

GECCU LTD

General Employees' Co-operative Credit Union Limited



51st Annual General Meeting

Reports and
Accounts
2016



Theme:

“Keeping our promises to our communities”

Wednesday June 7th, 2017
Methodist Church Hall, Kingstown
4:30 p.m.

Credit Union Song

With us there are no barriers, cause we are all
The same the more of us the happier the louder
We'll proclaim that we are owner members our rule is
honesty. We are the Credit Union and the entire world
can see.

Chorus:

Together we give and receive together we help each
other to achieve cause in our world today it's not safe to
be alone. Let make each other's cares to be our own.

We all will be true savers though it be great or small.
We will become shareholders providing loans for all.
So when great need arises there's no uncertainty once in
the Credit Union there's help for you and me.

We pledge to be of service to better our land.
We harbour no prejudice upon this theme we stand.
One man, one vote, for members of high or low degree.
For in the Credit Union there's pure democracy.

Credit Union Prayer

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

O Divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand,
To be loved as to love;
For it is in giving that we receive;
It is pardoning that we are pardoned
And it is in dying that we are born to eternal
life
Bless, O Lord our deliberations and grant that
whatever
We may say and do will have
Thy blessing and guidance through Jesus

Christ our Lord. Amen

National Anthem of Saint Vincent and the Grenadines

Saint Vincent land so beautiful,
With joyful hearts we pledges to thee
Out loyalty and love, and vow
To keep you ever free.

Refrain:

What e'er the future brings
Our faith will see us through
May peace reign from shore to shore,
And God bless and keep us true.

Hairoun! Our fair and blessed isle
Your mountains high, so clear and green,
Are home to me, though I may stray,
A haven, calm serene.

Our little sister islands are
Those gems, the lovely Grenadines,
Upon their seas and golden sands,
The sunshine ever beams.

Lyrics: Phillis Joyce Mclean Punnet
Music: Joel Bertram Miguel.

VISION

To be accepted as the first choice financial institution by our members and the general public.



MISSION

To enhance the quality life of all members by their ownership of a stable and efficient institution offering quality services in keeping with members' needs.

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NOTICE/AGENDA OF THE 51st ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 51st Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Wednesday 7 June, 2017 at the Methodist Church Hall, Kingstown at 4:30 p.m.

AGENDA

OPENING SESSION

- 1.Call to Order – President
- 2.Prayers
- 3.National Anthem
- 4.Silent Tribute
- 5.Apologies for Absence
- 6.Welcome – President
- 7.Remarks– Minister of Co-operatives
- 8.Greetings – Guest Societies

CLOSED SESSION

- 1.Ascertainment of Quorum
- 2.Minutes of the 50th Annual General Meeting
- 3.Matters arising from Minutes
- 4.Reports and Elections
 - (a) Board of Directors
 - (i) Board of Directors' Report
 - (ii) Treasurer's Report
 - (iii) Auditors' Report
 - (iv) Election of Board of Directors
 - (b) Credit Committee
 - (i) Credit Committee's Report
 - (ii) Election of Credit Committee
 - (c) Supervisory and Compliance Committee
 - (i) Supervisory and Compliance Committee's Report
 - (ii) Election of Supervisory and Compliance Committee
 - (d) Education Committee
 - (i) Education Committee's Report
5. Election of Auditors
6. New Business
7. Closing Exercise

Yours co-operatively,



Bro. Harold Lewis
Secretary
Board of Directors

STANDING ORDERS

1. (a) A member to stand when addressing the Chair.
 (b) Speeches to be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he shall immediately take his seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak on the subject twice except:
 - (a) The Mover of a motion-who has the right to reply.
 - (b) He rises to object or explain (with the permission of the Chair).
5. The Mover of a Procedural Motion. – (Adjournment lay on the table, Motion to Postpone) to have no right to reply.
6. No speeches to be made after the “Question” has been put and carried or negated.
7. A member rising on a “Point of Order” to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Orders”).
8. (a) A member should not “Call” another member “To Order” but may draw the attention of the Chair to a “Breach of Order”.

 (b) In no event shall a member call the Chair to order.
9. A “Question” should 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 next Business” or the closure: “that the question be now put” may be moved at anytime.
10. Only one amendment should be done before the meeting at one and the same time.
11. When a motion is withdrawn any amendment to it falls.
12. The Chairman to have the right to a “Casting Vote”.
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
14. Provision to be made for protection by the Chairman from vilification (Personal Abuse).
15. No member shall impute improper motives against another member.

PRESIDENT'S MESSAGE

To the 51st Annual General Meeting



IMPROVING ACCESS.... CHANGING LIVES....

“Keeping our Promises to Our Communities”

Brothers & Sisters, members of the GECCU Family, Stakeholders and well-wishers. As President, it is with a sense of pride that I report to you, that our Credit Union, GECCU has achieved significant results for the year ending December, 2016.

Permit me at this juncture to highlight some of these achievements.

1. Total asset surpassed the \$200 Million dollars mark
2. Opening of a Branch in Canouan
3. Delinquency was reduced to 5.37%
4. Construction of a Branch office in South Rivers
5. A record amount of EC\$54.1 million was loaned to our members to assist in improving lives and livelihood.
6. A net Surplus of EC\$1,113,118 Million was realized
7. A record number of new members, 2,994 became members of the GECCU family.

We must as a Credit Union be proud of this very positive performance, since we have achieved these results despite the many adverse circumstances that continue to negatively impact on the financial sector.

While we continue to successfully build and improve our systems, structures, procedures and policies, all aimed at improving overall efficiency and profitability, the benefits to be derived from these are being eroded and threatened by the following:

1. Extremely low returns on cash held at bank and on investment securities;
2. A highly competitive mortgage loan environment which has caused significant reduction in the rate of interest and consequently the returns on these loans.

This constant downward pressure on interest rate/ interest income from these core products is expected to continue into the foreseeable future. This in turn, places tremendous pressure on the returns offered to members in the form of interest and dividends payments.

As a Credit Union and a financial institution, what are some of the options available to us to counter these challenges? I suggest the following:

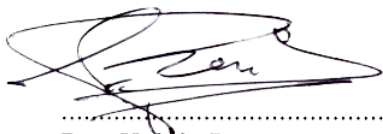
- Prudent management of our operating costs;
- Improving the value of investment and other properties so as to prevent negative appraisal value impacting our bottom line;
- Pursuing alternative safe and sound investments which impact our members and the country positively;
- Identifying non-traditional income sources to supplement income from core activities;
- Leveraging the benefits of technology to aid in service delivery and cost reduction;
- Continuing to provide our members with improved access to safe, sound, inclusive and comparable financial and social services.

Additionally at GECCU, we must become even more creative in the design, packaging and marketing of current and new loan products and services. With a membership approaching 40,000 and a population of 110,000, we cannot expect to sustain the same high level of new entrants into the foreseeable future.

As a consequence we must leverage and optimise the borrowing potential of existing members by analysing data on borrowings, savings and membership demographics. This would allow us to identify the trends, variables and relationships in our membership and thereby allow us to be more targeted in the way we design, position and market our products, thus allowing for a more robust demand for loans and consequently higher interest income.

Brothers and Sisters, I believe that the GECCU brand is strong and vibrant. The continued expansion of our branch network to rural areas will allow for continued and enhanced loyalty and patronage for existing and new members. The future looks exciting, and as President I am confident that GECCU, with its committed and dedicated staff and volunteers, well institutionalized processes, structure and systems, as well as an unwavering adherence to good governance practices, will continue to fulfil its mandate to continually improve the lives of individual families and communities.

Thank you Brothers and Sisters and may God continue to bless us and this Credit Union, so that we can in turn be a blessing to others.



.....
 Bro. Kelvin Pompey
 President

MINUTES OF THE 50TH ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU) HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON MAY 31ST 2016 AT 4:30 P.M.

OPENING SESSION

PRESENT:	Bro. Kelvin Pompey	-	President
	Bro. Jerold Jackson	-	Treasurer
	Bro. Harold Lewis	-	Secretary
	Bro. Ronnie Daniel	-	Director
	Bro. Michael DaSilva	-	Director
	Sis. Cecelia Williams	-	Director
	Bro. Philmore Isaacs	-	Director
	Bro. Brian Alexander	-	Director
	Bro. Lennox Bowman	-	Chief Executive Officer

APOLOGY: Sis. Mineva Glasgow

1. CALL TO ORDER

The President, Bro Kelvin Pompey, called the meeting to order at 4:48 p.m.

2. PRAYER

Bro. Philmore Isaacs led the meeting in prayer.

3. NATIONAL ANTHEM

National Anthem was sung by all present.

4. TRIBUTE

One minute of silence was observed for members who passed away during the year.

5. APOLOGIES FOR ABSENCE

Apologies were made on behalf of Bros. Lyndon George, Claude Cambridge, Kenneth Douglas and Sis. Gillian John.

6. WELCOME

The President, Bro Pompey welcomed all to the 50th General Meeting and was happy with the increased attendance. He noted that despite the volatile economic environment, GECCU has achieved commendable performance for 2015.

In his message captioned “**Building Capacity, Strengthening Resilience, Leveraging Assets.... embracing 2020**”, he accentuated that in 2015, GECCU wrote off over \$4million from CLICO investments which significantly improved GECCU’s financial performance and compliance with accounting standards and regulatory bodies. He also highlighted that delinquency rate was reduced from 6.9% to 5.5%.

In concluding, he expressed appreciation to the leadership and members for their hard work and support and reassured the members that despite challenges, GECCU will remain a strong and viable institution

7. REMARKS – MINISTER OF CO-OPERATIVES

Minister of Co-operatives, Hon Frederick Stephenson, commended GECCU on the production of the 50th Anniversary Magazine. He was pleased that in 2015, of the 2,066 new members, 63% were under the age of 30 years; delinquency rate reduced from 6.99 to 5.5% and loans disbursement increased by 7%. The Minister noted that the figures expressed exemplary leadership and commended management and staff for a job well done. He made a commitment to become a member of GECCU and urged members to continue to support GECCU with its programmes.

8. GREETINGS- GUEST SOCIETIES

Fraternal greetings were received from the following societies:

- Financial Services Authority
- SVG Co-operative League Limited
- St Vincent and the Grenadines Teachers' Co-operative Credit Union Limited
- St Vincent and the Grenadines Police Co-operative Credit Union Limited
- Kingstown Co-operative Credit Union Limited
- St Vincent Automotive Co-operative Society Limited
- Baptiste and Company Chambers
- Joseph 'Burns' Bonadie – General Secretary (Ag) of the Commercial Technical and Allied Workers' Union

CLOSED SESSION

1. ASCERTAINMENT OF QUORUM

There were approximately 252 members present.

Standing Order

The Chairman drew attention to the Standing Orders listed on page 4 for the meeting procedure.

Agenda

There was no amendment to the Agenda. On a motion moved by Sis. René Baptiste seconded by Bro. Clarence Harry, the Agenda was accepted as presented.

2. MINUTES OF THE 49TH ANNUAL GENERAL MEETING – MARCH 31ST 2015

The minutes having been circulated before were accepted as read on a motion moved by Bro. Philbert John, seconded by Bro. Cecil Jackson.

(a) Amendments

Page 13: first bullet last line, the word 'uncollectible' was corrected to read 'yield on the loan portfolio'.

Page 13 (d): last paragraph last line: 'lands' was corrected to read 'loans'

Page 16: last bullet under "Accomplishments": 'appropriate' was changed to 'approximate'.

On a motion moved by Bro. Clarence Harry, seconded by Bro. Cecil Jackson, the minutes were confirmed and carried with amendments.

3. MATTERS ARISING FROM MINUTES

In response to the question of if there was a compliance officer at GECCU, the Chairman responded in the affirmative.

In response to an update on the Peter's Hope project, and GECCU's new Headquarters, the Chairman stated that phase one (1) of the Peter's Hope Project was fully completed in April 2016. Preparatory work for phase two (2) should commence by the end of July 2016.

The developmental works on the new Headquarters was ongoing.

4. REPORTS AND ELECTIONS

(a) Board of Directors

(b) Board of Directors' Report

The Chairman guided the meeting through the report and drew attention to the following eight (8) priority areas that management and staff addressed:

1. Corporate Governance
2. Registration of new members
3. Dormancy
4. Enhancement of recoveries programmes
5. Human resource capacity
6. Assistance to members to fulfil their housing needs
7. Strengthening of the movement nationally and regionally
8. Access to GECCU services
9. Financial sustainability and profitability

Discussion

Bro Cecil 'Pa' Jack made reference to item 1.3 under **Economic Experience**, and questioned whether the credit union was at a stage to make its own assessment of the economy and if not, what was the source of the 0.8%.

The Chairman responded that 0.8% was real marginal growth realised from preliminary estimates done by ECCB. These estimates were derived from analyses done for all the islands of the OECS.

Sis Angela Martin commended the Board for reviewing some of the existing policies and requested an update on the changes made.

Chief Executive Officer, Bro. Lennox Bowman responded that changes were made to the rates for land loans which were reduced from 7.75% to 6.99%. Also, the repayment period for land loans increased from ten (10) years to twenty-five (25) years, the same period for property loans. He stated that the changes in the policy made it more affordable for members to acquire land. He further stated that other changes were done internally to ensure that money was advanced from mortgages and members were offered good advice to mitigate against cost over-runs.

Sis. Angela Martin recommended that, in future, GECCU should make use of technology to inform members of changes to policies.

The CEO responded that changes to policies were disseminated through in-house media and information brochures were updated accordingly. He added that platforms such as Facebook will be used to further disseminate information.

With reference to Priority 1 - **Corporate Governance**, Bro. Philbert John stated that he fully agreed with the four (4) targets outlined and suggested that a fifth (5th) target be added to pay attention to the regulatory environment. He elaborated that it was a crucial aspect of the credit union's development as the regulatory framework will continue to change, but not necessarily, in the best interest of the credit union.

He also commended the Board of Directors on their attendance at meetings and reminded members that GECCU was a voluntary organisation with person who sacrificed their time to attend meetings.

Referring to item 4.2.1.1 on page 21 of the report of the Board of Directors, Bro. Philbert John asked for some elaboration on point (d) and stated that with the continuous increase in new members, the credit union may reach a plateau as significant growth over the next short/long term may be challenging. He questioned whether there was a way to determine the potential of unbanked persons and what potential markets existed.

In response to Bro. John's question, the Chairman responded that growth was a depiction of how products and services were delivered. He explained that the credit union has a comprehensive database which shows the amount and types of savings, gender, age, etc. The database is used to devise strategies to offer targeted products. He added that the analysis also helps to create products targeting certain demographics. He noted that the credit union, not only looks at growth in membership, but also growth in terms of returns, services, assets and other areas.

Bro Philbert John made reference to the three (3) new organisations joining GECCU and expressed concerns about the regulatory environment that is alerted about the threats of money laundering, terrorist financing etc. He stated that any group of individuals can seek to engage in illegal activities under the umbrella of the credit union. He recommended that due diligence must be exercised when accepting deposits from organizations.

The CEO responded that though it violates confidentiality to reveal the names of the organisations, he can say that they are kindred organizations which comply with the requirements of the Co-operative Societies Act. He assured members that due diligence is exercised and proper procedures were in place to identify the source(s) of funds. The accounts were also being reviewed periodically.

Referring to the credit union's intention to transform the newly purchased Centrex building into GEC-CU headquarters, Bro. Andrew Bramble questioned whether the plans previously made to refurbish the existing headquarters were cancelled, and if so, what was the future for that building.

The Chairman responded that several years ago, plans were made to upgrade the current headquarters to reflect GECCU's current membership status and house employees properly. However, in 2015, Centrex building became available for sale at a very good price and the Board of Directors made a decision to purchase that building because of its central location and the cost to refurbish the building will be much cheaper than the current headquarters.

He stated that the group of buildings which housed the current headquarters will be available for rental or purchase. An overall evaluation and assessment were being done and the engineering report on the Centrex building was being awaited, which would determine the next step.

In response to the concerns expressed about dormant accounts, the Chairman informed members that the CEO and staff were working assiduously to ensure that the level of dormancy was at a minimum. He stated that accounts which were dormant were identified and members were contacted to find out why their accounts were not being serviced. The information obtained helps with membership education and compliance efforts. Bro. Pompey added that the system which is being used was working quite effectively and dormant accounts have been activated because of the efforts of members of staff and volunteers of the credit union.

Referring to item 4.1.8.9 on page 26 of the report of the Board of Directors, Sis. Marcelle Burgin sought further explanation on the support offered by COMFI.

The Chairman explained that COMFI was designed to grant loans and offer training and other technical assistance to small businesses.

In response to Sis. Burgin's question about whether GECCU will be making any further input, the Chairman stated that the shareholders were expected to meet during the first week of June 2016 to make a determination on the way forward.

Bro. Daniel Mc Millan suggested that COMFI be absorbed into the Co-operative League or into one of the contributing credit unions.

Sis. Angela Martin asked what strategies were in place to maintain the loyalty of the members.

The CEO stated that the loyalty of GECCU's members was unshaken. He said that over 2,000 new members were recruited over the last eleven (11) years and during this period, loans disbursed moved from \$21M to \$40M which showed commitment of its members. He noted that there were opportunities to engage members, and services were being delivered to meet all demographics.

In response to an inquiry about the delivery of GECCUMED service, the Chairman informed members that during the last six months, members encountered problems in having their claims processed. However, there were some changes and CLICO had begun to honour medical claims. He continued that GECCU's management is seeking an alternative entity that can provide a good product at an affordable price. Notwithstanding, management hopes that CLICO would improve its service delivery so that the relationship between GECCU and CLICO could continue. He noted that to move to a new health programme would bring challenges that could have a negative impact on the credit union.

Sis Paulette Williams referred to the table on page 30 regarding the social development fund and asked if there was a specific area that was prominent in the cases brought before the Board requesting funds for medical expenses. She further questioned if there was a limit to the amount disbursed for a particular area or whether approval was granted on a case by case basis.

The Chairman responded that cancer was the prominent area of medical ailment for which requests were received. He said that there was an upper limit of \$5,000 for medical requests.

Bro. Philbert John remarked that GECCU was a very strong brand and will remain that way. He mentioned that the write-off of the CLICO investments increased expenses by 36% , but now that that was out of the way the prospects of the credit union were much better.

The Board of Directors report was accepted on a motion moved by Bro. Philbert John, seconded by Bro. Clarence Harry.

(ii) Treasurer's Report & Auditor's Report

The Treasurer's and Auditor's reports were taken as read on a motion moved by Bro. Philbert John, seconded by Bro Daniel Mc Millan.

(a) Treasurer's Report

The Treasurer's Report was presented by Bro. Jerold Jackson. The following were highlighted:

- Total Assets and Loans increased by 6% and 7% respectively while Investment Securities decreased by 3%.
- Over \$4million was written off on the balance of CLICO investments.
- Investments with COMFI reduced by 45% due to shares in COMFI's loss.
- Share Capital (equity and qualifying shares) and Members' deposits increased.
- Loan Interest Income increased by 7% while Investment income decreased by 2%. Reduction in Investment income was due to reduction in interest rate on fixed deposits and special savings deposit.
- Total Expenses increased by 36% due to the impairment charge with CLICO, shares in loss at COMFI and increased promotional activities.

(b) Auditors Report

On page 43, 1st paragraph, 2nd line and last paragraph, 2nd line, “2014” was changed to “2015”.

The Auditor’s Report was presented by Mr. Floyd Patterson of BDO. He congratulated GECCU on its attainment of its 51st anniversary and 50th AGM.

He stated that GECCU was a financial institution similar to a bank and financial institutions were a little different from the regular trading concern. There were systemic risks which needed to be looked at very carefully. There were a number of commissions around the world like Basel’s commission, the first standard which sets out various parameters on which the credit union must operate.

Mr. Patterson also stated that members need to understand that the financial statements were not like the typical trading concern. They also need to understand how the various components of the financial statements of the credit union and other financial institutions affect its operating results going forward.

With reference to the write-off of the CLICO investment, Mr. Patterson informed members that with the balance sheet being basically clean, no further charges were anticipated to come from the CLICO investment. Instead, it would be a recovery coming back to the credit union.

He concluded that GECCU’s financial position appeared to be strong. It was solid and also liquid but needed to be managed in a prudent fashion in order to ensure that the desired objectives were obtained.

Discussion

Bro. Philbert John applauded the Treasurer for his presentation and the Auditor for setting the context for which the financial statements were being presented. He expressed concerns about COMFI’s financial situation and opined that COMFI should not be totally eliminated but rather the model be re-visited to better improve its services.

Bro Daniel Mc Millan commended the staff at GECCU for their hard work and highlighted that in 2015, nearly \$2M in profit was realised. He commended GECCU for rectifying the impairment issue with CLICO.

