



GECCU LTD

General Employees' Co-operative Credit Union Limited

REPORTS & ACCOUNTS 2020

“Making More Possible
As We Navigate These
Challenging Times”



Thursday October 14th, 2021

Virtual AGM

3:00 p.m.

55th ANNUAL GENERAL MEETING

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 55th ANNUAL GENERAL MEETING

Dear Member,

Notice is hereby given that the 55th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on **Thursday 14th October, 2021** commencing at 3:00 p.m. In accordance with the COVID19 Protocols, the meeting will be held online using the Zoom platform.

AGENDA

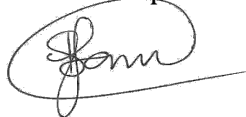
OPENING SESSION

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

CLOSED SESSION

1. Ascertainment of Quorum
2. Minutes of the 54th Annual General Meeting
3. 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. H. Colin Sam
Secretary
Board of Directors

STANDING ORDERS

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 When a motion is withdrawn any amendment to it falls.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



Corporate Profile
to the
55th ANNUAL GENERAL MEETING
of the
**GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)**

CORPORATE PROFILE

54TH BOARD OF DIRECTORS



Brian Alexander
VICE PRESIDENT
BSc. in Management Studies



CECELIA J WILLIAMS
PRESIDENT
FCCA, MAAT
Certificate in BA



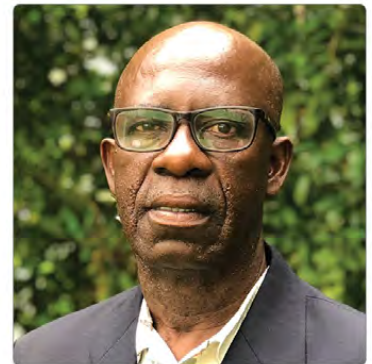
F. Clarence Harry
TREASURER
MSc in Economics
Bachelor in
Business Administration



GARY MATTHIAS
DIRECTOR
FCCA, CPA, ICFA, MBA, ICUDE



H. COLIN SAM
SECRETARY
B.Ed.,
MSc.in Educational Sciences



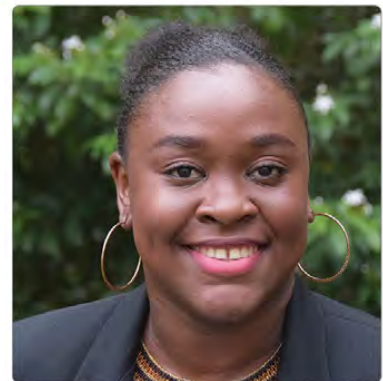
Linus Goodluck
DIRECTOR
Dip.in Management Studies



JEROLD JACKSON
DIRECTOR
ACCA



MICHAEL SAYERS
DIRECTOR
Graduate Diploma in Management,
ABA Degree in Theology, Certified
Comp TIA Project +, Certified Valuer,
Certified Estimates & Quantities.



KIMBERLEY CAMBRIDGE
DIRECTOR
MSc. Rehabilitation Counselling/
Mental Health Therapy
BSc. Psychology (Special)

MR. ROHAN J. STOWE **CHIEF EXECUTIVE OFFICER**



The Board of Directors of the General Employees Co-operative Credit Union Limited (GECCU Ltd) announced the appointment of Mr. Rohan J. Stowe as the organization's new Chief Executive Officer effective 1st October, 2020. Mr. Stowe brings a wealth of knowledge and practical experiences to the position especially the financial services industry including Credit Unions in the Eastern Caribbean Currency Union, CARICOM and internationally.

Mr. Stowe is a Vincentian by birth and is an economist with over twenty (20) years of experience. He has practiced in this field doing research work and providing policy advice on macroeconomic and financial matters in the Eastern Caribbean Currency Union.

Prior to joining GECCU Ltd, Mr. Stowe worked at the Eastern Caribbean Central Bank (ECCB) for over 15 years. He rose through the ranks as an economist in the Research Department to hold management positions such as; Advisor in the Governor's immediate office and Deputy Director in the Research Department. Prior to this, he worked as an economist in the Ministry of Finance and Economic Planning (Central Planning Division) of St Vincent and Grenadines. Mr. Stowe possesses sound analytical skills coupled with strategic thinking and creative vision. These qualities are vital in strengthening the strategic position of the Credit Union in an increasingly complex and competitive financial services sector.

