or guarantor without the approval of the Board ***or its authorised representatives.***

(e) **Page 24; By-Law 48**

Delete the phrase ***“two hundred and fifty (250)”*** and replace with the phrase ***“two hundred (200)”***

Amended By-Law

A Special General Meeting of members may be convened at any time by the Board and on receipt of a demand stating the object of the proposed meeting, signed by at least ***two hundred (200)*** members.

(f) **Page 27; By-Law 55**

Delete the phrase ***“two hundred and fifty (250)”*** and replace with the phrase ***“two hundred (200)”***

Amended By-Law

A quorum at any General, Annual or Special General meeting shall be ***two hundred (200)*** members present at the commencement of the meeting;.

(g) **Page 32; By-Law 60(n)**

Delete the words ***“is not unsound”*** and replace with the words ***“is not of unsound mind”***

Amended By-Law

is not of unsound mind and has been so found by a Court in Dominica.



(h) **Page 32; By-Law 60(o); Line 1**

Insert the word **“not”** after the word **“has”**

Amended By-Law

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

(i) **Page 32; By-Law 60(p)**

Insert the word **“not”** after the word **“is”**

Insert the words **“co-operative society or of the”** after the first **“the”**

Amended By-Law

is **not** an employee of the **co-operative society or of the** Registrar or is **not** an partner of employee of the Society's auditor; and

(j) **Page 37; By-Law 70(e)**

Delete the words **“and Supervisory and Compliance Committees”** and replace with the words **“Committee and other Committees with the exception of the Supervisory and Compliance Committee “**

Amended By-Law

to fill vacancies on the Board and the Credit **Committee and other Committees with the exception of the Supervisory and Compliance Committee.**

(k) **Page 44; By-Law 82(4)(g)**

Delete the word **“Registrar”** and replace with the word **“Registrar”**

Amended By-Law

To prepare and forward to the **Registrar** such financial and other reports as may be required.

(l) **Page 48; By-Law 91**

Insert the sentence **“A sub-committee of five (5) members of the Credit Committee shall meet for the purpose of loan consideration”** at the end of the sentence.

Amended By-Law

A simple majority of members of the Credit Committee shall constitute a quorum. **A sub-committee of five (5) members of the Credit Committee shall meet for the purpose of loan consideration.**

(m) **Page 48 By-Law 92(2)**

Delete the number **“93(1)”** and replace with the number **“92(1)”**

Amended By-Law

Notwithstanding By-Law **92(1)** above, the Board may, by resolution, delegate to is employees the power to approve loans to members on such terms and conditions as the Board may specify.

(n) **Page 49; By-Law 92(4)**

Delete the word **“been”**

Insert the phrase **“unless so directed by the Chief Executive Officer or his authorised representatives”** at the end of the sentence.

Amended By-Law

No individual shall have the authority to disburse funds of the Society for any loan which he has written up or approved **unless so directed by the Chief Executive Officer or his authorised representatives.**

- (o) **Page 56 By-Law 105**
Delete the number “**105**” and replace with the number “**104**”
- Delete the words “**or reinstated**”
- Amended By-Law**
Consequential to By-Law **104**, a person may be removed from office as provided in Section 68 of the Act.
- (p) **Page 57 By-Law 108**
Delete the number “**108**” and replace with the number “**107**”
- Amended By-Law**
In the case of a Director, the disclosure required by By-Law **107** above shall be made:...
- (q) **Page 57 By-Law 109**
Delete the number “**108**” and replace with the number “**107**”
- Amended By-Law**
In the case of a Committee member or employee of the Society, the disclosure required in By-Law **107** above shall be made:...
- (r) **Page 59 By-Law 112(2)**
Delete the number “**113(1)**” and replace with the number “**112(1)**”
- Amended By-Law**
Any person referred to in By-Law **112(1)** above, shall be excluded from being present and participating in any discussion related to the matters in which his interest exists.
- (s) **Page 59 By-Law 112(3)**
Delete the number “**113(1)**” and replace with the number “**112(1)**”
- Amended By-Law**
The phrase “personal interest” referred to in By-Law **112(1)** above includes any:
- (t) **Page 61 By-Law 117(1)(a)**
Delete the number “**5(3)**” and replace with the number “**5(c)**”
- Amended By-Law**
.....the loan is for a provident or productive purpose in keeping with By-Law **5(c)**, it may.....
- (u) **Page 62 By-Law 121**
Delete the words “**one (1) month’s**” and replace with the words “**three (3) months**”
- Amended By-Law**
On any business day a member may repay his loan prior to maturity in whole or in part, without early payment penalty. However, an amount equivalent to **three (3) months** interest will be applied to balances on mortgage loans closed by another financial institution before the due date.
- (v) **Page 63 By-Law 124**
Insert after the word “**Board**” and the words “**or its authorised representatives**”

Amended By-Law

When a member is in default in the payment of a loan or fails to pay an installment of a loan and does not satisfy the Board **or its authorised representatives** that such default is due to good reason, such a member shall not be entitled to received another loan from the Society during that period of default.

(w) **Page 63 By-Law 125**

Delete the words **“the Secretary of “**

Insert the phrase **“or its authorised representatives”** after the word **“Board”**

Amended By-Law

If by reason of sickness, disaster or some other good cause, a member is unable to discharge his obligations to the Society, and promptly notifies the Society in writing, the Board **or its authorised representatives** may extend the time fixed for payment on such conditions as appropriate.

(x) **Page 64 By-Law 127**

Insert the phrase **“or its authorised representatives”** after the word **“Board”** when it first appears

Delete the number **“126”** and replace with the number **“125”**

Amended By-Law

Where a loan or an installment of a loan has not been paid on the date on which it became due and no extension for the payment thereof has been given to the debtor by the Board **or its authorised representatives** under By-Law **125** or where a loan has been made to a Director or Officer of the Society in contravention of the Act the Board shall take steps for the recovery of the same through the following action:-.....

(y) **Page 65 By-Law 128**

Delete the number **“128”** and replace with the number **“127”**

Amended By-Law

For the purposes of By-Law **127**, interest shall be deemed to be part of an installment of a loan.

(z) **Page 70 By-Law 145**

Delete the word **“shall”** and replace with the word **“may”**

Amended By-Law

The Board **may** adopt for the use of the Society a distinctive seal bearing the name of the Society inscribed thereon. The seal **may** not be affixed to any instrument except by the authority of the Board.

(aa) **Page 71 By-Law 147(i)**

Delete the word **“filed”** and replace with the word **“file”**

Amended By-Law

a **file** containing the Society's share transfer register and investment reports

(ab) **Page 75 By-Law 157**

Delete the word **“many”** and replace with the word **“any”**

Amended By-Law

A member may make a proposal in the manner provided in Section 51 to make, amend, repeal, replace or confirm **any** By-Law.

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