In response to the question regarding when the impairment was recognized and realized, the Auditor stated that the impairment charges from CLICO were recognised charges not yet realised. The charges would only be realised when they were finally determined. The facts surrounding both CLICO and BAICO were estimates not yet finalised. He said that there may be recoveries that had not yet been realised.

He added that Judicial Managers of BAICO were consulted and assurance was given that there were sufficient liquid funds available to meet the outstanding amounts and recover book value on BAICO’s investments by July/August 2016. This was subject to a number of laws being passed in various jurisdictions to proceed with the scheme of arrangement, allowing BAICO to make a pay-out.

On a motion moved by Bro Clarence Harry, seconded by Bro. Cecil ‘Pa’ Jack, the Treasurer’s and Auditor’s reports were accepted.

(iii) **Election of the Board of Directors**

The elections were supervised by Bro. Jimmy Black, representative of the Financial Services Authority (FSA).

The nominations committee comprised: Sis Verlene Saunders, Sis. Gemma Mc Cree-Clarke and Bro. Clarence Harry.

Three (3) Directors retired and were eligible for re-election. They were Bros. Ronnie Daniel, Kelvin Pompey and Sis. Cecelia Williams.

The Nominations Committee nominated: Bros Ronnie Daniel, Kelvin Pompey and Sis Cecelia Williams.

Nominations from the floor

Bro. Ricky Haynes nominated Bro. Clarence Harry, seconded by Sis Ena Walters.

Nominations were closed on a motion moved by Bro. Philbert John seconded by Bro Andrew Bramble. Forty (40) members were in favour of closing nominations.

The results of the election were as follows:

Bro. Clarence Harry	75 votes
Bro. Ronnie Daniel	80 votes
Bro. Kelvin Pompey	96 votes
Sis. Cecelia Williams	64 votes

Bros. Clarence Harry, Kelvin Pompey and Ronnie Daniel were duly elected to serve on the Board of Directors for the next three (3) years.

(b) **Credit Committee Report**

Having been previously circulated, the report of the Credit Committee was taken as read.

Discussion

Bro. Cecil “Pa” Jack stated that in the report of the Credit Committee, mention was made of the importance of agriculture, but this was not reflected in the graphical representation of the type of loans disbursed (page 70, item 4.3.2). He suggested that the Board set up special sessions for agricultural groups in order to penetrate that market. He further suggested that with the great investment in vehicle loans, members should be further educated about the preferred use for public transport.

Bro. Daniel Mc Millan commented that for the years 2011 to 2015, the budgeted figure for the loans was always significantly lower than the actual disbursement. He questioned how projected estimates were consistently under-budgeted compared to the actual loan disbursements.

The Chairman responded that many different variables were taken into consideration apart from the previous year’s disbursements. He assured Bro. Mc Millan that his observation will also be taken into consideration when budgeting in the future.

With reference to Table 2 on page 69, Bro. Philbert John questioned the nature of the business loan requests and whether accepting these business loans was a duplication of COMFI’s role if this was so, why were the loans not being directed to COMFI.

The Chairman responded that the credit union directs business loans to COMFI but while the demand is there for loans from COMFI, the capital was not available. Loans that were directed to COMFI and could not be serviced by COMFI were returned to the credit unions. It was hoped that after re-capitalisation and the issues surrounding COMFI were dealt with, that all business loans can be serviced by the institution.

Referring to Table 3 on page 70, Bro. Cecil “Pa” Jack questioned why there was a differentiation among the categories of mortgage loans (civil servants, low income and general)

The Chairman explained that the low income category was a one-off special provision for government; however, it was possible that a civil servant may fall under the low income category.

The report of the Credit Committee was accepted on a motion moved by Bro. Philbert John, seconded by Bro. Andrew Bramble.

(i) Election of the Credit Committee

Retiring from the Credit Committee were Bros. Linus Goodluck and Michael Sayers.

The Nominations Committee nominated Bros. Linus Goodluck and Michael Sayers.

Nominations from the floor were as follows:

Bro. Ricky Haynes was nominated by Bro. Clarence Harry, seconded by Bro. Curtis Clarke.

Bro. Joel Poyer was nominated by Bro. Philbert John, seconded by Bro. Pascal John.

Bro. Joel Poyer declined the nomination.

Nominations were closed on a motion moved by Bro. Philbert John, seconded by Bro. Clarence Harry.

The results of the election were as follows:

Bro. Linus Goodluck	76 votes
Bro. Michael Sayers	69 votes
Bro. Ricky Haynes	42 votes

Bros. Linus Goodluck and Michael Sayers were duly elected to serve on the Credit Committee for the next three years.

(c) Supervisory & Compliance Committee Report

Having been previously circulated, the Supervisory & Compliance Committee report was taken as read.

Discussion

Bro. Cecil “Pa” Jack suggested that a member of staff be assigned to support the Accountant with administrative duties regarding development Projects.

Sis. Marcelle Burgin inquired as to why Sis. Colleen Thomas was serving on two (2) committees.

The Chairman responded that during the year, Sis. Laura-May Pope resigned from the Supervisory and Compliance Committee. Sis. Colleen Thomas assumed the position as she was next in line to serve on the committee. He further explained that when Sis. Thomas’ tenure came to an end, she was selected to serve on the Education Committee hence the reason for her name appearing on both committees.

The Supervisory & Compliance Committee’s report was accepted on a motion moved by Bro. Philbert John and seconded by Bro Clarence Harry.

(i) Election of Supervisory & Compliance Committee

Retiring from the Supervisory and Compliance Committee were Sisters Anika Stapleton and Colleen Thomas.

The Nominations Committee nominated Sisters Anika Stapleton and Timora Peters.

Nominations from the floor

Bro Joel Poyer was nominated by Bro. Clarence Harry, seconded by Bro Philbert John.

Nominations were closed on a motion moved by Bro. Cecil “Pa” Jack, seconded by Bro. Ricky Haynes.

The results of the election were as follows:

Bro. Joel Poyer	44 votes
Sis. Anika Stapleton	58 votes
Sis. Timora Peters	56 votes

Sisters Anika Stapleton and Timora Peters were elected to serve on the Supervisory Committee for the next three years.

(d) Education Committee

Having been previously circulated, the report of the Education Committee was taken as read.

Commendation

Bro Philbert John commended the Chairman of the Education Committee and 50th Anniversary Committee for the comprehensive work during 2015 and professional production of the 50th Anniversary magazine.

The report of the Education Committee was accepted on a motion moved by Bro. Philbert John, seconded by Sis. Ena Walters.

(5) ELECTION OF AUDITORS

A motion to retain BDO as Auditors for the next financial year was moved by Bro. Joel Poyer, seconded by Bro. Andrew Bramble.

Nominations were closed on a motion moved by Bro. Philbert John, seconded by Bro. Alistair Alexander.

The Auditors, BDO were retained unopposed.

(6) NEW BUSINESS

Bro. Philbert John recommended that the Centrex building should include access for the disabled when it is being retrofitted and refurbished

The Chairman assured the meeting that any building that is being constructed or refurbished for use by GECCU would have facilities for the disabled.

Bro. Cecil “Pa” Jack congratulated the Board of Directors and committees for another successful year and commended them for preparing thorough and informative reports. He noted that he will however like to see a report from COMFI showing its financial position.

The Chairman clarified that confidential obligations prohibit COMFI’s financial statements from being reflected in GECCU’s financial report, however, GECCU’s investment can be reflected.

Sis Marcelle Burgin commented that other members of the credit union should have the opportunity to serve on committees.

Bro Philbert John responded that all members have a democratic right to elect members to serve on the committees.

The CEO urged members with businesses to complete the business directory application forms which were being circulated as the credit union is in the process of creating a database to establish a business directory for its members. He stated that the information obtained will help to promote members’ businesses and create a tangible market place.

Referring to GECCU’s Mission Statement, Bro. Ezra Ledger stated that since members were the “owners” of the credit union, a loan application fee should not be charged.

The Chairman responded that the charges were minimal and the fee was introduced two years ago.

The membership recommended that a timeline be set to circulate AGM reports so members can receive them ahead of the AGMs.

In response to Bro Alistair Browne’s question regarding the procedure used to select consultants for the construction projects, the Chairman said that tenders were submitted for design works and a selection was made.

There being no other business, the meeting ended at 9:01 p.m. on a motion moved by Bro. Joel Poyer, seconded by Sis. Marva Cato-Robinson.

Read and signed as a true record this day of 20.....

.....
Secretary

.....
Chairman

**BOARD OF DIRECTORS' REPORT
TO THE 51st ANNUAL GENERAL MEETING**

Board of Directors 2016



Sis. Mineva Glasgow
Vice President



Bro. Jerold Jackson
Treasurer



Bro. Harold Lewis
Secretary



Bro. Ronnie Daniel
Director



Bro. Michael Da Silva
Director



Bro. Clarence Harry
Director



Bro. Philmore Isaacs
Director



Bro. Brian Alexander
Director



Bro. Lennox Bowman
CEO



Bro. Kelvin Pompey
President



1.0 Introduction

Fellow Co-operators,

- 1.1 Shareholders, Members of All Committees, Staff, Brothers and Sisters, the Board of Directors, it is with a great sense of gratitude that we the members of the Board of Directors present our report to you under the theme “Keeping Our Promises To Our Communities”.

In very positive and profound ways, GECCU continues to touch the social and economic lives of our members, and indeed the wider community. Our sustained growth and viability in a very challenging economic environment have been the result of the vision, dedication, commitment, support and hard work of a large number of persons, namely our pioneers, volunteers, management, staff and membership. The continued co-operation and support of Government, the financial Services Authority, the SVG Co-operative League, other Co-operatives, overseas partners, other Stakeholders and the General Public have also contributed to our success.

Economic Experience

- 1.2 This report is given against a backdrop of still challenging economic times. However, your Board continues to be resilient in the face of the many challenges our country experiences.
- 1.3 Statistics from the Eastern Caribbean Central Bank indicate that concomitant with positive developments in the global economy, the pace of economic recovery in the Eastern Caribbean Currency Union (ECCU) strengthened in 2016, relative to the previous year. Real GDP in the Currency Union is estimated to have expanded for the fifth consecutive year at 2.2 per cent, compared to 2.6 percent in 2015
- 1.4 Despite adverse weather conditions during the fourth quarter, economic activity in St. Vincent and the Grenadines is provisionally estimated to have gained some momentum in 2016. Real GDP is estimated to have expanded by 2.9 percent in 2016, compared to a mild rise of 0.6 percent in 2015. The growth in economic activity was accompanied by a 1.0 percent increase in the inflation rate at the end of the period.
- 1.5 The financial services sector remains extremely dynamic and competitive, and there was constant review of GECCU’s strategies, tasks and operations to keep pace with changes taking place in the environment. Constant monitoring of these issues enabled GECCU to maintain its competitive advantage and quality of services through the year. This was done without compromising the core philosophy and principles of being a financial institution with a human face and heart.

3.0 Board of Directors

- 3.1 At the 50th Annual General Meeting, three new members, Brothers Kelvin Pompey, Ronnie Daniel and Clarence Harry were elected to the Board.
- 3.2 At its first meeting, the Board of Directors elected Bro. Kelvin Pompey – President, Sis. Mineva Glasgow-Vice President, Bro. Jerold Jackson – Treasurer, and Bro. Harold Lewis - Secretary.

The full Board of Directors comprises the following:

Bro. Kelvin Pompey	-	President
Bro. Mineva Glasgow	-	Vice President
Bro. Harold Lewis	-	Secretary
Bro. Jerold Jackson	-	Treasurer
Sis. Philmore Isaacs	-	Director
Bro. Ronnie Daniel	-	Director
Bro. Michael Da Silva	-	Director
Bro. Brian Alexander	-	Director
Bro. Clarence Harry	-	Director

3.3 Meetings and Attendance

Meetings of the Board were held monthly. In addition, five special meetings were convened. A summary of attendance is given in Table 1.

Table 1: Summary of Attendance of Board of Directors

Names	Regular	Special	GRAND
	TOTAL (10)	TOTAL (5)	TOTAL(15)
Bro. Kelvin Pompey	10	5	15
Bro. Mineva Glasgow	10	4	14
Bro. Harold Lewis	5	0	5*
Bro. Jerold Jackson	10	4	14
Sis. Philmore Isaacs	9	4	13
Bro. Ronnie Daniel	8	4	12
Bro. Michael Da Silva	9	4	13
Bro. Brian Alexander	9	5	14
Bro. Clarence Harry	10	5	15

***Bro Harold Lewis was granted special leave to attend work related training at ECCB.**

4.0 PERFORMANCE RELATED TO PRIORITY AREAS

- 4.0.1 The Board of Directors established seven (7) priority issues to be addressed during the year. The management team and staff then developed a detailed implementation work plan (with clear targets and time frames) as well as a budget to address the critical issues. This work plan and budget were approved by the Board.

4.1.1 PRIORITY 1: CORPORATE GOVERNANCE

- 2.1 During the year the Board continued its heightened focus on governance. A Risk Management Committee was established and operationalized to assist the Board to oversee the risk profile and approve the risk management framework of GECCU within the context of the strategy determined by the Board.
- 2.2 The Board continued its policy of meeting with various committees jointly and severally and emphasis was placed on the monitoring and reporting systems, thereby ensuring that communication flow in all directions within the organization, was achieved in a timely and effective manner.
- 2.3 All statutory obligations were observed and the close working relationships with the Financial Services Authority and the SVG Credit Union League were maintained.
- 2.4 The critical issues related to external, internal and individual governance will remain strategic properties for the Credit Union.

4.2.1 PRIORITY 2: REGISTRATION OF NEW MEMBERS

- 4.2.1.1 During the period under review, **2,994** new members/depositors were registered compared with 2,267 for the year ended 31st December, 2015; the targeted number for this period was 2,200.

While we recognize that such encouraging figures cannot continue indefinitely given the size of our population, these figures indicate that GECCU Ltd continues to remain an institution of preferred choice for the citizens of St. Vincent and the Grenadines. This reflects the continued need for our products and services, as well as the sustained confidence in our Credit Union.

Strategies continued in the pursuit of membership growth include:

- a) Opening of our new office in Canouan
- b) Enlisting the help of volunteers/liaison officers.
- c) Increased use of social networks, our website and Mobile app
- d) Intensifying the schools' outreach programme
- e) Greater segmentation of markets

GECCU continues to open many “ first accounts” for unbanked Vincentians.

- 4.2.1.2 Our focus on the recruitment of youth continues. We are pleased to report that **58%** of our new members are under the age of 30. The target set for the year was 60%. This clearly demonstrates that marketing to our youth continues to be successful and that we remain an attractive alternative for our young people.
- 4.2.1.3 Total membership/depositors of the credit union now stands at **39,486** .

Table 2: Breakdown of new membership/depositors by age

AGE	Number of Persons	Percentage
Junior Savers	760	25
16-30	988	33
31-40	526	18
41-50	369	12
51-60	284	10
60+	67	2
TOTAL	2,994	100

4.1.3 PRIORITY 3: HUMAN RESOURCE CAPACITY BUILDING

4.1.3.1 Recognizing that Human Resource Capacity is one of the most valuable assets. GECCU continued to invest heavily in its Human resource development at all levels of the organization.

4.1.3.2 **CPD OnLine** is a web-based training facility which advances the growth and development of credit union staff and volunteers by providing credit union specific courses in all areas of credit union operations.

It is made available through a franchise agreement with the Jamaica Co-operative League and Credit Union National Association (CUNA) in Wisconsin, USA.

GECCU recognized the value of this training opportunity for its employees, volunteers and general membership and opted to become a subscriber in January 2016.

During the period, orientation sessions were held with staff and volunteers to demonstrate the workings of CPD on line and to outline the benefits of the training. Heads of Department agreed on and assigned mandatory courses to staff to be completed within specified timelines. In addition, staff members completed courses in other areas of interest and received certificates for courses completed from the Jamaica League.

The feedback from staff and volunteers has been positive.

Several of the training courses include: Volunteers Achievement Programme; Business Communication; Professional Member Service; New Employee Orientation Human Resource; Teller Services; Credit Administration; Delinquency Control; Risk and Compliance; Telephone Techniques; Strategic Alignment and Governance.

Management believes that by exposing staff and volunteers to CPDOnline training, GECCU will be able to better meet its strategic objectives, thereby increasing the quality of its products and services to its stakeholders.

CPDOnline training has been included in GECCU's annual training and development programme.

4.1.3.3 The following chart details the extensive training undertaken during the year

Table 4: Staff Training - Workshop and Seminars (In-house)

Seminar Title	Participant	Date	Facilitators
Understanding Collective Bargaining	Members of Staff	February 15	Dr. Mineva Glasgow – Vice President of GECCU Mr. Joseph Burns Bonadie – General Secretary (Ag) - CTAWU
Anti-Money Laundering and Counter Financing of Terrorism	Members of Staff Members of Supervisory & Compliance Committee	February 17	Ms. Carla James – Director, Financial Intelligence Unit Ms. Kisha Sutherland— Legal Officer, Financial Intelligence Unit
Centre for Professional Development (CPD) On-Line Orientation	Members of Staff	March 8 - 21	Ms. Cornelia Moses – Operations Officer, GECCU
Cross Selling and Product Knowledge	Members of Staff & Credit Committee	June 15	Mr. Lennox Bowman – Chief Executive Officer, GECCU
Centre for Professional Development (CPD) On Line Orientation	Supervisory & Compliance Committee	November 8	Ms. Cornelia Moses – Operations Officer, GECCU
Centre for Professional Development (CPD) On Line Orientation	Credit Committee	December 6	Ms. Cornelia Moses – Operations Officer, GECCU

Simulation Exercise	Participant	Date	Location	Facilitator
Fire Extinguisher Practical Training	Members of Staff	February 20	Richmond Hill Playing Field	Mr. Stanley Harris – Engineer, VINLEC

Table 5: Staff Training - Workshop and Seminars (Ex-house)

Seminar Title	Participants	Location	Date	Resourced by
Supervisory Management	Ryan Hazell Bernadette John Keisha Johnson	St. Vincent & the Grenadines	February 1 (13 weeks)	UWI Open Campus
Legal Requirements for a Supervisory and Compliance Committee	Supervisory and Compliance Committee Internal Auditor	St. Vincent & the Grenadines	February 9	SVG Co-operative League
Operational Risk Management	Maxine Johnney	Antigua	February 15 - 16	CCCU & Antigua & Barbuda Co-operative League Ltd.
Caribbean Development Educator (CaribDE20)	Leslie Joseph	Jamaica	February 28 – March 5	CCCU & CUNA
Youth Caribbean Development Educator (CaribDE21)	Ryan Hazell	Trinidad	March 14 - 19	CCCU & CUNA
Project Management	Linus Goodluck Janice King	St. Vincent & the Grenadines	March 21 - 22	CED & BIMAP
Whistleblowing – A Value Added Proposition	Damoris Alexander Joshua Gibson Anika Stapleton Colleen Thomas Elsa Wynne	St. Vincent & the Grenadines	April 8	Institute of Internal Auditors (Barbados Chapter)
Managing for Development Results	Julian Joslyn	St. Vincent & the Grenadines	April 18 - 20	CDB & NDF
Event Planning and Management	Osbert Cunningham Jr.	St. Vincent & the Grenadines	April 20 - 21	CED & BIMAP
Mortgage Lending for Residential Housing	Cheryl Bacchus	Antigua	April 25 - 29	ECHMB
Automatic Exchange of Information and Common Reporting Standard	Elias Francis Gertrude Jacobs Maxine Johnney	St. Vincent & the Grenadines	April 26	Financial Services Authority (FSA) & Ministry of Finance
Customer Service	Danny George Rekha Gooding	St. Vincent & the Grenadines	May 11	UWI Open Campus
Governance and Understanding Financial Statements	Adinga Findlay	St. Vincent & the Grenadines	May 12	UWI Open Campus
“Diary of a Smart Woman”	Sharlene Charles Kathlyn Parsons	St. Vincent & the Grenadines	July 16	First Citizens Investment Services
Occupational Health and Safety	Cornelia Moses	St. Vincent & the Grenadines	July 19	SVG Chamber of Industry & Commerce
“Motor Accidents Dynamics”	Junelto James	St. Vincent & the Grenadines	July 19	Insurance Institute of St. Vincent & the Grenadines
Basic Principles of Insurance	Sharlene Charles	St. Vincent & the Grenadines	September 12 - 30	Insurance Institute of the Caribbean
Supervisory Management	Sharlene Charles Junelto James Baldwin Johnney Kathlyn Parsons	St. Vincent & the Grenadines	October 17 (13 weeks)	UWI Open Campus
Effective Credit Management & Debt Recovery	Keon Findlay Joanne Powers	St. Vincent & the Grenadines	October 25	Caribbean Credit Bureau Ltd.
Property Risk Assessment, Credit and Underwriting	Maxine Johnney	Grenada	November 21 - 25	Eastern Caribbean Home Mortgage Bank & Real Estate Institute of Canada (REIC)

CONSULTATIONS

Title	Participant	Date	Venue	Hosted by
Structure for the Management of Green House Parks	Julian Joslyn	January 14	Fisheries Conference Room	Windward Island Farmers Association (WINFA)
Implementation of ECCU Single Insurance and Pension Market Project	Julian Joslyn Junelto James Cornelia Moses	January 29	Methodist Church Hall	Financial Services Authority (FSA)
Credit Union Nomination Guidance Notes	Board of Directors Internal Auditor Nomination Committee	February 11	Co-operative League's Conference Room	Nyasha Browne – Manager, FSA Credit Union Unit
National Co-operative Legislation (Act & Regulations)	Board of Directors Credit Committee Supervisory and Compliance Committee Education Committee Senior Staff Members	February 18	Frenches House	SVG Co-operative League & CCCU
ICT Round Table Discussion	Elias Francis Anton Jardine	April 27	Beachcombers Hotel	C & W Business
BAM/ADMP: Greenhouse Park Operation	Julian Joslyn	May 19	Ministry of Economic Planning Conference	Govt of St. Vincent & the Grenadines
Youth in Agriculture Policy	Julian Joslyn	July 19	Peace Memorial Hall	Caribbean Policy Development Centre

4.1.4 PRIORITY 4: TO ASSIST MEMBERS IN FULFILLING THEIR HOUSING NEEDS

- 4.1.4.1 Our members' housing needs remain a priority for GECCU Ltd and we continue to proactively address the major issues which help our members satisfy this objective.
- 4.1.4.2 The Credit Committee and Management continue to work tirelessly in this regard and the results of the efforts are clearly shown in the report of the Credit Committee. Home Advisory Service has taken on a greater significance in our Mortgage Administration and two additional staff members are currently enrolled in the ECHMB Mortgage Underwriting program.
- 4.1.4.3 With regard to the joint project with NIS to develop 57 acres (GECCU 30 acres and NIS 27 acres) at Peters Hope; the second phase of the development has recommended.
- 4.1.4.4 A joint (NIS/GECCU) Steering Committee for Phase two of the project has been established and the terms of reference prepared. The process is well under way to procure the services of a consultant re the design and supervision of the network of roads. The land should be cleared shortly as proposals are now being sought from interested contractors.