He is a graduate of the St Vincent Grammar School and holds a Bachelor of Science Degree (with honours) in Economics and Management from the University of the West Indies Cave Hill, Barbados and a Master of Science degree in Economics with specialisation in International Monetary Economics, from the University of Manchester, England.

We join hand in hand to welcome Mr. Stowe to the GECCU and by extension the Credit Union family in St. Vincent and the Grenadines and to wish him all the success in his new appointment.

CORPORATE PROFILE

CREDIT COMMITTEE

Renato Gumbs	BSc. in Agronomy
Cecil Jackson	BSc. in Management Studies
Vestricia Llewelyn-Richards	LL.M (Int'l Commercial Law & Dispute Resolution) LL.M (Dispute Resolution) L.E.C, LL.B
Gemma Mc Cree	Diploma in Business Administration
Dougal Allen	BSc. in Information Technology

SUPERVISORY & COMPLIANCE COMMITTEE

Yolande Barbour	BSc in Accounting ACCA
Gatlin Roberts	BSc Accounting Certificate in Official Statistics
Timora Peters	Postgraduate Diploma in Education BSc. Management with Economics Minor (Hons.)
Louisa James	MSc. Management Studies
Micah Cumberbatch	

MANAGEMENT

Rohan J. Stowe	MSc. in Economics with specialisation in International Monetary Economics BSc. in Economics and Management (Hons)
Maxine Johnney	FCCA, MSc. Investment & Finance
Gertrude Jacobs	BSc Accounting
Cornelia Moses	MBA, SHRM-CP
J-lany Williams	Masters of Laws (LLM) Legislative Drafting, L.E.C., LLB
Danny-lee Francis	MSc. Management Studies (General), ICUDE
Anthony Bowman	MSc. Planning and Development BSc. in Urban & Regional Planning
Elias Francis	MSCE, MCSA, MCP, CCNA



President's Message
to the
55th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)

PRESIDENT'S MESSAGE

To the 55th Annual General Meeting



Cecelia J. Williams
PRESIDENT

Brothers and Sisters, Members of the GECCU family, Stakeholders and well-wishers, it is with a sense of pride and joy that I report to you as the fourth female president of our noble Credit Union that GECCU has done well amidst the tremendous challenges posed by the Covid-19 pandemic which affected the business environment and our lives. The pandemic has forced the human family to revisit not only how we work but also the very concept of work. In the context of the marketplace, it has challenged us to rethink our strategic direction and to devise new ways to become more resilient to the socio-economic pressures which confront us, and may extend into an undefined and unknown future. It is within this context that I am pleased to say that the theme that will guide us for this year's AGM, is **'Making More Possible as We Navigate these Challenging Times.'**

One of the lessons learned is that, going forward, we must ensure that all our programmes, services and products have a more robust member centric focus. What I mean is this, in these times of uncertainties, we must protect our members first, continue to enhance staff welfare and opportunities and engage our communities as we depend on each other for our survival.

As we seek to ensure that the environment was right and conducive to doing business in 2020, we embarked on the following:

- We moved into our more spacious new headquarters on Halifax Street, formerly Centrex Building.
- A job evaluation and performance study exercise was completed.
- As Cybersecurity challenge is constantly changing, we have completed the upgrade of our software from Emortelle to Sharetec. This allowed better protection of our data, and the improvement of the service delivered. Hence you are now able to do more business online.
- Our River 14 Recreational Project is in the final phase of completion. Soon, Vincentians and visitors alike will have another wonderful site to enjoy.
- Members, you have been asking about the lands at Peter's Hope for a very long time at our AGM. Today as the fourth female president of GECCU, I will answer that question in the positive. Our Peter's Hope Project is in its first phase. You are now able to choose the model house you prefer. Loans will be available. Be among the first twenty persons to acquire your home at Peter's Hope. Information is available on our website and at the office.
- There was a change of guard. We noted the departure and retirement of two outstanding employees in Bro. Lennox Bowman Ex-CEO and Sis. Damoris Alexander former Internal Auditor, who together gave our Credit union GECCU over 60 years of dedicated service. We thank them for their invaluable contribution and wish them a healthy and long retirement.

