



## RATING RELEASE

July 8, 2026

### **CariCRIS reaffirmed its ratings for Dominica Agricultural, Industrial and Development Bank**

***CariB*** (Regional Scale Foreign Currency)

***CariB*** (Regional Scale Local Currency)

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the ratings assigned to the Dominica Agricultural, Industrial and Development Bank (DAID or the Bank) of ***CariB*** (Foreign and Local Currency Ratings) on the regional rating scale. These ratings indicate that the level of creditworthiness of this issuer, adjudged in relation to other issuers in the Caribbean, is **weak**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is based on the high likelihood that DAID's business risk profile will remain unchanged with a weak earnings profile over the next 12-15 months, though ongoing efforts to strengthen risk management practices and asset quality are noted. Expected improvements in economic activity in Dominica, supported by continued growth in the tourism and agricultural sectors, are likely to drive expansion in the Bank's loan portfolio. CariCRIS also expects the Bank to remain adequately capitalized and to continue meeting its obligations in a timely manner.

The ratings of DAID largely reflect its weak asset quality and financial performance, which continue to constrain the ratings. While the Bank has made progress in implementing its Enterprise Risk Management (ERM) framework, it still lags its regional peers in the full integration and application of ERM practices. Furthermore, the Bank's operations remain concentrated in a small, open economy, and its exposure to material financial system risks continues to temper the ratings. Partially offsetting these constraints is the ongoing support provided by the Government of the Commonwealth of Dominica (GOCD), including government-guaranteed loans, the waiver of annual dividend payments, and the Bank's tax-exempt status.

## Rating Sensitivity Factors

**Factors that could, individually or collectively, lead to an improvement in the Ratings and/ or Outlook include:**

- An upgrade to the sovereign credit rating of the GOCD
- Improvement in the NPL ratio to less than 16%
- Improvement in the cost to income ratio to 95% or lower, sustained for 2 financial periods
- Adherence to the EIB's revised financial covenants
- Sustained profitable operations, leading to ROEA and ROE of 0.1% and 0.8% or above, for 2 financial periods
- Full implementation of the Bank's ERM framework

**Factors that could, individually or collectively, lead to a lowering of the Ratings and/ or Outlook include:**

- A lowering of the sovereign credit rating of the GOCD
- Sustained NPL ratio of 45% or more over for the next 12 – 15 months
- Further delay in the full implementation of the Bank's Enterprise Risk Management Framework
- Any loss of major funding lines without identification of a suitable alternative
- A decline in the liquidity ratio to 1 time or less over the next 12 months
- A fall in the Bank's capital adequacy ratio to less than 25% over the next 12 – 15 months

## About the Company:

The Dominica Agricultural, Industrial and Development Bank (DAID or the Bank) was established by an Act of Parliament in the Commonwealth of Dominica on July 8, 1971. It became a subsidiary of the National Commercial and Development Bank in November 1976 when the latter was established by an Act of Parliament No. 27. DAID was then re-established as an autonomous institution on January 1, 1982, in accordance with the Dominica Agricultural, Industrial and Development Bank Act Chapter 74:03 of 1982. DAID's primary objectives, as per its legal mandate, are to promote and influence economic development in the Commonwealth of Dominica and to mobilize funds for the purpose of such development. The Bank's core business is to provide loans to business enterprises in all major sectors of the economy, including tourism, agriculture and agro-processing, telecommunications, and other services as well as mortgages and student loans. Throughout its history, and in keeping with its objectives, DAID has made a



significant contribution to Dominica's economic and social development. The Bank's two shareholders are the Government of the Commonwealth of Dominica (GOCD) (90%) and Dominica Social Security (DSS) (10%).

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*For more information on DAID's ratings, please visit [www.caricris.com](http://www.caricris.com) or contact:*

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