4.1.5 PRIORITY 5: ACCESS TO GECCU SERVICES

- 4.1.5.1 GECCU recognizes that its role in the financial sector is a fundamental one as increasing access to financial services for the unserved and underserved has a positive impact on economic growth and poverty alleviation.
- 4.1.5.2 In this regard and as a socially responsible and involved credit union, GECCU is pleased to announce that it opened a new office on Canouan on 7th May, 2016 at a grand and very well attended opening ceremony. Since then the office continues to be very well utilized by the residents of Canouan. The table below speaks for itself.

	New Members		Collections		Disbursement	
	2016	2015	2016	2015	2016	2015
Union Is.	99	98	\$3,071,749.15	\$2,754,899.53	\$2,461,720.33	\$567,231.17
Canouan	229	-	\$1,248,298.59	-	\$160,186.33	-
Bequia	85	98	\$1,603,679.26	\$1,214,126.40	\$838,342.57	\$412,566.98
Georgetown	592	398	\$ 8,553,471.47	\$ 7,222,851.74	\$12,681,382.85	\$3,074,577.50
TOTAL	1,005	594	\$14,477,198.47	\$11,191,877.67	\$16,141,632.05	\$4,054,375.65

- 4.1.5.3 We have also expanded and enhanced our Georgetown Office to better serve the increasing volumes at that location.
- 4.1.5.4 At the time of writing this report, our brand new building at South Rivers is nearing completion and there is great anticipation in the surrounding areas for this office, which we are confident will begin a major transformation of that geographical area and its residents. This office will be opened in May of 2017.
- 4.1.5.5 With respect to the construction of our new headquarters, expressions of interest were sought publically from interested firms. Nine (9) firms responded of which eight(8) were requested to submit financial and technical proposals for assessment. It is hoped that construction of the new headquarters will commence in the first quarter of 2018.
- 4.1.5.6 Regular visits are made to all our officers by our Marketing Department, Education and Supervisory and Compliance Committees and our Internal Auditors, in an effort to continue the enhancement of our administration of these offices.
- 4.1.5.7 We continue to constantly upgrade our information and communication technology throughout the year and we are confident that the electronic delivery of our services continues to be effective and efficient.

4.1.6 PRIORITY 6: STRENGTHENING OF THE MOVEMENT NATIONALLY AND REGIONALLY

- 4.1.6.1 GECCU continues to demonstrate leadership in this area. During the period under review, GECCU provided active support to the SVG Credit Union League. Financial and human resource assistance continues to be provided to sister credit unions and other non-credit union co-operatives locally and regionally.
- 4.1.6.2 Two GECCU Directors, Bros. Jerold Jackson and Harold Lewis currently sit on the Board of Directors of the Credit Union League and Sis. Cecelia Williams is a member of the Supervisory and Compliance Committee.
- 4.1.6.3 GECCU also continued to provide active representation at the OECS Summit, the CCCU

4.1.7 PRIORITY 7: FINANCIAL SUSTAINABILITY AND PROFITABILITY

4.1.7.1 During the year, the Credit Union achieved yet another period of growth, with strong showings in most of the key areas of activities despite the many challenges on the local, regional and international markets.

⇒ A net profit of \$1,113,318 was realized for 2016. This represents an increase of 166% relative to 2015.

⇒ Assets grew by 10% relative to 6.4% in 2015.

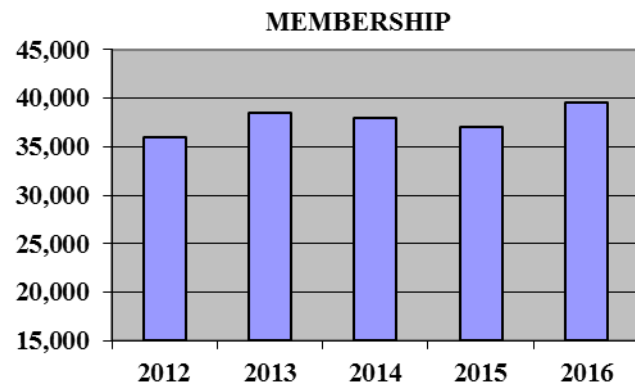
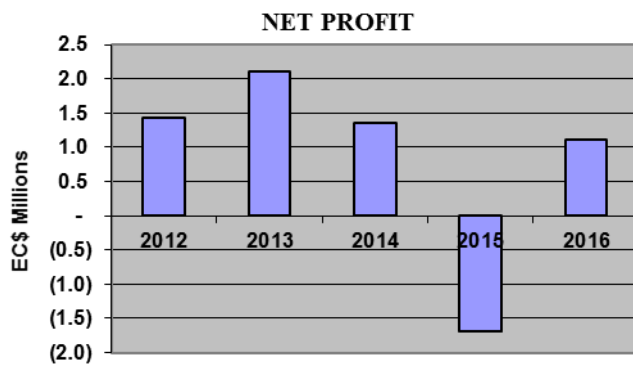
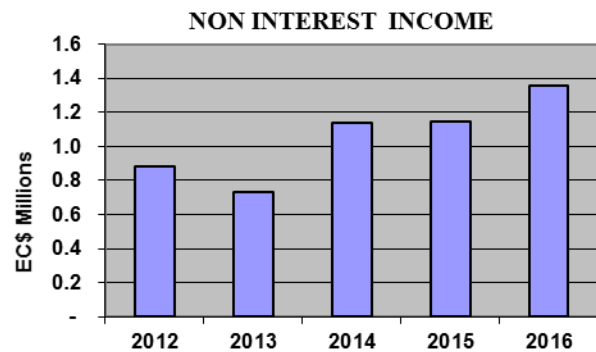
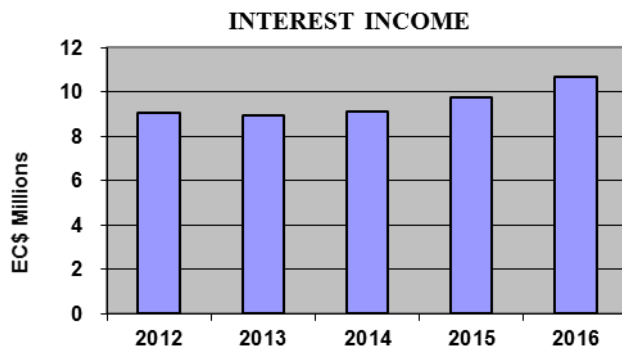
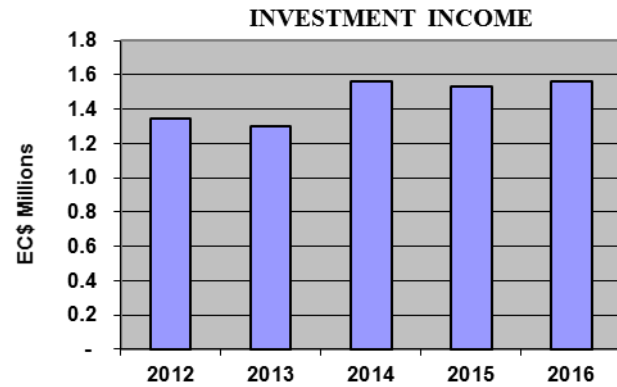
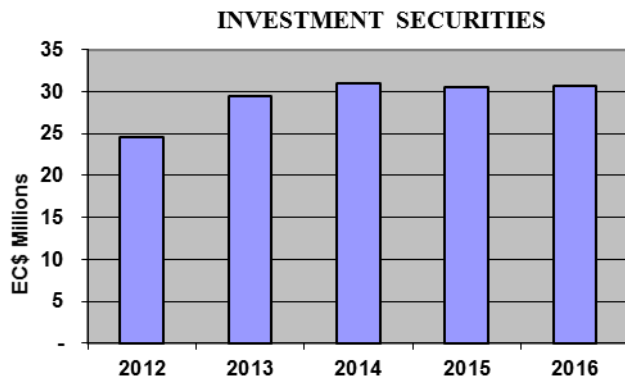
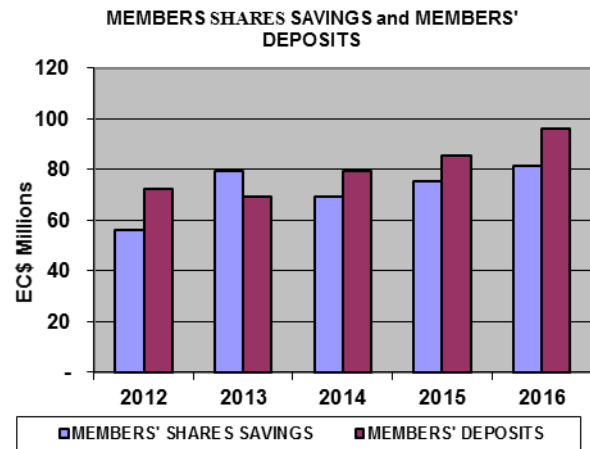
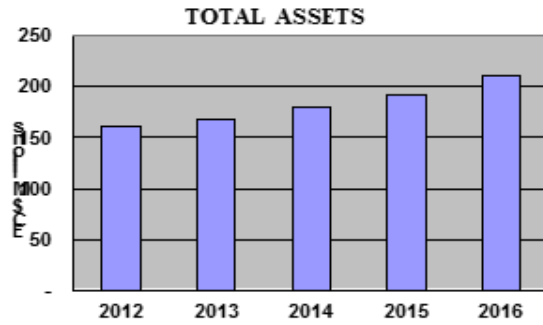
⇒ Loans portfolio grew by 13.41% relative to 7.05% in 2015.

⇒ GECCU's liquidity position remains very strong.

⇒ GECCU's total expenses decreased by \$1,651,098 or 12%.

These results underscore the continued confidence and commitment of GECCU's loyal membership. Though a detailed analysis is included in the Treasurer's Report, the following table shows the performance highlights for the year under review.

	GECCU PERFORMANCE HIGHLIGHTS 2012-2016				
	2016 EC\$	2015 EC\$	2014 EC\$	2013 EC\$	2012 EC\$
ASSET GROWTH					
Loans – net	123,416,638	108,827,524	101,662,432	96,624,034	91,339,757
Cash Resources	30,844,713	26,112,130	25,494,776	20,196,191	23,710,667
Inventory	6,657,966	6,573,290	5,904,370	-	
Fixed Assets	9,799,610	8,491,778	4,652,031	4,571,584	4,370,176
Investment Securities	30,608,505	30,501,789	31,053,476	29,457,655	24,614,544
Other Assets	282,724	357,526	628,612	631,777	550,895
Investment Properties	8,769,000	9,991,00	9,925,000	15,358,660	15,358,660
Total Assets	210,379,156	190,855,037	179,320,697	166,839,901	159,944,699
SAVINGS COMPONENTS					
Members' Shares Savings	81,219,786	75,414,806	69,103,981	79,511,378	56,378,839
Members' Deposit	95,545,786	86,227,317	78,807,788	72,814,195	72,191,431
Total Savings	176,765,572	161,642,123	147,911,769	152,325,573	128,570,270
INCOME					
Loan Interest	10,659,222	9,752,199	9,095,687	8,940,483	9,039,411
Investment Income	1,561,637	1,528,716	1,560,615	1,298,550	1,348,139
Non Interest Income	1,357,199	1,147,546	1,141,342	935,044	882,531
Total Income	13,578,058	12,428,461	11,797,644	11,174,077	11,270,081
EXPENSES					
Marketing, General, Admin & Other Expenses	8,888,924	10,380,865	6,399,307	5,164,560	5,114,839
Interest Expense	3,270,542	3,555,564	3,816,232	3,679,092	4,500,934
Allowance for Loan Loss	305,274	179,409	216,000	222,764	215,174
Total Expense	12,464,740	14,115,838	10,431,539	9,066,434	9,830,947
PROFITABILITY					
Surplus	1,113,318	(1,687,377)	1,366,105	2,107,661	1,439,134
Other Reserves	4,729,154	4,047,842	6,016,190	4,655,512	20,477,324
Equity Shares	23,634,241	21,810,012	20,057,119	5,334,904	4,529,050
MEMBERSHIP	39,486	37,083	38,953	38,496	36,011



4.1.7.2 The PEARLS-M Monitoring Standard

This is the benchmark standard adopted for the monitoring and measurement of the operations of the Credit Union.

PEARLS Ratios	Goals	31 st Dec 2015	31 st Dec 2016
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	142.97%	199.95%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 110%	102.77%	103.62%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the percentage of total assets invested in Loans.</i>	Between 70 to 80%	57.02%	58.66%
Financial Investments / Total Assets <i>Measures the percentage of long-term Investment in Total Assets</i>	Max 10%	4.83%	4.22%
External Credit / Total Credit <i>Measures the percentage of Total Assets financed by external borrowings</i>	Max 5%	0%	0%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio <i>Measures the percentage of delinquency in the Loan Portfolio.</i>	Less than 5%	5.50%	5.37%
Non-Earning Assets / Total Assets <i>This measures the percentage of total assets not producing income.</i>	Less than 5%	7.72%	7.62%
R – Rates of Return and Cost			
Net Loan Income / Average Net Loan Portfolio <i>Measures the percentage yield on the Loan Portfolio</i>	Between 9 to 12%	9.26%	9.25%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	5.61%	4.43%
L – Liquidity			
Liquid Investment + Liquid Assets – ST Payables / Total Deposits <i>Measures the adequacy of liquid cash management to response to Members' short-term requirements.</i>	Min 15%	28.76%	29.45%
Non-Earning Liquid Assets / Total Assets <i>Measures the percentage of cash invested in Non earning Assets</i>	Less than 1%	2.86%	2.83%
S – Signs of Growth			
Net Loans <i>Measures the percentage growth in Loan Portfolio</i>	More than 10%	7.05%	13.41%
Total Assets <i>To measure the percentage growth in Total Assets.</i>	More than 10%	6.43%	10.23%
Membership <i>Measures the percentage growth in Membership</i>	Min 5%	(4.80%)	6.48%

4.1.7.3 Interest & Dividend

The interest paid on members' Shares Savings is **1.25%**. The Board of Directors proposes to pay a dividend of **2.5 %** on Equity Shares.

5.0 Corporate Social Responsibility

- Corporate Social Responsibility (CSR) goes beyond donating money or volunteering time to worthy causes. For GECCU, it is about operating in a manner that is responsible to our members and our staff, respectful of the environment, and supportive of the communities in which we live and work. Corporate Social Responsibility is really the DNA of GECCU.
- Corporate Social Responsibility has become an integral part of doing business in GECCU. In this regard, GECCU has focused on developing products, services, business and practices which, while serving members well, have contributed meaningfully to the social, educational and environmental good of our communities.
- More specifically, during the year, human resource support and financial contributions were made to a number of institutions, associations and groups in the areas of sports, arts, culture and education.
- The Credit Union continues to play leading roles in national activities and celebrations - National Heritage Month, Emancipation Day Celebrations, May Day, Carnival, Independence, Easterval, Gospel Festival and Nine Mornings.
- At many of the above mentioned events, Staff and Committee members assisted.
- Individual cases worthy of assistance were also supported .

6.0 Social Development Fund

6.1.0 The Social Development Fund (SDF) was established by resolution passed at the 38th Annual General Meeting of the General Employees Co-operative Credit Union Ltd held on 13th May 2004. Its purpose is to provide assistance to members who lack the financial resources to recover from an emergency such as storm damage, fire, earthquake, serious illness etc. The fund is managed by a Social Development Fund Committee which was appointed by the Board of Directors in accordance with the aforementioned resolution.

6.1.1 The Board of Directors (BOD) appointed the undermentioned members to serve on the Social Development Committee after the 50th Annual General Meeting (AGM).

Sis. Fayon Ambris
Bro. Brian Alexander
Bro. Michael Da Silva
Bro. Ryan Hazell
Bro Philmore Isaacs
Sis. Laurette Kelly Joseph
Sis. Gemma Mc Cree
Sis. Jacintha Payne
Bro. Douglas Rose
Sis. Shineco Sutherland

At the first meeting of the committee held on 11th July 2016, Bro. Michael Da Silva was elected as chairman and Sis. Gemma Mc Cree was elected as secretary. The committee agreed to hold monthly meetings on the second Thursday of each month.

6.1.2 The year 2016 was an eventful one for St. Vincent and the Grenadines as the islands were affected by a tropical storm and two trough systems that left in their wake widespread damage to infrastructure and housing. Our members were not spared and the Social Development Committee had to respond by providing assistance in a number of cases of housing and property damage. However, a high percentage of the cases that came to the committee were for medical expenses. There were fifty-six (56) requests for assistance during 2016: of these forty-six (46) were approved, six (6) were denied and four (4) were pending

6.1.3 The table below gives a breakdown of the applications that were received and processed in 2016

Category	Applications Received	Applications Approved
Medical	41	34
Housing, Flood & Fire	15	12
Financial	0	0
TOTAL	56	46

6.1.4 One application was rejected because the purpose of the request was not among those articulated in the committee's guidelines and the resolution.

6.1.5 **FINANCIAL STATUS OF THE SOCIAL DEVELOPMENT FUND**

Table 1.2 Financial Statement of the Social Development Fund at 31st December, 2016.

1st January 2016	Balance Brought Forward	707,045.12
Add	Members Contribution	475,420.00
Less	Assistance to Members	165,005.74
31st December 2016	Closing Balance	1,017,459.39

7.0 **ANNUAL SCHOLARSHIPS TO SECONDARY SCHOOL**

- During the period under review, twelve (12) scholarships were awarded to students who were successful in the 2016 Caribbean Primary Exit Assessment (CPEA).
- The 2016 scholarship recipients were:-

Girls: Akayla Crichton - Windsor Primary
Davanah Yearwood - Georgetown Government
Leah Small-Da Silva - Kingstown Preparatory
Rodele Tucker - Kingstown Preparatory
Laurenike Snagg - Lodge Village Government

Boys: Auturo Parsons - St. Mary's Roman Catholic
Kajé Jack - Georgetown Government
Solomon Bascombe - St. Mary's Roman Catholic
Kasim Mc Kie - Kingstown Preparatory
Kwesi James - New Grounds Primary

Grenadines Scholarship:

Northern Grenadines: Nefertiti Nero – Bequia Anglican Primary
Southern Grenadines: Ashara Adams – Mary Hutchinson Primary

- The recipients of scholarships were presented with certificates of academic excellence at a ceremony held on Wednesday 27th July 2016 at the Methodist Church Hall, Kingstown. One hundred and fifteen (115) other successful students received monetary awards of \$100.00 each.
- In keeping with its policy on training and education for the general membership, GECCU awarded three (3) members with bursaries valued at \$3,000.00 each to continue with their studies at the University of the West Indies. The successful recipients were Bro. Shadique Gill and Sisters Kim Joshua and Danielia Lewis. They were presented with their bursaries at a special ceremony convened on Wednesday 19, October 2016.