- Bro. Rohan J. Stowe, an Economist, who has spent over fifteen years at the Eastern Caribbean Central Bank is our new CEO; and Sis. Shanet Small, a Chartered Accountant who worked with KPMG in Antigua for several years is now in the Internal Audit Department. Again, we welcome them both to the GECCU family and wish them long years of service.
- A moratorium was implemented to assist members who were directly affected by the pandemic and were unable to meet their loan obligations. This resulted in the Credit Union recognizing a write-off provision of over \$ 2 million dollars which reduced our surplus.

As a credit union, we will continue to meet the needs of our members and society in general and will continue through the work of our Social Development Committee to assist our members in times of need.

We are currently reviewing our policies to upgrade and make them more relevant to the new business environment; and the changes in business practices resulting from the Covid-19 pandemic.

I am pleased to report the following Financial Achievements that were realized as at December 31st, 2020:

- Net Surplus of \$ 1.6 million
- Cash Reserves totaling \$59.7 million
- Assets totaling \$314.8 million
- Member Equity Share Capital of \$33.1 million
- Loans disbursed to members totaling \$164.1 million

This Board of Directors is committed and serious with your business as we continually strive to raise the bar in ensuring that our members and communities are always well served. I wish to pay special commendation to our hard-working staff for their commitment and dedication. They demonstrated that even in a pandemic, they can easily adjust to the changing business environment. Also, I wish to congratulate our management staff for their unwavering support and leadership during these unprecedented times. I also wish to commend our volunteers who have given us so much of their time in ensuring that we as a Credit Union make the difference in the lives of the people throughout our communities.

Today, at this AGM, Bro. Brian Alexander retires from the Board after serving for six years. We take this opportunity to thank him for his contribution. Bro. Colin Sam and I have completed our first 3-year term and are now eligible for re-election at this meeting. I hope you give us your full support.

Sisters and Brothers, It has been a pleasure to serve you during this past year as President. It was indeed a challenging year for all of us, but it was also a very rewarding experience. I therefore look forward with enthusiasm to continuing to serve you.

May we have a successful 55th AGM and may the Almighty God continue to bless our beloved Credit Union.



Cecelia J. Williams - President



Minutes

**OF THE
54th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)**

MINUTES OF THE 54th ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU) HELD AT THE RUSSELL'S AUDITORIUM THURSDAY 3RD DECEMBER 2020 AT 3:00 P.M.

OPENING SESSION

PRESENT:	Bro. Harold Lewis	-	President
	Bro. Brian Alexander	-	Vice President
	Sis. Cecelia J. Williams	-	Treasurer
	Bro. H. Colin Sam	-	Secretary
	Bro. Linus Goodluck	-	Director
	Sis. Kimberley Cambridge	-	Director
	Bro. Clarence Harry	-	Director
	Bro. Aubrey Burgin	-	Director
	Bro. Gary Matthias	-	Director
	Bro. Rohan J. Stowe	-	Chief Executive Officer

1. CALL TO ORDER

The President, Bro. Harold Lewis, called the meeting to order at 3:00 P.M.

2. PRAYERS

The meeting was led in prayer by Sis. Keisha Johnson. The Credit Union's prayer was recited by all present.

3. NATIONAL ANTHEM

The National Anthem was sung by all present. This was followed by the Credit Union's song.

4. SILENT TRIBUTE

A one-minute silence was observed for members who died during the year.

5. APOLOGIES FOR ABSENCE

Apologies were made on behalf of Sis. Marva Cato Robinson and Sis. Bernisa Roberts.

6. WELCOME

The President and Chairman, Bro. Harold Lewis, welcomed all to the 54th Annual General Meeting. He welcomed and introduced the new Chief Executive Officer, Bro Rohan J. Stowe, who joined the organisation on 1st October 2020. He expressed his gratitude to Bro. Lennox Bowman for his invaluable and stalwart service to GECCU Ltd for 26 years.

In his message, captioned "Meeting our Challenges with Our Philosophy", Bro. Harold Lewis apologized for the late scheduling of the AGM due to ongoing effects of the global health pandemic, COVID-19.

He expressed appreciation to the members for allowing him to serve as President for the past year and as a director for two (2) consecutive terms. In his remarks, he highlighted the fact that GECCU has grown significantly over its 56 years of existence, despite the uncertainties of the pandemic now and the future. He assured members that GECCU remains stable and strong but it must not become complacent. He noted three (3) principles that can aid the organization to reposition through these challenging times; namely cement its post; build on accomplishments and embrace change for the better.

In 2019, the highlights of the achievements were:

- (i) Net Surplus of \$3.2 million;
- (ii) Assets totalling \$287.5 million;
- (iii) Cash resources totalling \$41.2 million;
- (iv) Members' equity share capital of \$30.8 million;
- (v) Loans disbursed to members totalling \$164.1 million; and
- (vi) Loan delinquency rate of 5.7 percent.

The President thanked Bros. Kelvin Pompey, Ronnie Daniel and Philmore Isaacs for their significant contribution to the growth and development of GECCU, noting that the present Board was one of the strongest in terms of professionalism and experience. He urged members to continue to make contributions to the decision-making processes.

7. REMARKS – MINISTER OF COOPERATIVES

The Minister of National Mobilisation, Social Development, Family, Gender Affairs, Youth, Housing and Informal Human Settlement, Hon Dr. Orlando Brewster, referred to the theme “Meeting our Challenges with our Philosophy”. He said that he was optimistic that despite the challenges created by the impact of the pandemic that GECCU was prepared to handle these challenges. He commended GECCU for its exemplary work over the years.

Referring to the global pandemic that continues to create havoc on the world economies, the Minister expressed his satisfaction with the management of the credit union. He was confident that with the challenges faced, the best plans would be implemented in the interest of the organization and its members.

He applauded Bro. Lennox Bowman for building a solid foundation and for the sterling contribution he gave to GECCU over the years. He wished the retired CEO the best retirement possible. He also welcomed the new CEO, Bro Rohan J. Stowe and was confident that Bro. Stowe would embrace the challenges, which test both strengths and weaknesses. He was confident that, with the strong foundation already laid, Bro Stowe would accomplish many successes.

He commended GECCU for playing an important role in the cooperative sector in SVG and said that checks within the cooperatives yielded a good report. The Minister wished GECCU success in its continued quest to enhance the lives of its members. He assured the credit union that the ongoing relationship with his Ministry and the Government will continue as the organization expands its portfolio.

8. GREETINGS- GUEST SOCIETIES

Fraternal greetings were received from the following:

- St Vincent and the Grenadines Teachers’ Co-operative Credit Union Limited
- SVG Co-operative League Limited
- Kingstown Co-operative Credit Union Limited
- St Vincent Automotive Co-operative Limited
- Financial Services Authority
- Mr. Joseph Burns Bonadie – General Secretary (Ag) - CTAWU

CLOSED SESSION

1. ASCERTAINMENT OF QUORUM

The quorum was ascertained with approximately 151 members present.

Standing Orders

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

2. MINUTES OF THE 53RD ANNUAL GENERAL MEETING, 17TH JULY 2019

The minutes, having been circulated before, were taken as read.

(a) Amendments

Page 9: Item 4 the sentence was re-phrased to read “...special mention being made of Sis Viola John, having served as the first CEO.”

Page 17: 4.6.1, 2nd line: “six consecutive terms” was changed to “two consecutive terms”.

On a motion moved by Bro. Michael Sayers seconded by Sis. Ena Walters, the minutes were confirmed and carried with amendments.