- Scholarships and bursaries amounted to \$137,501.80 as at December 2016.
- On August 30, 2016, the Scholarship Committee held a counselling session with nine (9) scholars along with their parents in an effort to ensure that the students maintain an acceptable level of performance.
- The Board of Directors and the Scholarship Committee extend congratulations to all recipients of scholarships and wish them continued success in their academic endeavours.
- Congratulations are also extended to our scholars who performed exceptionally well in the 2016 Caribbean Secondary Education Certificate (CSEC) and the Caribbean Advanced Proficiency Examinations (CAPE).
- Special congratulations to the following scholars:
- Geran Maule, Gerard Porter and Alron Harry, Scholars of 2011 on their outstanding performance in the CSEC examinations.
- Rhea Cain and Nafesha Richardson, Scholars of 2009 on their exceptional performance at the Caribbean Advanced Proficiency Examinations (CAPE). Rhea and Nafesha are recipients of the Government of St. Vincent and the Grenadines Island Scholarships and Exhibition Scholarships of 2016, respectively.
- The Scholarship Committee collaborated with the Marketing Department to host the fourth (4th) annual Youth Leadership Symposium on August 23 & 24, 2016 at the Anglican Pastoral Centre, New Montrose. The theme of the symposium was “**Embracing the Power of Co-operative Values**”. Participants were informed about the co-operative principles and participated in a game show called “Know Your Credit Union”.
- The students were taken on a field trip to the WINFFRESH Facility at Diamond where they were educated on the role of WINFRESH in the farming community.

GECCU Scholarship Recipients 2016



Canouan Office Grand Opening



Forestry Division Summer Camp



Division of Nursing Public Speaking



Mentorship Program at C.W. Prescod



University Bursaries Recipients



Community Basketball Tournament



Youth Symposium



GECCU/OSCO Female 12/12 Cricket



South Rivers Pre-School Christmas Party



CPEA Scholarship Recipients 2016



GECCU LTD

2016

Highlights

Staff Awards 2016

Outstanding Performers



*Sis. Kathlyn Parson: Employee of the Year
Most Outstanding Junior Employee
Outstanding Performer (Accounts)*

*Sis. Alicia Ashton-Doyle: Outstanding Performer
Administration*

*Sis. Tonyah Williams: Outstanding Performer
Sub-office*

*Sis. Keisha Johnson: Outstanding Performer
Inquiries Section*

**Missing:
Bro. Keon Findlay: Outstanding Performer
Louns*

Educational Achievement

Years of Service

CEO Awards



*Sis. Rekha Gooding
BSc Management Studies
(First Class Honours)*



*Sis. Sarah Commissiong
25 Years*



*Bro. Junelto James
BSc Accounting
(Second Class Honours)*



*Bro. Osbert Cunningham Jr.
10 Years*



Sis. Ketora Browne



Sis. Keisha Johnson



Sis. Charissa Pitt



Sis. Rhonda Thompson

**Missing:*

*Sis. Gertrude Jacobs
Bro. Elias Francis
Bro. Keon Findlay*

**Missing:*

*Bro. Keon Findlay
ACCA Professional Designation*

STAFF PROFILE

BRO. LENNOX BOWMAN— CHIEF EXECUTIVE OFFICER

SIS. ALICIA ASHTON-DOYLE— CEO’S SECRETARY

ACCOUNTS DEPARTMENT

Sis. Maxine Johnney -Accountant
Sis. Rhonda Thompson- Assistant Accountant
Bro. Leslie Joseph- Senior Accounts Clerk
Sis. Adinga Findlay- Disbursement Officer
Sis. Cecile Fraser-Gibson- Accounts Clerk
Sis. Kathlyn Parsons- Junior Accounts Clerk
Bro. Ricardo Springer – Junior Clerk/Cashier
Sis. Aaliyah Providence – Junior Clerk/Cashier
Sis. Alrice Simmons – Junior Clerk/Cashier
Sis. Canique Dennie – Junior Clerk/Cashier
Bro. Olijah Parris – Junior Clerk/Cashier

Insurance Department:

Bro. Ryan Hazell - Insurance Clerk

INTERNAL AUDIT DEPARTMENT

Sis. Damoris Alexander - Internal Auditor
Sis. Alana Karen Mulraine- Ass’t. Internal Auditor

ADMINISTRATION DEPARTMENT

Sis. Cornelia Moses -Operations Officer
Sis. Prenella Holder- Customer Service Clerk
Sis. Bernadette John -Customer Service Clerk
Sis. Melissa Millington- Customer Service Clerk
Sis. Keisha Johnson- Customer Service Clerk
Sis. Grace Guy- Receptionist
Sis. Lydia Cain - Office Attendant
Sis. Annisha Rodgers– Junior Clerk

MARKETING DEPARTMENT

Sis. Danny-lee Francis - Senior Marketing Officer
Bro. Osbert Cunningham Jr. - Junior Marketing Officer

LOANS DEPARTMENT

Sis. Gertrude Jacobs- Loans Supervisor
Bro. Julian Ivo Joslyn- Senior Loans Officer
Sis. Cheryl Bacchus – Senior Loans Officer
Sis. Sarah Commissiong - Loans Officer
Bro. Junelto James- Loans Officer
Sis. Ketora Browne – Securities Clerk
Sis. Sharlene Charles – Securities Clerk
Bro. Hassan Archibald – Loans Receptionist
Sis. Theresa Douglas- Filing Clerk

Loans Department: Recoveries Section

Sis. Joanne Stowe- Powers- Recoveries Officer
Bro. Keon Findlay –Ass’t Recoveries Officer

IT DEPARTMENT

Bro. Elias Francis- Data Systems Administrator
Bro. Anton Jardine - Assist. Data Systems Administrator

GEORGETOWN OFFICE

Bro. Baldwin Johnney	Administrative Officer
Sis. Charissa Pitt	Junior Clerk
Bro. Keldon Walters	Junior Clerk
Sis. Khandé Henry	Junior Clerk

NORTHERN GRENADINES OFFICE: BEQUIA

Sis. Rekha Gooding	Administrative Clerk
Bro. Danny George	Security Staff

SOUTHERN GRENADINES OFFICE: CANOUAN

Sis. Colita Mitchell	Administrative Clerk
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SOUTHERN GRENADINES OFFICE: UNION ISLAND

Sis. Vennecia Ollivierre	Administrative Clerk
Bro. Junior Adams	Security Staff

SOUTH RIVERS OFFICE:

Sis. Tonyah Williams	Junior Clerk
Sis. Mehaila Williams	Junior Clerk
Sis. Norecia Seymour	Junior Clerk
Sis. Fay-Ann Baptiste	Office Attendant

8.0 Future Directions and Strategies

- 8.1 Short to medium term growth forecasts for the regional economy is favourable, based on positive GDP projections for all members territories. Expectations are for an expansion of 2.9 percent on average for the next two years. The main impetus for this outlook is anticipated robust construction activity, supported by strengthened performances in agriculture, hotels and restaurants.
- 8.2 The economic recovery in St. Vincent and the Grenadines is expected to continue in 2017, driven by the opening of the Argyle International Airport and a more benign external environment.
- 8.3 Consistent with its vision, mission and values, GECCU will continue to devote its energies towards attaining a firm grasp on its objectives and strategies, while continuously evaluation the needs of members and stakeholders.

Central to its efforts will be the following:

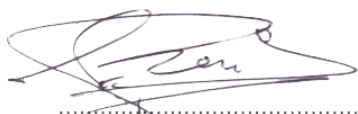
- 1. Enhancement of GECCU's Risk Management in all areas of its operations
 - 2. Maintenance and enhancement of a financially sound and secure institution
 - 3. Enhancement of GECCU's capacity at all levels
 - 4. Keeping GECCU relevant to all demographics, especially the youth.
 - 5. Pursuing consistent service excellence across our network of six branches throughout St. Vincent and the Grenadines.
 - 6. Continuously providing products and service which add value to our members' lives.
- 8.4 To achieve the foregoing, the Board, Committees and Management will continue to keep our planning at all levels focussed on the strategic issues, make the recruitment and development of top talent a priority and make member education our trump card, while continuing to embrace good governance as strategic priority.

9.0 Condolences

- 9.1 The Society extends sincere condolences to all bereaved members of the Credit Union family who lost loved ones during the year (*see Appendix 1*). May their souls rest in peace and may the good Lord provide comfort to their surviving relatives.

10.0 Acknowledgement

- 10.1 The Board wishes to express its gratitude and appreciation to Management and Staff who continue to demonstrate their support, loyalty and commitment to the Credit Union.
- 10.2 Deepest appreciation and heartfelt thanks to the members of the Education, Supervisory and Compliance, Credit and other Committees for the valuable work they have rendered to the development of the Credit Union.
- 10.3 Special thanks to the Financial Services Authority, the Co-operative Department, the SVG Co-operative League, Sister Credit Unions, the solicitors Baptiste and Company and Lyndon George, the Auditors BDO and other stakeholders for their support.
- 10.4 Most of all, the Board wishes to express sincere thanks to all valued members, for continuing to support the Credit Union and for affording us the opportunity to serve you during the year.
- 10.5 The Board also wishes to congratulate the entire membership on the staging of a successful 50th Anniversary programme.



.....
Bro. Kelvin Pompey
President

Appendix 1

List of members who passed on during the year:

1.	Neressa Baxter	51.	Hilda Jope	101.	Crosby Rodgers
2.	Arnold Caesar	52.	Claudia Quammie	102.	Bertram Ballantyne
3.	Akeem Nash	53.	Alban Nanton	103.	Vernette Roberts
4.	Noel Ollivierre	54.	Colville Caesar	104.	Vertille Franklyn
5.	Margaret Roderiques	55.	Luenda Browne-Williams	105.	Owen Charles
6.	Patricia Bullock	56.	Velma Jackson	106.	Alfred Davis
7.	Christopher Hepburn	57.	Elmi Andrews	107.	Desmond Smith
8.	Jacqueline Howe	58.	Lucinda Quashie	108.	Lorna Roberts
9.	Alice Jack	59.	Bentley Chambers	109.	Avis Israel
10.	Jamal Joe	60.	Fitzroy Dowers	110.	Carlos Ashton
11.	Harold Richardson– Morris	61.	Tilbert John	111.	Ulprian Foster
12.	Orell Samuel	62.	Cheryl Wood	112.	Pamela Williams
13.	James Steel	63.	Cecilia Da Silva	113.	Cecelia Thomas
14.	Veronica Webb	64.	Alwyn Abby	114.	Vanda King
15.	Allana Ashton	65.	Ercina Lewis	115.	Cecelia Jack
16.	Enoch Cruickshank	66.	Franklyn Warrican	116.	Erica Penniston
17.	Allan Debique	67.	Maeshel Hazelwood	117.	Nannie Penniston
18.	Alphanzo Durrant	68.	Stanley Bonadie	118.	Joyce Miller
19.	Yvonne Hagley-Audain	69.	Lorna Williams-Simmons	119.	Clairpatris Brown- Abraham
20.	Gideon Loraine	70.	Casmus Waldron	120.	Maureen Laborde
21.	Aumsimo Ralph	71.	Alban John	121.	Vanda Abraham
22.	Carlos Richardson	72.	Shonell Pype	122.	Majorie Horne
23.	Lynhurst Sam	73.	Evelyn Andrews	123.	Evelt Simon
24.	Kurleigh Samuel	74.	Monica Patterson	124.	Demol James
25.	Frederick Bruce-Lyle	75.	Henry Miguel	125.	Shirley Diamond
26.	Charles Burnet	76.	Raymond Slater	126.	Eslyn Forde
27.	Roslyn Davy	77.	Arnold Deroche	127.	Ivan Delpesche
28.	Ernest Dennie	78.	Randolph Baptiste	128.	Elroy Layne
29.	Theresa Grant	79.	Barbara Defreitas	129.	Vernon Nelson
30.	Larisa John	80.	Andrey Guy	130.	Linda Jackson
31.	Blanche Ollivierre	81.	Carl Joseph	131.	Anita Edwards
32.	Christopher Ollivierre	82.	Isha Simmons	132.	Jean Horne-Cato
33.	Brenda Toney	83.	William Sutherland	133.	Onixcy Hamilton
34.	Yvonne Trimmingham	84.	Elfrida Toby	134.	David Defrietas
35.	Ronika Wynne	85.	Roseline Trudge	135.	Fay-Ann Pompey
36.	Iseane Barnum	86.	Trildon Warrant	136.	Purnella O'Garro
37.	Andrea Caruth	87.	Richard Whittle	137.	Carmin Greaves
38.	Ilene Nicholls	88.	Millicent Yammie		
39.	Augustus Jessop	89.	Henry Miguel		
40.	Janis Joseph	90.	Augustus Clarke		
41.	Ancilla Lavia	91.	Estella John		
42.	Annis McKie	92.	Berris Oliver		
43.	Princess Mc Kie	93.	Mary Lampkin		
44.	Carmina Myers	94.	Ruiel Emmanuel		
45.	Almon Pilgrim	95.	Leonore Tash		
46.	Loen Solyn	96.	Desmond Miller		
47.	Osborne Allen	97.	Winston Williams		
48.	Malcolm Baptiste	98.	Alvie John		
49.	Christiana Henry	99.	Clifford Mercury		
50.	Loris John	100.	Ophelia Harry		

THE TREASURER'S REPORT TO THE 51ST ANNUAL GENERAL MEETING

INTRODUCTION

- 1.0** Brothers and sisters, I present to you the Treasurer's report, which highlights the financial performance of the General Employees Co-operative Credit Union Ltd for the year ended December 31, 2016.
- 1.1** General Employees Co-operative Credit Union Ltd continued its operations in the year 2016 amidst a variety of challenges, which include a declining rate of economic growth, natural disasters, reduced interest rates among commercial banks and lending activities from non-traditional sources. These were compounded by investment challenges such as COMFI. Despite these challenges in the year 2016, we were able to make a financial turnaround in terms of profit for the year.

2.0 FINANCIAL PERFORMANCE

- 2.1** The following is a synopsis of performance for the financial year ended December 31, 2016, with comparatives from the 2015 financial year.

2.2 ASSETS

	2016 \$	2015 \$	Increase/ (Decrease)	Increase (Decrease) %-age 2016 over 2015	Increase (Decrease) %-age 2015 over 2016
Total Assets	210,379,156	190,855,037	19,524,119	10%	6%
Loans	123,416,638	108,827,524	14,589,114	13%	7%
Investment Securities	30,608,505	30,501,789	106,716	0.35%	(3%)
Cash Resources	30,844,713	26,112,130	4,732,583	18%	2%

- 2.3** During the year total assets increased by 10% over 2015.

- The movement in total assets was influenced by the following;

1. Loans portfolio

- ⇒ The portfolio grew by 13% or \$14,589,114.
- ⇒ The mortgage portfolio grew by 13% or \$6,076,022.
- ⇒ Loans granted to the Co-operative Sector were \$3,406,778.
- ⇒ Land Loans increased by 29% or \$1,508,224.
- ⇒ Consumer loans increased by 14%

2. Investment securities. (Note 10 in F/S gives details of investments)

- ⇒ The portfolio increased marginally by 0.35% or \$106,716.
- ⇒ The credit union recognized its share of loss in COMFI of \$167,438. This further reduced the value of our investment in COMFI to \$255,232.60.
- ⇒ The expected settlement of the investments in BAICO was not received in 2016. The Judicial Manager is waiting for the Government of Bahamas to implement the legislation that would finalize the Plan of Arrangements; the process commenced in January 2017.
- ⇒ During the year we continued to trade in Government Treasury Bills actively.
- ⇒ The interest received on the maturity of the various fixed deposits were reinvested.

3. Cash resources

- ⇒ The cash resources increased by 18% or \$4,732,583.
- ⇒ Net cash of \$16,947,678 was received from members' contribution to regular shares, deposits and equity shares.
- ⇒ The increase in cash resources has added to the maintenance of an adequate liquidity level.

4. Investment properties

- ⇒ Investment properties decreased by 12% or \$1,222,000.
- ⇒ In keeping with the requirements of International Accounting Standards (IAS), all our properties were appraised to reflect current market value. The exercise resulted in a net depreciation of \$1,222,000 in Investment properties; this amount was charged to the profit and loss.

5. Property Plant and Equipment

- ⇒ Fixed Assets increased by \$1,307,832 or 15%.
- ⇒ The construction of the South Rivers Office has commenced and is at its completion stage. Total construction cost of \$1,168,223 was incurred at the end of the financial year.
- ⇒ The revaluation of the properties in keeping with the International Accounting Standards (IAS) resulted in a net loss of \$903,113 in the value of the buildings classified as Property Plant and Equipment. This loss is reflected in the profit and loss.

2.4 SHARE CAPITAL & MEMBERS' DEPOSITS

	2016 \$	2015 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2016 over 2015 (% age)	Increase/ (Decrease) 2015 over 2014 (% age)
Share Capital	23,634,241	21,810,012	1,824,229	8%	9%
Members' Shares Savings	81,219,786	75,414,806	5,804,980	8%	8%
Term Deposits	54,780,014	53,007,494	1,772,520	3%	2%
Ordinary Deposits	36,266,450	28,987,830	7,278,620	25%	19%
Junior Savers	3,656,341	3,121,570	534,771	17%	10%

- ⇒ The table above shows the movement in the different categories of deposits and shares.
- ⇒ The Share capital constitutes equity shares and qualifying shares.

2.5 INCOME

	2016 \$	2015 \$	Increase/ (Decrease)	Increase/ (Decrease) 2016 over 2015 (% age)	Increase/ (Decrease) 2015 over 2014 (% age)
Loan Interest Income	10,659,222	9,752,199	907,023	9%	7%
Investment Income	1,561,637	1,528,716	32,921	2%	(2%)
Rental Income	198,840	198,840	-	-	-
Death Benefit Contributions	612,040	578,680	33,360	6%	3%
Other Income	546,319	370,026	176,293	48%	4%

- ⇒ Total income increased by \$1,149,597 or 9%. Loan interest income represents 79% of total income and also increased by \$907,023 or 9% relative to 2015.
- ⇒ The increase in other income was primarily due to an increase in loans processing fees of \$166,301 or 60%.

2.6 EXPENSES

	2016 \$	2015 \$	Increase/ (Decrease)	Increase/ (Decrease) 2016 over 2015 (% age)	Increase/ (Decrease) 2015 over 2014 (% age)
Interest Expenses	3,270,542	3,555,564	(285,022)	(8%)	(7%)
Marketing Expenses	434,566	402,424	32,142	8%	96%
Personnel Costs	2,594,135	2,432,656	161,479	7%	6%
CUNA Insurance	821,399	750,525	70,874	9%	7%
Loan Loss Allowance	305,274	179,409	125,865	70%	(17%)
Marketing, General, Administrative & Other Expenses	2,225,273	1,983,109	242,164	12%	(5%)
Death Benefit Payments	521,000	425,500	95,500	22%	4%
Impairment Charges	167,438	4,383,886	(4,216,448)	(96%)	477%
Loss on revaluation of Properties	2,125,113	-	2,125,113	-	-

- ⇒ Total expense decreased by \$1,651,098 or 12%; this was because we did not have to contend with any significant provision/write-off of any investments similar to what was done in 2015.
- ⇒ There was a one-off expenditure of \$2.1million relating to the loss on the revaluation of the properties.

2.7 NET PROFIT

- 2.7.1 A net profit of \$1,113,318 was realized for 2016; this represents an increase compared to a loss of \$1,687,377 in 2015.

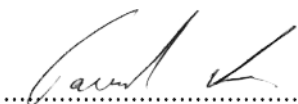
3.0 CONCLUSION

With the ECCB forecasting St. Vincent and the Grenadines growth rates for 2017 and 2018 of 2.3% and 2.0% respectively, with the credit union having over 210 Million in assets and having significantly written off most of its impaired financial investments, we are confident that we can accomplish further growth and success in core areas of our operations.

We have learned from the challenges that we have encountered. They have helped to strengthen and shape the resilience of the credit union. It is our intention to continue with the policies and objectives that would achieve our commitment to our members, staff and other stakeholders.

The confidence and support of our members are critical to successes in the years to come. With this in mind, we would ensure that a focus is placed on improving the services and returns to the membership.

Finally I would like to thank the general membership, the Board of Directors, Committees, Management and Staff for their support in 2016.