3. MATTERS ARISING

- 3.1 In response to Bro Cecil ‘Pa’ Jack’s question on the status of the funeral home, the Chairman stated that the project remained on hold as the collaboration with the partner broke down and it was not a priority at this time.
- 3.2 In response to a request for an update on the Peter’s Hope project, the CEO indicated that the first phase of the Spine Road was completed. For the 2nd phase, the plans for the design of the roads were to be completed by the end of 2019 but was currently at a standstill. In 2020, work continued. However, due to the COVID 19 pandemic, the contracts with the service providers for the designs of the roads and the 2nd phase of the roads for construction were suspended. Therefore, the project was still a work in progress. He also highlighted that a team from GECCU visited the site on 2nd December 2020.
 - 3.2.1 In his update, the CEO confirmed that he visited the project site and commented that it was a financially rewarding project for members of GECCU. He also confirmed that significant work on the road was completed and management will be submitting a proposal to the Board with suggestions on how to move forward in phases. Regarding the designs for the roads and GECCU’s lots, the CEO indicated that updates will be shared with the members for their feedback.
 - 3.2.2 Referring to item 3.5.4 on page 12, Bro. Joel Poyer reiterated his suggestion to have the lands cleared before the rainy season commenced. He noted that if the lands are not cleared regularly, the project will turn out to be expensive for the organization. The suggestion was noted for consideration.
 - 3.2.3 Sis Verina Sandy suggested that different categories of homes (low, medium, & high income) should be built to accommodate all members.
- 3.3 Referring to item 3.6.1, Bro. Joel Poyer enquired about the success rate on the Job Evaluation and Performance exercise. The Chairman responded that the exercise was completed by the consultants. However, the meeting with the Board and the consultants to discuss the final report was suspended due to the outbreak of the global health pandemic.
- 3.4 Sis Marcelle Burgin, referring to item 4.2.1.1, requested an update on the revision of GECCU’s By-laws. The Chairman stated that the revision was still not completed, and that the Board was awaiting the re-enactment of the regulation by the relevant authorities.
 - 3.4.1 Bro Philbert John highlighted that the discussions on the revision of the By-laws started in 2012 and every year thereafter, the update remained the same. He implored the Board to be more proactive in this endeavour.
 - 3.4.2 The Chairman stated that the Board will review the current regulations and that the required changes will be highlighted and submitted to the relevant authorities for discussion.
- 3.5 Bro. Joel Poyer requested an update on the Riverine Mitigation and Enhancement Project, which should have been completed by April 2020. He asked whether there were any over-runs of the estimated budget.

- 3.5.1 Bro Gary Matthias, Chairman of the Steering Committee, responded that the project was nearing completion. He noted that the construction work was re-scheduled to be completed by 15th December 2020. He added that the landscaping, fencing, and erecting of signs will be done. He explained that the delayed completion was caused by the ongoing pandemic and inclement weather which resulted in some flooding. He also confirmed that there were some overruns, which were attributed to the unexpected presence of very large boulders which had to be unearthed.
- 3.5.2 Bro Cecil Ryan inquired what measures were being put in place to mitigate the effects of heavy rainfall.
- 3.5.3 Bro. Gary Matthias responded that the construction of a wall and a river defence were the mitigation measures.
- 3.5.4 Bro. Joel Poyer asked if advice was sought from an engineer or qualified persons in the community regarding the mitigating measures. Bro. Gary Matthias responded in the affirmative.
- 3.5.6 In response to Bro. Andrew Bramble's suggestion about operating the facility to recoup some funds, the Chairman confirmed that the intention was for the facility to be self-financing and self-sustainable. Thus, a management structure will be developed and taken to the Board for approval, which will ensure the recuperation of funds from its operations.
- 3.6 Bro. Joel Poyer referring to item 4.2.8 inquired whether any changes were made regarding the annual scholarships to secondary schools.
- 3.6.1 The Chairman responded that the Scholarship Committee was reviewing the terms of reference and policies and that suggestions will be taken into consideration when doing so.
- 3.7 Bro. Joel Poyer requested an update regarding the CLICO investments. The Chairman redirected the question to the Auditors to address in their report.

On a motion moved by Bro. Joel Poyer, seconded by Sis. Janice King, the Minutes of the 53rd AGM held in December 2019 were accepted.

4. REPORTS AND ELECTIONS

(a) Board of Directors

(1) Board of Directors' Report

- 4.1 The report having been circulated before was taken as read. The Chairman guided the meeting through the report.
- 4.2 Discussion**
 - 4.2.1 Bro Cecil 'Pa' Jack, referred to Priority 3: **Human Resource Capacity Building** and commented that in addition to "top talent", employee commitment should also be a priority.
 - 4.2.1.1 The Chairman responded that GECCU, being the premier institution, must invest in its human resources to ensure that the staff was well qualified. He added that going forward, staff engagement will be critical in guiding the Board through policy implementation.
 - 4.2.2 Regarding the Staff Training schedule, Bro Philbert John commended the Board for its continued emphasis on Staff Training. He however highlighted that of the thirty-four events, only four workshops targeted volunteers. He suggested that more training be available to volunteers and the general membership. Bro John's suggestion was noted for consideration.