Bro. Jerold Jackson
Treasurer

**General Employees'
Co-operative Credit Union
Limited**

Financial Statements

Year Ended December 31, 2016

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Page 3	Statement of Financial Position
Page 4	Statement of Changes in Members' Equity
Page 5	Statement of Profit or Loss and Other Comprehensive Income
Page 6	Statement of Cash Flows
Pages 7-29	Notes to the Financial Statements



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Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
General Employees' Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **General Employees' Co-operative Credit Union Limited**, which comprise the statement of financial position as at December 31, 2016, and the statement of changes in equity, statement of profit or loss and other comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **General Employees' Co-operative Credit Union Limited** as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. "Reasonable assurance" is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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Chartered Professional Accountants

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

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

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

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

The Engagement Partner on the audit resulting in this independent auditors' report is Floyd A. Patterson.

April 26, 2017

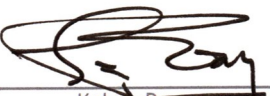
General Employees' Co-operative Credit Union Limited
Statement of Financial Position
As of December 31, 2016
(in Eastern Caribbean Dollars)

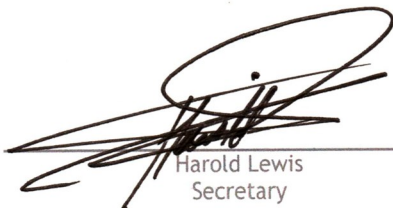
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	Notes	2016 \$	2015 \$
ASSETS			
Cash resources	8	30,844,713	26,112,130
Inventories	9	6,657,966	6,573,290
Investment securities	10	30,608,505	30,501,789
Loans to members	11	123,416,638	108,827,524
Other assets	12	282,724	357,526
Investment properties	13	8,769,000	9,991,000
Property, plant and equipment	14	9,799,610	8,491,778
		<u>210,379,156</u>	<u>190,855,037</u>
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payables	15	1,738,838	1,271,788
Staff pension fund deposit	16	643,447	535,744
Members' deposits	17	95,545,786	86,227,317
Members' ordinary savings	18	81,219,786	75,414,806
		<u>179,147,857</u>	<u>163,449,655</u>
Members' Equity			
Share capital	18	23,634,241	21,810,012
Statutory reserve	19	3,380,574	3,155,689
Social development fund	20	1,017,459	707,045
Statutory development fund	21	60,000	30,000
Accumulated other comprehensive income	22	1,790,445	810,483
Retained earnings (accumulated deficit)		1,348,580	892,153
		<u>31,231,299</u>	<u>27,405,382</u>
		<u>210,379,156</u>	<u>190,855,037</u>

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

APPROVED ON BEHALF OF THE BOARD: -


Kelya Compney
President


Harold Lewis
Secretary


Jerold Jackson
Treasurer

General Employees' Co-operative Credit Union Limited
Statement of Changes in Members' Equity
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

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	Share Capital \$	Statutory Reserve \$	Social Development Fund \$	Statutory Development Fund \$	Accumulated Other Compre- hensive Income \$	Retained Earnings \$	Total \$
Balance as of December 31, 2014	20,057,119	9,153,976	495,228	30,000	913,831	(3,137,786)	27,512,368
Net loss for the year	0	0	0	0	0	(1,687,377)	(1,687,377)
Net increase in qualifying shares	211,400	0	0	0	0	0	211,400
Net increase in equity shares	1,541,493	0	0	0	0	0	1,541,493
Other comprehensive loss	0	0	0	0	(103,348)	0	(103,348)
Social development fund, net	0	0	211,817	0	0	0	211,817
Entrance fees	0	1,713	0	0	0	0	1,713
Release of reserve	0	(6,000,000)	0	0	0	6,000,000	0
Dividend paid	0	0	0	0	0	(282,684)	(282,684)
Balance as of December 31, 2015	21,810,012	3,155,689	707,045	30,000	810,483	892,153	27,405,382
Net profit for the year	0	0	0	0	0	1,113,318	1,113,318
Net increase in qualifying shares	191,210	0	0	0	0	0	191,210
Net increase in equity shares	1,633,019	0	0	0	0	0	1,633,019
Other comprehensive gain	0	0	0	0	979,962	0	979,962
Social development fund, net	0	0	310,414	0	0	0	310,414
Statutory development fund	0	0	0	30,000	0	(30,000)	0
Appropriation to statutory reserve	0	222,664	0	0	0	(222,664)	0
Entrance fees	0	2,221	0	0	0	0	2,221
Dividend paid	0	0	0	0	0	(404,227)	(404,227)
Balance as of December 31, 2016	23,634,241	3,380,574	1,017,459	60,000	1,790,445	1,348,580	31,231,299

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

General Employees' Co-operative Credit Union Limited
Statement of Profit or Loss and Other Comprehensive Income
As of December 31, 2016
(in Eastern Caribbean Dollars)

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	Notes	2016 \$	2015 \$
Income			
Loan interest		10,659,222	9,752,199
Investment - net	23	1,561,637	1,528,716
		<u>12,220,859</u>	<u>11,280,915</u>
Interest Expense		<u>(3,270,542)</u>	<u>(3,555,564)</u>
Net Interest Income		<u>8,950,317</u>	<u>7,725,351</u>
Impairment in loans, less recoveries	11.3	(305,274)	(179,409)
		<u>8,645,043</u>	<u>7,545,942</u>
Selling Expenses	24	(434,566)	(402,424)
General and Administrative Expenses	25	(3,046,672)	(2,733,634)
Staff Cost	26	(2,594,135)	(2,432,656)
		<u>2,569,670</u>	<u>1,977,228</u>
Other Operating (Expenses) Income	27	(1,288,914)	719,281
Operating Profit		<u>1,280,756</u>	<u>2,696,509</u>
Impairment of held-to-maturity financial assets		0	(4,036,503)
Share of loss in associated company		(167,438)	(347,383)
		<u>(167,438)</u>	<u>(4,383,886)</u>
Profit (Loss) for Year		<u>1,113,318</u>	<u>(1,687,377)</u>
Other Comprehensive Income:			
Items that will or may be Reclassified through Profit or Loss:			
Appreciation (write-down) of available-for-sale financial assets		31,586	(103,348)
Items that will or may not be Reclassified through Profit or Loss:			
Appreciation of land and buildings		948,376	0
Other Comprehensive Income (Loss)		<u>979,962</u>	<u>(103,348)</u>
Comprehensive Income (Loss) for the Year		<u>2,093,280</u>	<u>(1,790,725)</u>
Profit (Loss) for the Year Attributed to Shareholders		<u>1,113,318</u>	<u>(1,687,377)</u>
Total Comprehensive Income (Loss) Attributed to Shareholders		<u>2,093,280</u>	<u>(1,790,725)</u>
The following expense is included in the foregoing:-			
Depreciation	14	244,362	226,742
Loss on revaluation of investment properties	27	1,222,000	0
Loss on revaluation of land and buildings - net	27	903,113	0

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

General Employees' Co-operative Credit Union Limited
Statement of Cash Flow
As of December 31, 2016
(in Eastern Caribbean Dollars)

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	Notes	2016 \$	2015 \$
Cash Flows from Operating Activities			
Net profit (loss) for the year		1,113,318	(1,687,377)
Adjustments for			
Depreciation		244,362	226,742
Loss on revaluation of investment properties		1,222,000	0
Loss on revaluation of land and buildings - net		903,113	0
Share of loss in associated company		167,438	347,383
(Profit) loss on disposal of fixed assets		(9,499)	2,765
Allowance for impairment loss in investment securities		0	4,036,503
Operating Profit before Changes in Operating Assets and Liabilities		3,640,732	2,926,016
Increase in loans to members		(14,589,114)	(7,165,092)
Decrease (increase) in other assets		74,802	(140,109)
Increase in members' deposits		9,318,469	6,309,106
Increase in staff pension fund deposit		107,703	121,318
Increase in inventories		(84,676)	(668,920)
Increase (decrease) in other payables		467,050	(47,101)
Increase in members' ordinary savings		5,804,980	5,258,003
Net Cash Generated from Operating Activities		4,739,946	6,593,221
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(1,507,432)	(4,069,254)
Proceeds from sale of property, plant and equipment		10,000	0
Net movement in investment securities		(242,568)	(3,524,352)
Addition to investment properties		0	(66,000)
Net Cash Used in Investing Activities		(1,740,000)	(7,659,606)
Cash Flows from Financing Activities			
Net increase in social development fund		310,414	211,817
Increase in share capital		1,824,229	1,752,893
Entrance fees		2,221	1,713
Dividend paid		(404,227)	(282,684)
Net Cash Generated from Financing Activities		1,732,637	1,683,739
Increase in Cash and Cash Equivalents		4,732,583	617,354
Cash and Cash Equivalents - Beginning of Year		26,112,130	25,494,776
Cash and Cash Equivalents - End of Year	8	30,844,713	26,112,130

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

General Employees' Co-operative Credit Union Limited

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General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2016

(in Eastern Caribbean Dollars)

1. Incorporation

The General Employees Co-operative Credit Union Limited was registered on July 14, 1964, as a Co-operative Society. The Credit Union's operations are subject to the Co-operative Societies Act 2012 of St. Vincent and the Grenadines and the supervision of the Financial Services Authority and the Co-operatives Unit in the Ministry of National Mobilization, Social Development, The Family, Persons with Disabilities and Youth.

2. Principal Objectives and Activities

The Credit Union's principal objectives are to promote thrift and savings among its members, and make loans to members exclusively for provident and productive purposes.

3. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on April 26, 2017.

4. Basis of Preparation

The principal accounting policies adopted in the preparation of these financial statements are set out in note 5. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial statements of the Credit Union have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), under the historical cost convention unless otherwise stated.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Credit Union's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Credit Union's accounting policies, management has made various judgments. Those which management has assessed to have the most significant effect on the amounts recognised in the non-consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Credit Union based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Credit Union. Such changes are reflected in the assumptions when they occur.

The Credit Union carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income (OCI). The Credit Union engaged an independent valuation specialist to assess fair value for investment property.

Change in Accounting Policies

a. New Standards, Interpretations and Amendments Effective from January 1, 2016

The Credit Union has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016:

IFRS 11 - Accounting for Acquisitions of Interest in Joint Operations

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*, which becomes effective for period beginning on or after 1 January 2016; was originally issued in May 2014 and addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. Earlier application is permitted.

4. Basis of Preparation (Cont'd)

Change in Accounting Policies (Cont'd)

a. *New Standards, Interpretations and Amendments Effective from January 1, 2016 (Cont'd)*

IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16 and IAS 38, which becomes effective for reporting periods beginning on or after 1 January 2016, and the *Clarification of Acceptable Methods of Depreciation and Amortisation*, was issued in May 2014. IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

IAS 27 - Equity Method in Separate Financial Statements

Amendments to IAS 27 *Equity Method in Separate Financial Statements*, which became effective for reporting periods beginning on or after 1 January 2016, was issued in August 2014. The amendments to IAS 27, *Separate Financial Statements*, will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are required to be applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

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

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, which is effective for annual reporting periods beginning on or after 1 January 2016, was issued in September 2014. The amendments address the conflict between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, when accounting for the sale or contribution of a subsidiary to a joint venture or associate (resulting in the loss of control of the subsidiary).

IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*, which is effective for annual reporting periods beginning on or after 1 January 2016, was issued in December 2014. The amendments clarify which subsidiaries of an investment entity should be consolidated instead of being measured at fair value through profit or loss. The amendments also clarify that the exemption from presenting consolidated financial statements continues to apply to subsidiaries of an investment entity that are themselves parent entities. This is so even if that subsidiary is measured at fair value through profit or loss by the higher level investment entity parent. In addition, the amendments provide relief whereby a non-investment entity investor can, when applying the equity method, choose to retain the fair value through profit or loss measurement that is applied by its investment entity associates and joint ventures to their subsidiaries.

IAS 1 - Disclosure Initiative

Disclosure Initiative (Amendments to IAS 1) was issued in December 2014. The amendments address concerns expressed about some of the existing presentation and disclosure requirements in IAS 1 *Presentation of Financial Statements* and ensure that entities are able to use judgement when applying those requirements. As a result, it introduces five, narrow-focus improvements to the disclosure requirements that relate to materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments also clarify the requirements in paragraph 82A of IAS 1 for presenting an entity's share of items of other comprehensive income of associates and joint ventures accounted for using the equity method. These amendments are required to be applied for annual periods beginning on or after 1 January 2016.

Annual improvements to IFRS's which will be effective for accounting periods beginning on or after 1 January 2016 as follows: -

- IFRS 5 - Changes in methods of disposal
- IFRS 7 - Servicing contracts
- IFRS 7 - Applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 - Discount rate: Regional market issue
- IAS 34 - Disclosure of information "elsewhere in the interim financial report"

The adoption of these amendments did not have any impact on any prior period and is not likely to affect future periods.

4. Basis of Preparation (Cont'd)

Change in Accounting Policies (Cont'd)

b. New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Credit Union's future financial statements which will be effective for the accounting periods beginning on or after 1 January 2016.

IFRS 9 - Financial Instruments

IFRS 9 *Financial Instruments*, which becomes effective for annual periods beginning on or after 1 January 2018, sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items; and replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

The Credit Union plans to implement IFRS 9 in reporting period beginning January 1, 2018, and anticipates that its application in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers*, which become effective for annual reporting periods beginning on or after 1 January 2017, was issued in May 2014. It establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard sets out five steps to follow: identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 replaces IAS 11 *Construction Contracts* and IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreement for the Construction of Real Estate* and IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*.

The Credit Union plans to implement IFRS 15 in the reporting period beginning January 1, 2017 and anticipates that in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

5. Significant Accounting Policies

a. Cash Resources and Short-term Investment Securities

Cash resources include highly liquid investments with insignificant interest rate risk and original maturities of ninety (90) days or less at the date of purchase. Investments with maturities between ninety (90) days and one year at the date of purchase are considered to be short-term investment securities. Short-term investment securities consist primarily of investment grade commercial paper, bankers' acceptances, and certificates of deposit.

b. Inventories

Inventories represents property held for sale and is stated at the lower of cost and net realisable value. The Credit Union's inventories arise when there is a change in the use of investment properties evidenced by the commencement of development with a view to sell, and the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realizable value. Cost, includes design cost, materials, direct labour, other direct costs and related construction overheads and borrowing costs for the development of all those qualifying assets, which is allocated to individual lots on an average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

c. Property, Plant and Equipment

Land and buildings are stated at the most recent valuation less subsequent depreciation for buildings. Valuations are performed every five years by independent professional valuers. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historic cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Changes in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of profit or loss.

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2016
(in Eastern Caribbean Dollars)

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5. Significant Accounting Policies (Cont'd)

c. Property, Plant and Equipment (Cont'd)

Land is not depreciated. Depreciation of other assets is calculated using a straight line method, at rates which are expected to write-off the cost or valuation of the assets over their estimated useful lives at the following annual rates:-

Freehold building	2%
Furniture and equipment	20%
Motor vehicle	20%

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the profit or loss. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

Repairs and maintenance are charged to the profit or loss account when the expenditure is incurred.

d. Investment Properties

Investment properties are properties, land or buildings or part thereof or both owned by the Credit Union or held under finance leases, to earn rentals or for capital appreciation or both. Any property interest held under an operating lease, which is used to earn rental income, and the Credit Union assumes substantially all the risk and rewards incidental to ownership is recognized as an investment property.

Investment properties are accounted for under the fair value model. The fair value of investment properties are determined by reference to independent notional market approach valuations. Changes in fair market valuation of investment properties are reflected in profit or loss.

e. Foreign Currency Translation

These financial statements are expressed in Eastern Caribbean dollars. The Eastern Caribbean dollar is the Credit Union's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Changes in the fair value of monetary securities denominated in foreign currencies classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss.

Translation differences on non-monetary items, such as equities held at fair value are recognised through profit or loss, and are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value in other comprehensive income and ultimately accounted for in reserves in equity.

f. Impairment of Non-Financial Assets

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

g. Associates

Associates are all entities over which the Credit Union has significant influence but not control, generally accompanied by a shareholders of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Credit Union's share of its associates' post-acquisition profits or loss is recognised in statement of income or loss, and its share of post-acquisition movements in other comprehensive income or loss is recognised in other comprehensive income or loss with a corresponding adjustment to the carrying amount of the investment.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Credit Union's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Credit Union does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

5. **Significant Accounting Policies (Cont'd)**

g. Associates (Cont'd)

The Credit Union determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Credit Union calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit (loss) of associates' in the income statement.

Unrealised gains on transactions between the Credit Union and its associates are eliminated to the extent of the Credit Union's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For the preparation of the financial instruments that are common accounting policies for similar transactions and other events in similar circumstances are used.

Dilution gains or losses in associates are recognised in the statement of income or loss.

h. Financial Assets

I. The Credit Union classified its financial assets in the following categories:

II. Financial assets at fair value through profit or loss;

III. Loans and receivables;

IV. Held-to-maturity investments; and

V. Available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

(i) Financial Assets at Fair Value through Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets and financial liabilities are designated at fair value through profit or loss when:

- Doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost, such as loans and advances to customers or banks, and debt securities in issue;
- Certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis, are designated at fair value through profit or loss; and
- Financial instruments, such as debt securities held, containing one or more embedded derivatives that significantly modify the cash flows, are designated at fair value through profit or loss.

Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in 'profit or loss from financial instruments designated at fair value.'

ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

iii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Credit Union's management has positive intention and ability to hold to maturity. If the Credit Union were to sell other than insignificant amounts of held-to-maturity assets, the entire category would be reclassified as available for sale.

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2016
(in Eastern Caribbean Dollars)

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5. **Significant Accounting Policies (Cont'd)**

h. **Financial Assets (Cont'd)**

iv) Available-for-Sale Financial Assets

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.

Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognised on trade-date - the date on which the Credit Union commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transactions costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Credit Union has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished - that is, when the obligation is discharged, cancelled or expires.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of profit or loss in the period in which they arise. Gains or losses arising from changes in the fair value of available-for-sale financial assets are recognised through other comprehensive income, until the financial asset is derecognised or impaired. At the time of derecognition, the cumulative gain or loss previously recognised in equity is transferred directly to retained earnings. However, interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the statement of profit or loss. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss when the entity's right to receive payment is established.

The fair value of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Credit Union establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

i. **Impairment of Financial Assets**

Assets Carried at Amortised Cost

The Credit Union assesses at each reporting 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 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 (a '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.

The criteria that the Credit Union uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest
- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales)
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Deterioration in the value of collateral
- Downgrading below investment grade level

The estimated period between a loss occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months; in exceptional cases, longer periods are warranted.

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 exist 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 included in a collective assessment for impairment.

5. Significant Accounting Policies (Cont'd)

i. Impairment of Financial Assets (Cont'd)

Assets Carried at Amortised Cost (Cont'd)

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 profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Credit Union may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Credit Union's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Credit Union and historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses to the Credit Union and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Credit Union to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

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 (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of profit or loss in impairment charge for credit losses.

The Credit Union assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of profit or loss.

Renegotiated Loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due on the basis of the renegotiated terms and conditions.

j. Interest Income and Expense

Interest income and expense are recognised in the statement of profit or loss for all interest bearing instruments on an accrual basis using the effective interest yield method based on the actual purchase price or estimated recoverable amount. Interest income includes coupons earned on fixed income investment and trading securities and accrued discount and premium on treasury bills and other discounted instruments.

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

5. Significant Accounting Policies (Cont'd)

k. Loans to Customers and Allowance for Loan Losses

Loans are stated net of unearned interest and allowance for loan losses.

The allowance for losses is based on an annual appraisal of loans. Specific and general allowance for loan losses is based on the year-end appraisal of loans. The specific element relates to identified loans whereas the general element relates to latent bad and doubtful loans which are present in any loan portfolio but have not been specifically identified. Loans are written down to estimated realisable value when the normal banking relationship with the customer has ceased; interest on the loan up to that time is credited to operations and allowance is made where appropriate.

l. Offsetting Financial Instruments

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

m. Share Capital

Share Capital Costs

The proceeds from the issue of new shares, except shares redeemable at the option of the holder, are accounted for as equity, net of transaction costs. Shares which are redeemable at the option of the holder are accounted for as financial liabilities.

Dividends

Dividends on shares, other than those redeemable at the option of the holder, are recognised in equity in the period in which they are approved by the directors. Dividends on shares which are redeemable at the option of the holders are accounted for as a charge in the statement of profit or loss in the period they are approved by the directors.

6. Financial Risk Management

a. Financial Risk Factors

The Credit Union's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Credit Union's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Credit Union's financial performance. The Credit Union has not entered into forward contracts to reduce its risk exposure.

i) Credit Risk

The exposure to credit risk is dependent on the degree of failure of counter-parties, including its customers, banks and other debtors, to honour their obligations to the Credit Union. The Credit Union's credit risk is spread primarily over a diversity of private customers, commercial entities, and government securities.

The Credit Union manages limits and controls concentrations of credit risk whenever they are identified, in particular to individual counterparties and groups, and to industries. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

The Credit Union structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers.

Collateral

The Credit Union employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Credit Union implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are: -

- I. Mortgages over real properties; and
- II. Charges over members' deposits and ordinary savings.

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6. Financial Risk Management (Cont'd)

a. Financial Risk Factors (Cont'd)

i) Credit Risk (Cont'd)

Collateral (Cont'd)

The Credit Union's risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Credit Union's credit exposure.

In addition, in order to minimize the credit loss, the Credit Union will seek additional credit collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

The following summarises the maximum credit risk:

	2016 \$	2015 \$
Deposits with commercial banks	30,055,385	24,988,959
Investment securities	30,608,505	30,501,789
Loans to members	123,416,638	108,827,524
Other assets	232,989	312,149
	184,313,517	164,630,421

The exposures set out above are based on net carrying amounts as reported in the statement of financial position, and represent a worst case scenario of credit risk exposure as at December 31, 2016 and 2015 without taking account of any collateral held or other credit enhancements attached.

The following summarises the Credit Union's maximum credit risk exposures to off-statement of financial position financial instruments: -

	2016 \$	2015 \$
Loan commitments and other related obligations	4,160,096	2,589,922

The table below presents an analysis of the Credit Union's special savings (Note 8), treasury bills and debt and equity securities (Note 10), loans to members (Note 11) and other financial assets (Note 12) by rating agency designation at December 31, 2016 and 2015, based on Moody's ratings or equivalent:

	Cash Resources \$	Investment Securities \$	Loans to Mem- bers \$	Other Assets \$	Total \$
At December 31, 2016					
Lower than A-	0	7,227,899	0	0	7,227,899
Unrated	30,055,385	23,380,606	123,416,638	232,989	177,085,618
	30,055,385	30,608,505	123,416,638	232,989	184,313,517
At December 31, 2015					
Lower than A-	0	6,322,988	0	0	6,322,988
Unrated	24,988,959	24,178,801	108,827,524	312,149	158,307,433
	24,988,959	30,501,789	108,827,524	312,149	164,630,421

ii) Liquidity Risk

Liquidity risk is the risk that the Credit Union will be unable to meet its payment obligations when they fall due under normal circumstances. The Credit Union monitors its liquidity risk by considering the maturity of both its financial assets and projected cash flows from operations. Where possible, the Credit Union utilises available credit facilities and other financing options.

In order to manage liquidity risks, management seeks to maintain levels of cash in each operating currency, which is sufficient to meet reasonable expectations of its short-term obligations.

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6. Financial Risk Management (Cont'd)

a. Financial Risk Factors (Cont'd)

ii) Liquidity Risk (Cont'd)

The table below analyses the Credit Union's financial assets and liabilities into relevant contractual maturity groupings, as of reporting date.

	0 - 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
At December 31, 2016					
Assets					
Cash in hand	789,328	0	0	0	789,328
Deposits with other commercial bank	30,055,385	0	0	0	30,055,385
Investment security	4,894,448	18,504,569	6,013,471	1,196,017	30,608,505
Loans to members	1,542,589	2,435,990	44,915,561	74,522,498	123,416,638
Other assets	232,989	0	0	0	232,989
	37,514,739	20,940,559	50,929,032	75,718,515	185,102,845
Liabilities					
Other payables	1,738,838	0	0	0	1,738,838
Staff pension fund deposit	643,447	0	0	0	643,447
Members deposits	58,848,281	36,697,505	0	0	95,545,786
Members ordinary savings	81,219,786	0	0	0	81,219,786
	142,450,352	36,697,505	0	0	179,147,857

	0 - 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
At December 31, 2015					
Assets					
Cash in hand	1,123,171	0	0	0	1,123,171
Deposits with other commercial bank	24,988,959	0	0	0	24,988,959
Investment security	1,231,411	17,306,485	5,195,845	6,768,048	30,501,789
Loans to members	79,591	589,999	36,479,648	71,678,286	108,827,524
Other assets	312,149	0	0	0	312,149
	27,735,281	17,896,484	41,675,493	78,446,334	165,753,592
Liabilities					
Other payables	1,271,788	0	0	0	1,271,788
Staff pension fund deposit	535,744	0	0	0	535,744
Members deposits	50,957,931	35,269,386	0	0	86,227,317
Members ordinary savings	75,414,806	0	0	0	75,414,806
	128,180,269	35,269,386	0	0	163,449,655

Off-Statement of Financial Position Instruments

Loan Commitments and Other Related Obligations

As of reporting date, the contracted amounts of the Credit Union's off-statement of financial position instruments that commit it to extend credit to members and other facilities (Note 30), are summarised in the table below: -

	2016 \$	2015 \$
Loan commitments and other related obligations	4,160,096	2,589,922

iii) Currency Risk

The Credit Union is subject to foreign currency risk to the extent that it trades in currencies other than Eastern Caribbean currency. The Credit Union does not use interest rate swaps or foreign currency options, or other derivative instruments to hedge any foreign currency risk exposure. At reporting date, all of the Credit Union's assets and liabilities were denominated in Eastern Caribbean currency, except as otherwise stated.

iv) Price Risk

The Credit Union's exposure to equity securities price risk arises from investments held by the Credit Union that are publicly traded and classified in the statement of financial position as available-for-sale.

The price risk impacting on the Credit Union's investments in equity securities are managed through a diversified portfolio. Diversification of the portfolio is done in accordance with the limits set by Management.

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6. Financial Risk Management (Cont'd)

a. Financial Risk Factors (Cont'd)

iv) Price Risk (Cont'd)

The Credit Union's publicly traded equity investments are included either in the Eastern Caribbean Stock Exchange Index or the Barbados Stock Exchange Index.

Sensitivity

Assuming that the equity indexes had each increased/decreased by 5% with all other variables held constant, and that all the Credit Union's equity instruments moved in line with the indexes, accumulated other comprehensive income for the year would have been \$19,409 (2015: \$17,830) higher or lower as a result of gains/losses on equity securities classified as available-for-sale. No impairment loss would be recognised in profit or loss as a result of the decrease in the indexes as the fair value of the available-for-sale financial assets would still be above cost.

v) Interest Rate Risk

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

The table below summarise the Credit Union's exposure to interest rate risks.

	Up to One Year	Between 1 - 5 Years	Over 5 Years	Non-Interest Bearing	Total
	\$	\$	\$	\$	\$
At December 31, 2016					
Financial Assets					
Cash resources	30,055,385	0	0	789,328	30,844,713
Investment securities	23,399,017	6,013,471	0	1,196,017	30,608,505
Loans to members	3,978,579	44,915,561	74,522,498	0	123,416,638
Other assets	0	0	0	232,989	232,989
Total Financial Assets	57,432,981	50,929,032	74,522,498	2,218,334	185,102,845
Financial Liabilities					
Other payables	0	0	0	1,738,838	1,738,838
Staff pension fund deposit	643,447	0	0	0	643,447
Members' deposit	95,545,786	0	0	0	95,545,786
Members' ordinary savings	81,219,786	0	0	0	81,219,786
Total Financial Liabilities	177,409,019	0	0	1,738,838	179,147,857
Total Interest Re-pricing Gap	(119,976,038)	50,929,032	74,522,498		5,475,492
	Up to One Year	Between 1 - 5 Years	Over 5 Years	Non-Interest Bear- ing	Total
	\$	\$	\$	\$	\$
At December 31, 2015					
Financial Assets					
Cash resources	24,988,959	0	0	1,123,171	26,112,130
Investment securities	18,537,896	5,195,845	5,436,180	1,331,868	30,501,789
Loans to members	669,590	36,479,648	71,678,286	0	108,827,524
Other assets	0	0	0	312,149	312,149
Total Financial Assets	44,196,445	41,675,493	77,114,466	2,767,188	165,753,592
Financial Liabilities					
Other payables	0	0	0	1,271,788	1,271,788
Staff pension fund deposit	535,744	0	0	0	535,744
Members' deposit	86,227,317	0	0	0	86,227,317
Members' ordinary savings	75,414,806	0	0	0	75,414,806
Total financial liabilities	162,177,867	0	0	1,271,788	163,449,655
Total Interest Re-pricing Gap	(117,981,422)	41,675,493	77,114,466		808,537

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6. Financial Risk Management (Cont'd)

a. Financial Risk Factors (Cont'd)

v) Interest Rate Risk (Cont'd)

Cash flow interest rate risk arises from loans and advances to members at variable rates. At December 31, 2016, if variable interest rates had been 0.5% higher/lower with all other variables held constant, profit for the year would have been \$617,083 (2015: \$544,138) higher/lower, mainly as a result of higher/lower interest income on variable rate loans.

vi) Capital Risk Management

The Credit Union's objectives when managing capital, which is disclosed as 'members' equity' on the face of statement of financial position, are:

- To comply with the capital requirements set by the Co-operative Societies Act 2012 of St. Vincent and the Grenadines (the Act);
- To safeguard the Credit Union's ability to continue as a going concern; and
- To maintain a strong capital base to support its developmental activities.

The Credit Union manages capital through the maintenance of a statutory reserve according to prescribed guidelines as mandated in the Act, and ratios recommended by the PEARLS Monitoring System goals. As at December 31, 2016, institutional capital was \$7,597,058 (2015: \$5,595,370).

During the reporting periods, the Credit Union complied with all of the Act's capital requirements.

b. 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 quoted market value, if one exists.

i) Financial Instruments not Measured at Fair Value

The table below summarises the carrying amount and fair values of those financial assets and liabilities not presented in the Credit Unions statements of financial position at their fair value: -

	Carrying value		Fair value	
	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets				
Cash resources	30,844,713	26,112,130	30,844,713	26,112,130
Investment securities	29,512,213	29,367,396	29,512,213	29,367,396
Loans to members	123,416,638	108,827,524	123,416,638	108,827,524
Other assets	232,989	312,149	232,989	312,149
	184,006,553	164,619,199	184,006,553	164,619,199

	Carrying value		Fair value	
	2016 \$	2015 \$	2016 \$	2015 \$
Financial Liabilities				
Other payables	1,738,838	1,271,788	1,738,838	1,271,788
Staff pension fund deposit	643,447	535,744	643,447	535,744
Members' deposit	95,545,786	86,227,317	95,545,786	86,227,317
Members' ordinary shares	81,219,786	75,414,806	81,219,786	75,414,806
	179,147,857	163,449,655	179,147,857	163,449,655

Off-Statement of Financial Position Instruments

	Carrying value		Fair value	
	2016 \$	2015 \$	2016 \$	2015 \$
Loan commitments and other related obligations	0	0	4,160,096	2,589,922

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6. Financial Risk Management (Cont'd)

b. Fair Value of Financial Assets and Liabilities (Cont'd)

i) Financial Instruments not Measured at Fair Value (Cont'd)

Determination of Fair Value (Cont'd)

Determination of Fair Value

The following methods and assumptions have been used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value: -

Short-term Financial Assets and Liabilities: The carrying value of these financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets are comprised of deposits with other commercial banks (Note 8), investment securities (Note 10), interest receivable, and certain other assets. Short-term financial liabilities are comprised of members' deposits and ordinary shares, staff pension fund deposit and certain other liabilities. The fair value of off-statement financial position financial instruments are also assumed to approximate the amounts disclosed in Note 30 due to their short-term nature.

Long-term loans and receivables: The estimated fair value of long-term loans to members is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining terms of maturity. Some of the financial assets included in investment securities are long-term.

Fair Value Hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges such as Barbados and Eastern Caribbean.
- Level 2 - Quoted prices for identical assets or liabilities in markets that are inactive (for example, over-the-counter transactions) or observable market quotes for similar instruments, or use of valuation techniques where all significant inputs are observable.
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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

The following table presents the Credit Union's financial assets and value.

At December 31, 2016

Available-for-sale investment securities
equity securities
Total Financial Assets

Level 1 \$	Level 2 \$	Total \$
388,185	366,599	754,784
388,185	366,599	754,784

At December 31, 2015

Available-for-sale investment securities
equity securities
Total Financial Assets

Level 1 \$	Level 2 \$	Total \$
356,599	366,599	723,198
356,599	366,599	723,198

The Credit Union's management performs valuations of financial items for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, using discounted cash flows. Valuation processes and fair value changes are undertaken at least every year, in line with the Credit Union's reporting dates.

Fair Value Measurement of Non-Financial Assets

At December 31, 2016

Investment properties
Property, plant and equipment
Total Financial Assets

Level 3 \$
8,769,000
9,294,204
18,063,204

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6. Financial Risk Management (Cont'd)

b. Fair Value of Financial Assets and Liabilities (Cont'd)

i) Financial Instruments not Measured at Fair Value (Cont'd)

At December 31, 2015
Investment properties
Property, plant and equipment
Total Financial Assets

Level 3 \$
9,991,000
8,104,634
<u>18,095,634</u>

Fair Value Measurement of Non-Financial Assets

Fair value of the Credit Union's real properties were revalued by an independent, professionally qualified property valuator. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee and adopted at reporting date. The valuation approach used prices and other relevant information generated by market transactions involving identical or comparable assets. Under the market approach, the value is determined based on comparable transactions. Management is of the opinion that these properties fair value will estimate the current market value.

7. Critical Accounting Estimates and Judgments

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Credit Union makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Impairment Losses on Loans to Members

The Credit Union reviews its loan portfolio to assess impairment at least annually. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Credit Union makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. To the extent that the net present value of estimated cash flows differs by +/-5%, the provision would be estimated at \$24,190 lower or \$24,295 higher.

b. Impairment of Held-to-Maturity Financial Instruments

Financial instruments that are not carried at fair value through profit or loss are subject to an impairment test at each reporting date. A financial asset or group of assets is impaired, and impairment losses are recognised, if only there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate. To the extent that the net present value of estimated cash flows differs by +/-5%, the provision would be estimated at \$78,611 (2015: \$78,611) lower or higher.

c. Impairment of Non-Financial Assets

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

d. Revaluation of Land and Buildings and Investment Property

The Credit Union measures its land and buildings at revalued amounts with changes in fair value being recognised in the statement of comprehensive income. The Credit Union engages independent valuation specialists to determine fair value of its land and buildings. The valuers use judgement in the application of valuation techniques such as replacement cost, capitalization of potential rentals and the market price of comparable properties, as applicable in each case.

General Employees' Co-operative Credit Union Limited
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8. Cash Resources

	2016 \$	2015 \$
Cash on hand	789,328	1,123,171
Current account	5,158,529	4,343,594
Special savings	24,896,856	20,645,365
	30,844,713	26,112,130

The effective interest rate on special savings is 1.89% (2015: 2.01%)

All cash resources are denominated in Eastern Caribbean Currency.

9. Inventories

	2016 \$	2015 \$
Balance - beginning of year	6,573,290	5,940,370
Development costs	84,676	632,920
Balance - end of year	6,657,966	6,573,290

10. Investment Securities

The Credit Union holds the following financial instruments: -

	Held -to- Maturity \$	Available -for- Sale \$	Investment in Associate \$	Total \$
At December 31, 2016				
Treasury bills, at amortised cost	4,111,790	0	0	4,111,790
Bonds, at amortised cost	6,111,508	0	0	6,111,508
Term deposits, at amortised cost	18,847,682	0	0	18,847,682
Unquoted equity securities, at cost	0	186,001	255,232	441,233
	29,070,980	186,001	255,232	29,512,213
Securities at fair value:				
• Quoted equity securities	0	754,784	0	754,784
	29,070,980	940,785	255,232	30,266,997
Interest receivable	341,508	0	0	341,508
Total Financial Investments	29,412,488	940,785	255,232	30,608,505

	Held -to- Maturity \$	Available -for- Sale \$	Investment in Associate \$	Total \$
At December 31, 2015				
Treasury bills, at amortised cost	4,150,518	0	0	4,150,518
Bonds, at amortised cost	6,322,988	0	0	6,322,988
Term deposits, at amortised cost	18,285,220	0	0	18,285,220
Unquoted equity securities, at cost	0	186,000	422,670	608,670
	28,758,726	186,000	422,670	29,367,396
Securities at fair value:				
• Quoted equity securities	0	723,198	0	723,198
	28,758,726	909,198	422,670	30,090,594
Interest receivable	411,195	0	0	411,195
Total Financial Investments	29,169,921	909,198	422,670	30,501,789

The maturity distribution of held-to-maturity investment securities is as follows: -

	2016 \$	2015 \$
Due within One Year	23,130,245	20,710,653
Due after One Year	5,940,735	8,048,073
	29,070,980	28,758,726

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10. Investment Securities (Cont'd)

Investment securities are denominated in the following currencies: -

	2016 \$	2015 \$
Eastern Caribbean dollar	30,344,314	30,183,260
Barbados dollar	182,684	182,684
United States dollar	81,507	135,845
	30,608,505	30,501,789

The weighted average effective interest rate on financial investments at reporting date was 5.17% (2015: 5.00%).

During the year, fair value gain in securities available-for-sale of \$31,586 (2015: \$103,348) was recognised in 'appreciation' (write-down) of available-for-sale financial assets in other comprehensive income.

British American Insurance Company Limited (BAICO) and Colonial Life Insurance Company International Limited (CLICO) have defaulted on their Flexible Annuity Policies and are under Judicial Management. The Credit Union's investments in BAICO and CLICO having nominal values of \$15,722,232 and \$7,014,910 are carried at \$1,572,224 and \$4 respectively.

10.1 Movement in Investment in Associate

The Credit Union holds a 33% ownership interest in St. Vincent and the Grenadines Small Business and MicroFinance Co-operative Ltd. (COMFI), a society registered in St. Vincent and the Grenadines and principal activity involves making loans to society members. On October 5, 2016, COMFI entered into liquidation. The Credit Union's interest in COMFI is not material to either its financial position or performance.

	2016 \$	2015 \$
Balance - beginning of year	422,670	770,053
Share of current year losses	167,438	347,383
Balance - end of year	255,232	422,670

The following summarises the financial information of the Credit Union's principal associate, which is unlisted, as of reporting date.

	2016 \$	2015 \$
Current assets	1,948,214	2,162,475
Non-current assets	140,841	197,241
Current liabilities	1,325,382	1,328,256
Revenue	186,002	231,378
Loss for the year	267,787	415,303

The above summarisation has been determined on the basis of the unaudited management accounts of the associate as the timing for receipt of the audited numbers is after the scheduled date for finalisation of the Credit Union's accounts. The 2015 comparatives represent audited financial results for the associate.

11. Loans to Members

	2016 \$	2015 \$
Consumer loans	68,800,818	60,610,042
Computer loans	96,892	62,864
Mortgage loans	52,966,557	46,890,535
Student loans	3,892,474	3,482,209
Interest receivable thereon, net	702,193	635,591
	126,458,934	111,681,241
Allowance for loan losses	(3,042,296)	(2,853,717)
	123,416,638	108,827,524

The effective interest yield during the year on loans to members was 9.00% (2015: 9.94%).

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11. Investment Securities (Cont'd)

11.1 Loans to Members Impairment Analysis

Loans and advances are summarised as follows: -

	2016 \$	2015 \$
Neither past due nor impaired	119,673,667	105,570,759
Past due but not impaired	2,767,175	3,114,177
Impaired	4,018,092	2,996,305
Gross	126,458,934	111,681,241
Less: allowance for impairment	(3,042,296)	(2,853,717)
Net	123,416,638	108,827,524

11.2 Allowance for Loan Losses

	2016 \$	2015 \$
Balance - Beginning of Year	2,853,717	2,633,717
Allowance for loan impairment (Note 11.3)	188,579	220,000
Balance - End of Year	3,042,296	2,853,717

11.3 Allowance for Impairment on Loans

	2016 \$	2015 \$
Increase in allowance for losses (Note 11.2)	188,579	220,000
Loans written off	136,420	0
Recoveries	(19,725)	(40,591)
	305,274	179,409

As of reporting date, interest of \$208,737 (2015: \$191,715) was suspended on loans amounting to \$6,103,714 (2015: \$6,019,339).

12. Other Assets

	2016 \$	2015 \$
ATM receivable	98,289	196,665
Rent receivable	6,253	25,754
Prepaid expenses	49,826	45,377
Staff receivables - net	2,179	5,627
Western Union receivable	34,168	27,343
Other	92,009	144,192
	282,724	444,958
Allowance for impairment of other receivables	0	(87,432)
	282,724	357,526

All other assets are denominated in Eastern Caribbean Currency.

13. Investment Properties

	2016 \$	2015 \$
Carrying value at beginning of year	9,991,000	9,925,000
Additions	0	66,000
Loss on revaluation (Note 27)	(1,222,000)	0
Carrying value at end of year	8,769,000	9,991,000

Investment properties comprise:

	2016 \$	2015 \$
Properties held for rental	8,769,000	9,991,000

Rental income from investment properties amounted to \$198,840 (2015: \$198,840) and direct operating expenses amounted to \$2,458 (2015: \$7,137). Fair value loss of \$1,222,000 (2015: Nil) has been recognised in other operating (expense) income.

Investment properties were valued on December 30, 2015, using the market approach by Construction and Property Development Services Limited, an independent valuator. The valuations were adopted by the Board of Directors effective December 31, 2016.

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

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14. Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
At December 31, 2014					
Cost or valuation	1,374,185	3,065,186	1,849,605	130,110	6,419,086
Accumulated depreciation	0	(243,558)	(1,393,389)	(130,108)	(1,767,055)
Net book amount	1,374,185	2,821,628	456,216	2	4,652,031
Year Ended December 31, 2015					
Opening net book amount	1,374,185	2,821,628	456,216	2	4,652,031
Additions	2,000,000	1,970,438	98,816	0	4,069,254
Disposals	0	0	(2,765)	0	(2,765)
Depreciation charge	0	(61,617)	(165,125)	0	(226,742)
Closing net book amount	3,374,185	4,730,449	387,142	2	8,491,778
At December 31, 2015					
Cost or valuation	3,374,185	5,035,624	1,895,068	130,110	10,434,987
Accumulated depreciation	0	(305,175)	(1,507,926)	(130,108)	(1,943,209)
Net book amount	3,374,185	4,730,449	387,142	2	8,491,778
Year Ended December 31, 2016					
Opening net book amount	3,374,185	4,730,449	387,142	2	8,491,778
Additions	0	1,168,223	172,038	167,171	1,507,432
Revaluation surplus (loss)	1,355,896	(1,615,808)	0	0	(259,912)
Reversal of accumulated depreciation on revaluation	0	305,175	0	0	305,175
Disposals	0	0	(500)	(1)	(501)
Depreciation charge	0	(23,916)	(187,012)	(33,434)	(244,362)
Closing net book amount	4,730,081	4,564,123	371,668	133,738	9,799,610
At December 31, 2016					
Cost or valuation	4,730,081	4,588,039	2,050,462	207,171	11,575,753
Accumulated depreciation	0	(23,916)	(1,678,794)	(73,433)	(1,776,143)
Net book amount	4,730,081	4,564,123	371,668	133,738	9,799,610

Depreciation expense of \$244,362 (2015: \$226,741) has been charged to general and administrative expenses.

Land and buildings were revalued on December 30, 2015, using the market approach by Construction and Property Development Services Ltd., an independent valuator. The valuations were adopted by the Board of Directors effective December 31, 2016.

The following summarises the components of property, plant and equipment had they been accounted for on a historical cost basis:

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
Cost	3,374,185	6,203,847	2,148,756	207,171	11,933,959
Accumulated depreciation	0	(426,860)	(1,684,950)	(76,220)	(2,188,030)
Net Book Value	3,374,185	5,776,987	463,806	130,951	9,745,929

15. Staff Retirement Benefit Plan

The Credit Union has a defined contribution retirement plan, which is administered by Colonial Life Insurance Company (Trinidad) Limited (CLICO) for eligible full-time employees. Pursuant to the provisions of the plan, the Credit Union is required to contribute four per cent (4%) of each qualifying employee's salary to the plan. As of reporting date, Colonial Life Insurance Company (Trinidad) Limited is under juridical management and is insolvent. The Credit Union retains the pension contributions in a deposit account, which at reporting date amounted to \$643,447 (2015: \$535,744). The deposit earns interest at the rate of 2% per annum.

16. Members' Deposits

	2016 \$	2015 \$
Term deposits	54,780,014	53,007,494
Saving deposits	39,922,791	32,109,400
	94,702,805	85,116,894
Interest payable on term deposits	842,981	1,110,423
	95,545,786	86,227,317

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16. Members' Deposits (Cont'd)

The effective interest rates on members' deposits are as follows:-

	2016 %	2015 %
Term deposits	3.12	3.67
Saving deposits	1.85	2.16

All members' deposits are denominated in Eastern Caribbean Currency.

17. Members' Ordinary Savings

	2016 \$	2015 \$
Members' ordinary shares	80,273,441	74,361,984
Interest payable on member share savings	946,345	1,052,822
	81,219,786	75,414,806

Members' ordinary savings bear interest at rates not exceeding the rate of interest stipulated by the East Caribbean Central Bank.

18. Share Capital

	2016		2015	
	No. of Shares	\$	No. of Shares	\$
Qualifying Shares				
Authorised number of shares of \$1 par value	Unlimited		Unlimited	
Issued and Fully Paid				
Balance - beginning of year	3,107,900	3,107,900	2,896,500	2,896,500
Issued during the year	234,360	234,360	248,745	248,745
Repurchased during the year	(43,160)	(43,160)	(37,345)	(347,345)
Balance - end of year	3,299,100	3,299,100	3,107,900	3,107,900
	2016		2015	
	No. of Shares	\$	No. of Shares	\$
Equity Shares				
Authorised number of shares of \$1 par value	Unlimited		Unlimited	
Issued and Fully Paid				
Balance - beginning of year	18,702,112	18,702,112	17,160,609	17,160,609
Issued during the year	1,985,557	1,985,557	1,837,619	1,837,619
Repurchased during the year	(352,528)	(352,528)	(296,116)	(296,116)
Balance - end of year	20,335,141	20,335,141	18,702,112	18,702,112

Each member shall purchase, annually, at least 50 shares which shall be credited to their equity shares account. Holders of qualifying and equity shares are entitled to vote at the Credit Union's general meetings and any dividend duly declared. Each shareholder is entitled to one vote.

19. Statutory Reserve

Pursuant to the provisions of Article XIX (1) of the By-Laws and Part VII section 124 of the Co-operative Societies Act 2012, the Credit Union shall credit all entrance fees and fines collected from members to the statutory reserve. If at the end of each financial year the amount standing to statutory reserves and other institutional capital, before any declaration of dividend, is less than ten percent of total assets, the Credit Union shall transfer to statutory reserve for that year not less than twenty percent (20%) of its surplus or such lesser sum as may be required to increase the statutory reserves to ten percent of total assets.

	2016 \$	2015 \$
Balance - Beginning of Year	3,155,689	9,153,976
Entrance fees received in current year	2,221	1,713
Appropriation of statutory reserve	222,664	0
Release to retained earnings to absorb impairment loss	0	(6,000,000)
Balance - End of Year	3,380,574	3,155,689

The Financial Services Authority approved the release of \$6 million of the statutory reserve, in accordance with section 124 of the Co-operative Societies Act, to absorb the impairment of the BAICO and CLICO securities.

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20. Social Development Fund

The Social Development Fund is to assist needy members to recover from severe illness/emergencies/natural disasters. Each member is required to make an annual contribution thereto of \$20.00.

	2016 \$	2015 \$
Balance - beginning of year	707,045	495,228
Contribution received	475,420	466,740
Benefits paid	(165,006)	(254,923)
Balance - end of year	1,017,459	707,045

21. Statutory Development Fund

	2016 \$	2015 \$
Balance - beginning of year	30,000	30,000
Annual transfer of profits	30,000	0
Balance - end of year	60,000	30,000

In accordance with Article 125 of the Co-operative Societies Act 2012, the Credit Union shall maintain, from annual appropriations not exceeding ten percent of net profits, a Development Fund, which shall be administered by the National League, for the development of registered societies.

22. Accumulated Other Comprehensive Income

	Property Revaluation Reserve \$	Net Unrealized Gains on Investments \$	Total \$
Balance at January 1, 2015	511,915	401,916	913,831
Net losses from change in fair value investment securities	0	(103,348)	(103,348)
Balance at December 31, 2015	511,915	298,568	810,483
Reversal of surplus on revaluation of properties	(511,915)	0	(511,915)
Appreciation in fair value of properties	1,460,291	0	1,460,291
Appreciation in fair value of investment securities	0	31,586	31,586
Balance at December 31, 2016	1,460,291	330,154	1,790,445

23. Investment Income - Net

	2016 \$	2015 \$
Dividend	71,390	8,251
Interest earned	1,490,247	1,520,465
	1,561,637	1,528,716

24. Selling Expenses

The following summarise the Credit Union's selling expenses by their nature.

	2016 \$	2015 \$
Advertising	180,812	186,496
Donations	110,685	63,306
Heritage month expenses	550	4,851
Scholarships	137,502	140,441
School co-operative expense	3,067	1,435
Social assistance expense	1,950	5,895
	434,566	402,424

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25. General and Administrative Expenses

The following summarise the Credit Union's administrative expenses by their nature.

	2016 \$	2015 \$
ATM card embossing cost	4,133	2,848
Audit fee	80,285	66,022
Bad debts - rent and other	1,088	9,187
Bank charges	12,395	10,461
Board and committee expenses	110,020	91,430
Credit Union week	13,910	13,503
Cleaning expenses	15,590	15,555
Debit card project	0	10,503
Depreciation	244,362	226,742
Education and promotion	9,195	50,321
Electricity	122,350	96,517
General insurance	78,537	61,304
Georgetown branch expenses	89,059	60,776
Grenadines expenses	167,588	112,009
Honorarium	10,200	9,600
Insurance on members' shares and loans	821,399	750,525
League dues	128,966	121,058
Licensing fees	54,569	61,283
Meeting expenses	60,606	68,397
Miscellaneous expenses	28,800	18,978
Motor vehicle expense	30,813	23,868
Office expenses	61,913	80,128
Professional fees	53,873	12,972
Property tax	9,827	7,380
Rent	166,973	102,694
Repairs and maintenance	117,947	102,399
Security	107,423	126,377
Social events	57,583	43,266
Stationery, postage and office supplies	96,950	86,116
Subscriptions and membership dues	6,416	6,733
Telephone and Internet	147,772	136,414
Water and sewerage	23,187	22,113
Convention and summit	112,943	126,155
	3,046,672	2,733,634

26. Staff Cost

The following summarises the Credit Union's staff cost by their nature.

	2016 \$	2015 \$
Education assistance	3,402	1,215
Group medical insurance	73,836	108,215
Holiday grant	0	6,000
Housing allowance	4,800	4,800
Pension	83,686	81,840
National Insurance contributions	91,137	86,185
Salaries, wages and bonus	2,166,489	1,949,703
Staff training	74,842	65,905
Travel and entertainment allowances	80,704	78,328
Uniforms	15,239	50,465
	2,594,135	2,432,656
Number of employees as of reporting date	50	51

General Employees' Co-operative Credit Union Limited
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27. Other Operating (Expenses) Income

The following summarise the Credit Union's other operating income by their nature.

	2016 \$	2015 \$
Commission income	47,349	46,160
Gain (loss) on disposal of property	9,499	(2,765)
Income on death benefit plan - net (Note 28.1)	91,040	153,180
Income from investment properties	198,840	198,840
Loss on revaluation of investment properties (Note 13)	(1,222,000)	0
Loss on revaluation of land and buildings - net	(903,113)	0
Loan processing fee	442,925	276,624
Other income	46,546	47,242
	(1,288,914)	719,281

27.1 Income on Death Benefit Plan - Net

	2016 \$	2015 \$
Members' death benefit contributions during the year	612,040	578,680
Death benefit claims paid during the year	(521,000)	(425,500)
	91,040	153,180

28. Income Tax

In accordance with Section 25 of the Income Tax Act 1979, the Credit Union, is exempt from income tax.

29. Related Party Transactions

If a party has control over or the party has significant influence over the Credit Union or is a member of the key management personnel, it is considered a related party.

The Board of Directors, committees and staff of the General Employees Co-operative Credit Union Limited are therefore considered as related parties.

a. Loans and Deposits

	2016 \$	2015 \$
Loans		
Directors and volunteers	3,657,610	3,229,623
Staff	4,656,780	4,075,398
	8,314,390	7,305,021

	2016 \$	2015 \$
Deposits		
Directors and volunteers	813,133	1,129,428
Staff	826,359	928,634
	1,639,492	2,058,062

b. Key Management Compensation

	2016 \$	2015 \$
Salaries	685,027	643,731
National Insurance Services	17,159	17,159
	702,186	660,890

c. Other

	2016 \$	2015 \$
Board honorarium	10,200	9,600

General Employees' Co-operative Credit Union Limited
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30. Commitments

- a. As of reporting date, the Credit Union is committed to capital expenditure amounting to approximately \$163,860 for the construction of the South Rivers office.
- b. The Credit Union is committed to monthly rentals of \$5,196, \$1,500 and \$4,859 under operating leases which expire on December 31, 2018, January 31, 2019, and October 31, 2019 respectively. Total of future minimum lease payment under non-cancellable operating leases: -

	2016 \$	2015 \$
Not later than one year	138,657	109,102
Later than one year and not greater than five years	188,745	62,352
	<u>327,402</u>	<u>171,454</u>

- c. As of reporting date, the Credit Union had contractual amounts of off-statement of financial position financial instruments that commit it to extend credit to members as follows: -

	2016 \$	2015 \$
Undrawn loan commitments	<u>4,160,096</u>	<u>2,589,922</u>

31. Subsequent Event

On April 26, 2017, the Board of Directors proposed a dividend of 2.5% on equity shares to members.

32. Reclassification of Comparative Figures

During the year, the Credit Union adopted new bases, with the view to improving the relevance, and reliability of its financial position, financial performance and cash flows, on which the 2016 financial statements were compiled. To facilitate comparability with prior years, certain of the comparative financial line items were restated. The following summarises the effects of these financial statement items which were reclassified.

(a) Investment Securities

	\$
As reported at December 31, 2015	30,090,594
Reclassification of amounts previously recorded as other assets	411,195
Balance as restated at December 31, 2015	<u>30,501,789</u>

(b) Other Assets

	\$
As reported at December 31, 2015	768,721
Reclassified as investment securities	(411,195)
Balance as restated at December 31, 2015	<u>357,526</u>

(c) Other Payables

	\$
As reported at December 31, 2015	3,435,033
Reclassified as members' deposits	(1,110,423)
Reclassified as members' ordinary savings	(1,052,822)
Balance as restated at December 31, 2015	<u>1,271,788</u>

(d) Members' Deposit

	\$
As reported at December 31, 2015	85,116,894
Reclassification of amounts previously recorded as other payables	1,110,423
Balance as restated at December 31, 2015	<u>86,227,317</u>

(e) Members' Ordinary Savings

	\$
As reported at December 31, 2015	74,361,984
Reclassification of amounts previously recorded as other payables	1,052,822
Balance as restated at December 31, 2015	<u>75,414,806</u>

THE CREDIT COMMITTEE'S REPORT TO THE 51ST ANNUAL GENERAL MEETING

1.0 Introduction

- 1.1 Bros. Michael Sayers, Linus Goodluck and Renato Gumbs; Sis Janice King and Marla Mulraine continued to serve on the Credit Committee for the year 2016. At the 50th Annual General Meeting, Bros. Michael Sayers and Linus Goodluck were re-elected to serve for a second three-year term. The composition of the 2016/2017 Credit Committee is as follows:

- | | | |
|-----------------------|---|---------------|
| • Bro. Michael Sayers | - | Chairman |
| • Sis. Janice King | - | Vice Chairman |
| • Sis. Marla Mulraine | - | Secretary |
| • Bro. Linus Goodluck | - | Member |
| • Bro. Renato Gumbs | - | Member |

2.0 Meetings and Attendance

- 2.1 For the calendar year 2016, a total of sixty one (61) regular meetings were convened.

- 2.2 The Committee's attendance record was as follows:

	2016
Bro. Michael Sayers	57
Sis. Janice King	56
Sis. Marla Mulraine	57
Bro. Renato Gumbs	58
Bro. Linus Goodluck	58

- 2.3 A total of ninety (90) interviews were conducted with loan applicants, forty (40) of which included the members' contractors.
- 2.4 Members of the Credit Committee as well as in-house staff, conducted thirty six (36) site visits to a total of two hundred and forty two (242) properties comprising properties for which loan applications were submitted for purchase and properties offered as security, to assess suitability; and ongoing projects.

3.0 Work Plan

- Processed loans in accordance with GECCU's loan policy;
 - Submitted monthly reports to the Board of Directors;
 - Provided financial counselling to members when necessary;
 - Participated in relevant training sessions and meetings;
 - Conducted site visits;
 - Conducted interviews where necessary;
 - Worked closely with the Loans Department and Recoveries Section;
 - Completed revision of the loan policy;
 - Collaborated with technical personnel
- 3.1 Due to the impact of natural disasters and continued financial challenges of members, it became necessary for the Credit Committee to provide financial advice, restructure loans and at times, mediate between contractors and members.

4.0 Loan Review and Disbursement

4.1 Due to the reduction in the interest rate on residential mortgages and land loans, and the extended terms of payment, loans became more affordable to members, resulting in enhanced disposable income.

4.2 The following table provides a summary of the loan activities for the period under review.

Table 1: Loan Activities for the financial year 2016

	2016		2015		% change	
Particulars	No.	Value (\$)	No.	Value (\$)	No.	Value
Total loan applications processed	8180	66,284,127	7286	44,408,820	12.3%	49.3%
Total loan applications approved	8141	58,336,281	7253	39,804,139	12.2%	46.6%
Total loan applications deferred	17	3,591,890	13	1,387,684	30.8%	158.8%
Total loan applications not approved	22	4,355,956	20	3,216,997	10.0%	35.4%
Total loans disbursed	8118	54,176,185	7236	37,214,217	12.2%	45.5%
Total loans approved but not yet disbursed	23	4,160,096	17	2,589,922	35.3%	60.6%

4.2.1 Table 1 above reveals a 49.3% increase in the value of loans processed, while the numbers increased by 12.3%. Following this trend there were also increases in all of the sub-headings in both value and number.

4.3 The table below shows loans disbursed by type.

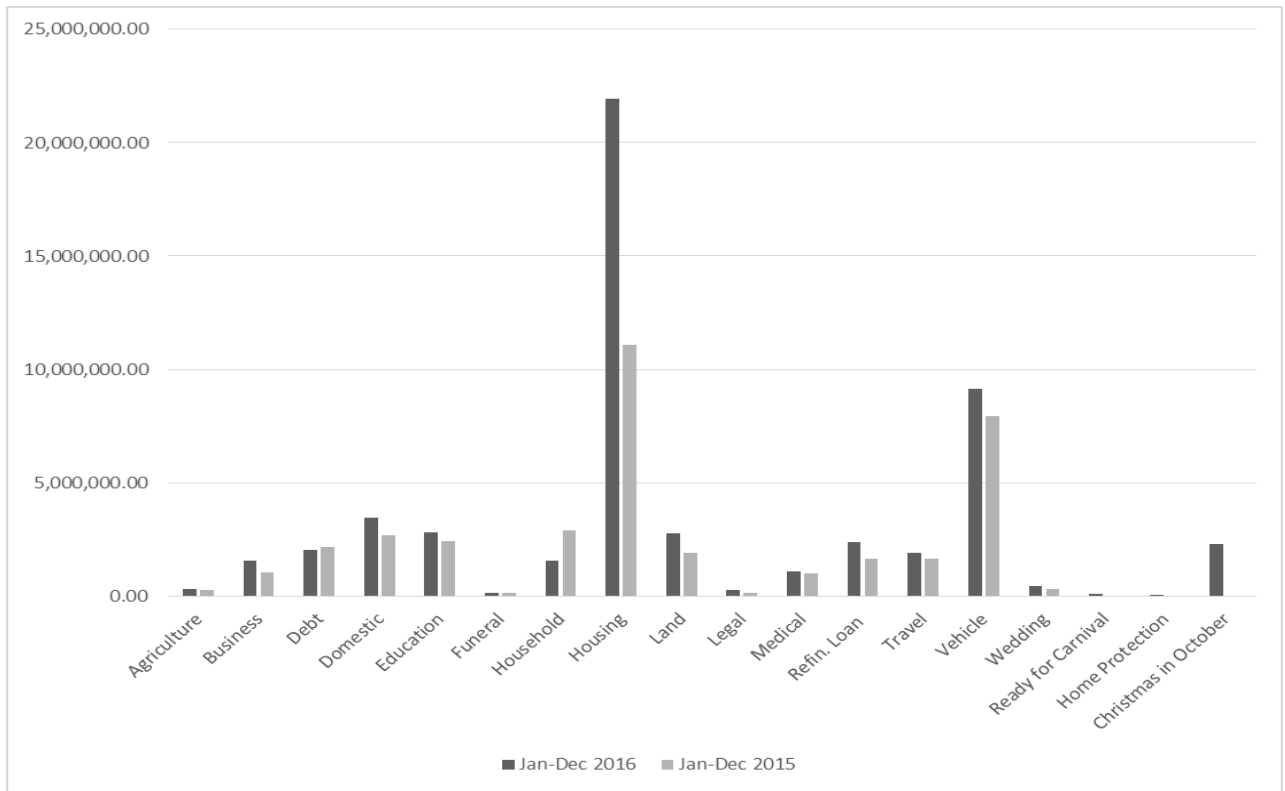
Table 2: Loans Disbursed by Type

	Jan-Dec 2016			Jan-Dec 2015			%
Type	No. of Loans	Amount (\$)	% of Total Loan Value	No. of Loans	Amount (\$)	% of Total Loan Value	change (Value)
Agriculture	116	320,305	0.6	126	270,212	0.7	18.4%
Business	270	1,560,206	2.9	224	1,042,730	2.8	49.6%
Debt	646	2,018,996	3.7	727	2,162,814	5.8	-6.6%
Domestic	1626	3,451,471	6.4	1592	2,690,695	7.2	28.3%
Education	758	2,807,153	5.2	705	2,432,333	6.6	15.4%
Funeral	45	132,325	0.2	37	126,349	0.4	4.7%
Household	666	1,566,122	2.9	427	1,517,934	4.1	3.2%
Housing	976	21,947,137	40.5	723	11,061,201	29.7	98.4%
Land	69	2,764,647	5.1	51	1,889,153	5.1	46.3%
Legal	66	262,914	0.5	52	147,394	0.4	78.4%
Medical	488	1,099,548	2.0	484	978,281	2.6	12.4%
Refin. Loan	133	2,355,282	4.3	139	1,640,341	4.4	43.6%
Travel	474	1,917,143	3.5	434	1,646,534	4.4	16.4%
Vehicle	966	9,143,585	16.9	823	7,930,323	21.3	15.3%
Wedding	91	447,128	0.8	72	326,330	0.9	37.0%
Christmas in October	695	2,277,993	4.2	620	1,351,593	3.6	68.5%
Home Protection	2	19,594	0.1				
Ready for Carnival	31	84,636	0.2				
Total	8118	54,176,185	100	7236	37,214,217.00	100	

4.3.1 During the period under review, the value of loans disbursed increased from \$37 million to \$54 million, representing an increase of 69%. This figure exceeded the budgeted amount of \$36 million for the year by \$18 million. The category that reflected the highest increase was housing, which reflected 40.5% of the total disbursement, up from 29.7% in the previous year. This can be a reflection of the continued positive effect of the reduction in interest rate for mortgages and land in the latter half of 2015. Two new loan products were introduced to the portfolio: Ready for Carnival and Home Protection. Positive responses are expected in the coming years.

4.3.2 Chart 1 below shows a graphical representation of loans disbursed by type.

Chart 1: Loans disbursed by Type for the period 2015-2016



5.0. Mortgage Financing Program (MFP)

5.1 The total value of the mortgage (housing) portfolio stood at \$52,966,557 as at December 2016, representing 42% of the total loan portfolio, which amounted to \$125,756,741.00.

5.2 For the period under review, a total of 72 mortgages were approved, which amounted to \$15.7 million, representing approximately 26.91% of the total loans approved. This is an increase from that of the corresponding period in 2015, which showed that the number of mortgages approved totaled 42, amounting to \$8 million, representing approximately 20.10% of the total loans approved.

5.3 The committee continues to place emphasis on the monitoring of all loans with the aim of ensuring compliance and providing counselling to applicants.

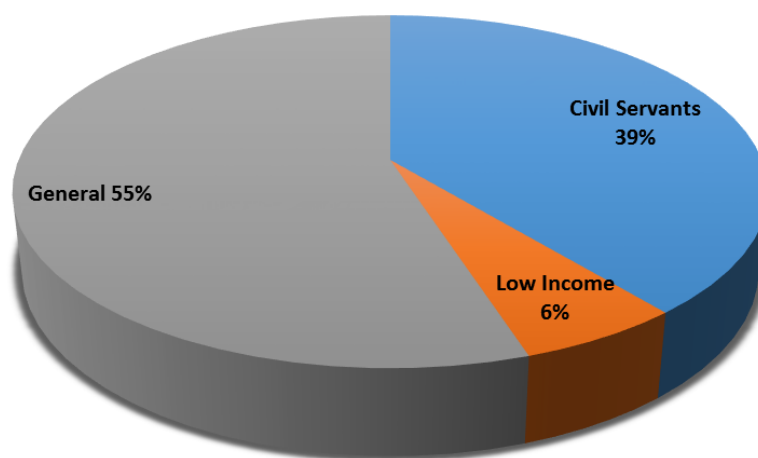
- 5.4 The table below shows the number and the value of the mortgage portfolio for the year 2016 in comparison to the year 2015.

Table 3: Mortgage portfolio by Category

Category	2016			2015		
	No. of Loans	Value (\$)	% of Total Loan Value	No. of Loans	Value (\$)	% of Total Loan Value
Civil Servants	139	20,547,603.00	39%	126	19,254,507.00	41%
Low Income	36	3,167,810.00	6%	36	3,216,511.00	7%
General	202	29,251,144	55%	177	24,420,031.00	52%
TOTAL	377	52,966,557	100	339	46,891,049.00	100

- 5.4.1 The distribution of the mortgage portfolio for the fiscal year 2016 is presented in the pie chart below.

Chart 2: Mortgage portfolio by Category



6.0 Delinquency Status

The Credit Committee is cognizant of its mandate to monitor the delinquency status of the loan portfolio, as set out in Section (62) of the Co-operative Societies Act No. 12 of 2012 and further articulated by the Financial Services Authority (FSA). The Credit Union continues to be challenged by the problem of delinquency. However, the Recoveries Section along with the Credit Committee have consistently been seeking new strategies for reducing the level of delinquency and have successfully reduced the rate from 5.5% (2015) to 5.3% (2016), moving us closer to the PEARLS-M ratio of 5%.

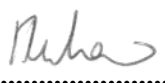
7.0 Conclusion

Despite the challenges faced as a result of the continued global economic situation and the recent natural disasters, the committee continues to exceed its performance targets.

The Credit Committee takes this opportunity to express its sincere thanks and gratitude to the Board of Directors, other committees, management and staff of GECCU and the general membership for the continuous support extended. The committee looks forward to serving its members and reiterates its commitment to this noble credit union.



Bro. Michael Sayers
 Chairperson



Sis. Marla Mulraine
 Secretary

THE SUPERVISORY AND COMPLIANCE COMMITTEE'S REPORT TO THE 51ST ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.1** The main responsibility of the Supervisory and Compliance Committee was to ensure that the operations of the credit union follow the guidelines as set out in the Co-operative Act 12 of 2012, By-Laws, internal policies and procedures and other statutory and regulatory requirements with a view to mitigating risk and safe-guarding members' savings.
- 1.2** During the year, the committee reviewed and tested the credit union's general operations, accounting system and internal controls, and is satisfied that the General Employees Co-operative Credit Union is in compliance.

2.0 MEMBERSHIP AND ATTENDANCE

- 2.1** At the 50th Annual General Meeting, Sis. Timora Peters was elected to serve for a period of two (2) years.
- 2.2** The members of the Committee were:
Sis. Marva Cato-Robinson
Sis. Anika Stapleton
Sis. Elsa K. Wynne
Sis. Timora Peters
Bro. Joshua James Gibson
- 2.3** During the year, Bro. Joshua James Gibson resigned and the vacancy was filled by Bro. Joel Poyer
- 2.4** Bro. Joel Poyer and Sis. Marva Cato-Robinson were elected unopposed as Chairperson and Secretary respectively. Regular meetings were scheduled for the second and fourth Tuesday of each month.
- 2.5** Seventeen (17) meetings were held with attendance as follows:
- | | |
|--------------------------|-------------|
| Bro. Joel Poyer | 11 meetings |
| Sis. Marva Cato-Robinson | 15 meetings |
| Sis. Anika Stapleton | 16 meetings |
| Sis. Elsa K. Wynne | 16 meetings |
| Sis. Timora Peters | 11 meetings |
| Sis. Colleen Thomas | 4 meetings |
| Bro. Joshua James Gibson | 5 meetings |
- 2.6** The Internal Auditor, Sis. Damoris Alexander and her assistant Sis. Karen Mulraine, aided the Committee in the implementation of its work programme.

3.0 SCOPE OF WORK

3.1 WORK-PLAN

- 3.1.1** The committee developed a work plan during the year and liaised with the Board of Directors, management and staff in its execution. The main areas of concentration during the year were as follows:

3.2 LOANS AND DELINQUENCY

- 3.2.1** The committee sampled records of new and existing loans to ascertain the level of compliance with the loans policy as this portfolio poses one of the greatest risks to the credit union.
- 3.2.2** From our observation, the loans reviewed were processed in accordance with the loans policy. There were a few discrepancies which were brought to management's attention for follow up action.

- 3.2.3 Delinquency was also reviewed and the committee was satisfied that the necessary action was taken by the Recoveries Committee and Recoveries Department in monitoring and managing the level of delinquency.

3.3 SOCIAL DEVELOPMENT FUND

- 3.3.1 Based on observations made at a Social Development Fund committee meeting and a review of their reports, the Supervisory and Compliance Committee is satisfied that the disbursement of funds was made in accordance with the stipulated Social Development Fund guidelines.

3.4 REPORTING REQUIREMENTS

- 3.4.1 The committee perused reports and minutes of the Board of Directors, Committees and Departments to ensure that all parties met their reporting obligation. In addition, external monthly and quarterly reports were examined. Discrepancies identified during examinations were referred to management.
- 3.4.2 The Supervisory and Compliance Committee is therefore pleased to report that the credit union has successfully met its statutory and regulatory reporting requirement as mandated by the Cooperative Societies Act 12 of 2012 and By-laws.

3.5 SECURITY

- 3.5.1 The Supervisory and Compliance Committee is pleased with the role that GECCU has taken in ensuring that the physical and technical safeguards were in place to protect assets and secure the information system.

3.6 SUB OFFICE OPERATIONS

- 3.6.1 Visits to sub-offices in Georgetown and Union Island were made to test compliance with cash handling procedures and other internal controls.
- 3.6.2 The committee is satisfied that the sub-office operations are consistent with the credit union's overall policies and procedures.

3.7 TRAINING

- 3.7.1 Training sessions were conducted by the Financial Services Authority (FSA) and the Financial Intelligence Unit (FIU) to apprise members of the Credit Union's reporting obligations. Members also attended a whistle blowing seminar. These training sessions were complemented by various workshops.

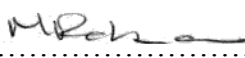
4.0 COMMENDATION

- 4.1 The committee wishes to commend the Board of Directors and Management on the opening of the Canouan sub-office to better serve members in the Southern Grenadines. Commendation must also be made in the acquisition of the **CUNA Professional Development Online** (CPD Online) training package for staff and volunteers which is geared to assist them in their professional development.

5.0 ACKNOWLEDGEMENT

- 5.1 The Supervisory and Compliance Committee would like to extend a heartfelt thanks to the general membership for electing us and giving us the opportunity to serve the credit union. We would also like to extend our appreciation to management and staff for their support and assistance during the year. Let us all continue to work together to make this Credit Union the best it could be for all the members.


.....
Bro. Joel Poyer
Chairperson


.....
Sis. Marva Cato-Robinson
Secretary

THE EDUCATION COMMITTEE’S REPORT TO THE 51st ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The Education Committee is an extension of the Marketing Department and continues to work closely with that department. The Committee, for the period under review, comprised the following volunteers and staff:

- Bro. Clarence Harry - Chairperson
- Bro. Ricky Haynes - Deputy Chairperson
- Sis. Ena Walters - Secretary
- Sis. Velda Gumbs - Assistant Secretary
- Sis. Mineva Glasgow
- Bro. Ronnie Daniel
- Sis. Gemma Mc Cree
- Bro. Claude Cambridge
- Sis. Diana Browne
- Sis. Colleen Thomas
- Sis. Thelsea John
- Sis. Charlene Douglas
- Sis. Danny Lee Francis – Staff
- Bro. Anton Jardine – Staff
- Bro. Osbert Cunningham, Jr. - Staff

1.2 The first committee meeting was held on 7th July, 2016. At this session, the following persons were elected to serve in the named positions: Bro. Clarence Harry - Chairperson, Bro. Ricky Haynes—Deputy Chairperson, Sis. Ena Walters - Secretary and Sis. Velda Gumbs - Assistant Secretary.

2.0 Meetings

2.1 The committee meets every second Monday in each month or otherwise as needed.

3.0 Strategic Objectives

3.1 The following seven (7) broad strategic objectives, as set by the Board of Directors, guided the committee’s work and work plan for the period under review:

- To strengthen protection mechanisms and procedures
- To increase membership
- To improve the quality and accessibility of products and services to members
- To enhance product performance
- To strengthen adherence to the Credit Union principles and philosophy more broadly and consistently among members and staff
- To strengthen GECCU’s commitment to the development of the Co-operative sector
- To be a financial institution of choice

4.0 ACCOMPLISHMENTS

4.1 To strengthen protection mechanisms and procedures

- Different levels of staff at all branches were trained in strengthening protection mechanisms and procedures.
- Staff at all levels and volunteers have enrolled in the CUNA Professional Development (CPD) on-line training.

4.2 To increase membership

As a result of the following activities, membership, inclusive of depositors, increased by 2,982.

- A presentation was conducted on the 4th January, 2016 at the annual student nurses' orientation session of the St. Vincent and the Grenadines Community College Division of Nursing Education. Students were informed about the benefits of being a member of GECCU and the diverse range of products and services offered by the institution.
- Specific outreach programmes targeting the 35 years and under age group of the population were undertaken. These programmes included the following: sending mass messages to targeted groups; greater utilization of the Liaison Officers and Teacher Guides; launch of new and smart products and promotions; greater utilization of the social media and visits to the thirty-one (31) GECCU-sponsored Schools' Co-operatives.
- Two (2) presentations were conducted at the University of the West Indies Open Campus orientation sessions on the 3rd and 4th August, 2016 for undergraduates registered for the 2016/2017 academic year. Students were informed about the different financing options that are available to them such as the "Learn While You Earn" loan facility and the annual university bursaries that become available during the year.
- Collaborated with the Forestry Department in the hosting of the department's 2016 Summer Program which was held under the theme **"Climate Change and How it Affects Livelihood and the Environment"**.
- Plans for the establishment and sponsorship of Green Spaces in Port Elizabeth and Paget Farm, Bequia were completed.
- Sponsorship of the 'Science Technology English and Mathematics Programme (STEM Programme) continued during the year. Students and other persons who register for this programme are encouraged to become junior savers or join GECCU.
- Collaborated with the Owia Sports and Cultural Organization (OSCO) in the hosting of an all-female cricket tournament in the area. The tournament took place at the Owia playing field from September 18th, 2016 to October 29th, 2016
- Liaison Officers were utilized as agents to sell GECCU's products and services at their respective workplaces.

4.3 To improve the quality and accessibility of services and products to members

- The online platform, for the most part, has made doing business with GECCU much easier. It has significantly improved members' accessibility to the range of products and services which are offered.
- The website remains the primary channel for information dissemination to the online audience; among the most popular and most accessed pages, are 'Loans' and 'Link-24'.
- www.geccu.com receives an average of **3463** monthly visits.
- An average of **1232** page views are recorded monthly.
- A new GECCU website, with added features for improved user experience and customer service, has been completed and is expected to be released in the near future.
- The GECCU Canouan branch was opened on the 7th May, 2016 to facilitate the business needs of members and people of Canouan.

a. Social Media

- GECCU's presence on the various social media channels - Facebook, Twitter and Instagram - continues to lend tremendous support to the Marketing Department's efforts to enhance interaction with members and the general public. Through these channels, the online audience is kept up-to-date with information on products and services. These efforts have been rewarded with not only increases in the number of members accessing products and services, but also with an unrivalled customer loyalty as confirmed by members' tweets and comments. For the period under review, GECCU's Facebook page had 1,621 followers, Instagram had 869 and Twitter had 146.

b. Mobile App

- There were five hundred and fifty-two (552) installations of GECCU's mobile app for the period under review, 110 of which were new users. There was also a total of 2,270 page views.

The table below shows the monthly Online traffic for the period under review with the corresponding period in 2015.

Online Marketing Platform	2016	2015
Website (<i>geccu.com</i>)		
Total visits/Monthly Avg.	41,558/3,463	38,559/3,213
Unique Visitors	22,941	24,280
Page Views	211,327	205,136
Google Search Engine Referrals	14,789	9736
Social Media		
Facebook followers	1,607	1,234
Mobile App		
New Users	110	126
Page Views	2,270	1,625

4.4 To enhance product performance

- 4.4.1 A loans performance report was compiled and submitted to the Chief Executive Officer. The document provides an analysis of the loan products currently being offered by GECCU and includes how these products can be improved using different marketing initiatives. Recommendations were made as to how different marketing strategies can be utilised to bring awareness to future loan products with a view to improving overall loan performance.

4.5 To strengthen adherence to the Credit Union principles and philosophy more broadly and consistently among members and staff

- Continuous training sessions were held for staff, volunteers and liaison officers. The objectives of these sessions were to build new capacities and strengthen existing capacities about the credit union principles and philosophy, as well as preparing and empowering a new cadre of co-operators.
- A workshop for Liaison Officers was held on Tuesday, 26th July 2016. Participants were updated on the latest products and services offered by GECCU. More importantly, the roles of Liaison Officers in effectively marketing GECCU and its products and services were highlighted.
- Partnered with the Forestry Department in the hosting of that department's 2016 summer programme.

- Sponsored the 2016 Science Technology English and Mathematics Summer Programme (STEM Summer Program).
- Collaborated with the Owia Sports and Cultural Organization (OSCO) to host an all-female cricket tournament.

4.5 To strengthen GECCU's commitment to the development of the co-operative sector

- A presentation on the topic "The Benefits of Joining a Credit Union" was delivered to the Sunshine Goers Home Management Group of the New Testament Church of God at Lowman's Hill on 18th October 2016. The presentation focussed primarily on the different products and services offered by GECCU. Self-employed group members were encouraged to join and save with the credit union.
- Coordinated the annual Youth Leadership Symposium which was held on the 23rd and 24th August, 2016.
- Jointly sponsored the National Schools Co-operative Awards which was hosted by the Co-operative Division on Thursday, October 13th, 2016.
- Continued working with Teacher guides in the development of an Action Plan for Teacher Guide Education.
- Worked with the Co-operative Department to develop new and better ways to strengthen the Schools' Co-operative Programme and provide support to the Teacher Guide Programmes.
- Visited the Stephanie Browne Primary School Co-operative on Union Island and the Mayreau Government School Co-operative on the 23rd February, 2016.
- A visit was made to the Argyle International Airport on 22nd December 2016 to identify a green area which could be sponsored by GECCU and to also locate areas in the terminal building where billboards could be displayed. A meeting was held with management of the Airport during the same visit to discuss both possibilities.
- Sponsored the Grassroots Basketball Tournament in South Rivers during the month of August 2016.
- Participated in the Marriagua Government School's 2016 Career Day.
- Coordinated the annual Youth Symposium from August 23rd to 24th, 2016 under the theme 'Embracing the Power of Co-operative Values'.

5.0 CONCLUSION

5.1 The Education Committee is grateful to the Board of Directors for giving us the opportunity to serve this noble organization. A special thank you is extended to the staff, especially those in the Marketing Department, for their unwavering support. The committee looks forward to your continued support.



 Bro. Clarence Harry
 Chairperson



 Sis. Ena Walters
 Secretary

SERVING OFFICERS 2016/2017

BOARD OF DIRECTORS

Bro. Kelvin Pompey	- President
*Sis. Mineva Glasgow	- Vice President
Bro. Jerold Jackson	- Treasurer
*Bro. Harold Lewis	- Secretary
*Bro. Philmore Isaacs	- Director
Bro. Michael Da Silva	- Director
Bro. Brian Alexander	- Director
Bro. Ronnie Daniel	- Director
Bro. Clarence Harry	- Director

CREDIT COMMITTEE

Bro. Michael Sayers	- Chairperson
Bro. Linus Goodluck	- Deputy Chairperson
Sis. Marla Mulraine	- Secretary
Bro. Renato Gumbs	- Member
*Sis. Janice King	- Member

SUPERVISORY AND COMPLIANCE COMMITTEE

*Bro. Joel Poyer	- Chairperson
*Sis. Marva Cato-Robinson	- Secretary
Sis. Anika Stapleton	- Member
Sis. Timora Peters	- Member
Joshua Gibson	- Member (<i>resigned</i>)
*Sis. Elsa Wynne	- Member (<i>resigned</i>)

*Indicates members due to retire at this meeting.

NOTES



“Putting Members First”

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Georgetown Office:	Tel: (784) 458-6476	Fax: (784) 458-6951	Email: gtownoffice@geccu.com
Canouan Office:	Tel: (784) 482-0597	Fax: (784) 482-0471	Email: canouanoffice@geccu.com
South Rivers Office:	Tel: (784) 451-1644	Fax: (784) 451-1787	Email: southriversoffice@geccu.com