- 4.2.3 Referring to Priority 4: **To Assist Members in Fulfilling Their Housing Needs**, Bro Cecil 'Pa' Jack opined that the NIS was undertaking too many projects and expressed concern about their commitment to the Peter's Hope project. He suggested that it might be of benefit to members if the credit union took over the entire Peter's Hope project. The concern and suggestion were noted.
- 4.2.4 Reference to Priority 5: **Access to GECCU Services**, Bro Andrew Bramble inquired about the cost to renovate the former Centrex building. In response, the Chairman stated that the total cost of renovation was \$1.66M.
- 4.2.4.1 Bro. Andrew Bramble further questioned whether there were any plans to establish an ATM at the new headquarters. The CEO responded that the Board had already approved the commissioning of a new ATM. However, they were in the process of engaging other partners to execute the directive from the Board. Depending on the availability and commitment of the partners, the ATM services should be in operation either by December 2020 or within the 1st quarter of 2021.
- 4.2.4.2 Bro. Andrew Bramble also expressed concern about the discomfort felt by members waiting their turn in the sun, on the outside of the building. He suggested that some form of shade be put in place to alleviate this discomfort. The suggestion was endorsed by Sis Viola Andrews-Jacobs.
- 4.2.4.3 The Chairman responded that plans to construct a shade were being undertaken and should be completed before the end of 2021.
- 4.2.4.4 Bro. Andrew Bramble observed that the old building was already occupied by another institution and questioned whether plans were still being made to renovate the old building and return the headquarters there.
- 4.2.4.5 The Chairman responded that although the intention was to build a new headquarters, given the global financial situation and the macro-economic landscape, the management and Board of GECCU, in conjunction with other stakeholders thought it best to put the project on hold. He explained that the economic effects of the pandemic have caused a deterioration in loan interest income which caused the institution to re-channel its direction and seek other ways to acquire income, thus, the rental of the building. He continued that the designs for the new headquarters were completed but the BOD and the CEO will have to review the estimated budget of \$10-15M as the previously proposed construction cost would not be a prudent capital investment at this time. The current priority was to protect the financial strength of GECCU and as circumstances change, the proposal for the new headquarters can be reconsidered.
- 4.2.5 Referring to the Chairman's statement that income from loan interest payments were reduced and projects, namely Peters' Hope and GECCU headquarters were halted because of the effects of the pandemic, Bro. Jerold Jackson advised that in lieu of the pandemic, the Board and management should be diligent in observing the global economic trends so that at the end of the pandemic the organization will be ready to move forward.
- 4.2.6 Bro. Joel Poyer expressed his dissatisfaction with the delayed establishment of a GECCU office in the North Leeward constituency. He commented that it was difficult for persons in that community to travel to Kingstown for services and it was possible that this inconvenience may result in loss of membership. The concerns were noted.
- 4.2.7 Referring to Table 3 of Priority 5, Bro. Callistus Thompson noted that the disbursements for the Grenadines offices were lower than the collections but an opposite trend was observed for the Georgetown and South Rivers' offices. He requested clarification on the inconsistency.

- 4.2.7.1 The Chairman explained that the collections and disbursements refer to loans issued by the corresponding office. However, members can repay their loans, at any of the locations and not necessarily at the location where the loan was granted. He added that it was a misconception to believe that collections should be higher than disbursements as higher disbursements meant that loan services were being made available to more members within a specific locale.
- 4.2.8 Referring to the **New Operations Software** in Priority 6, Bro Philbert John questioned the need for the new software and what distinguished it from the previous software.
- 4.2.8.1 The Chairman explained that the previous software, Emortelle, was not a suitable system for data mining and reports management. Additionally, it was not the appropriate software to carry out the necessary modifications. Following consultations regarding the Sharetec software, key staff visited regional credit unions that are using the software to gain some in-field exposure. The recommendation from the reports was that the Sharetec software was more suitable for GECCU's current needs.
- 4.2.9 Bro. Philbert John noted that while he recognized GECCU's contribution to the national and regional movement (Priority 7), more specific reports should be presented on GECCU's activities in these movements. He also took the opportunity to commend Bro. Lennox Bowman on his stalwart contribution to both the national and regional Credit Union Movement.
- 4.2.10 Also referring to Priority 7, Bro Cecil Ryan questioned whether there was any legal basis for establishing and operating a Stabilisation Fund in conjunction with the FSA. He added that the joint venture may pose some conflict of interest and questioned why the credit union did not join with the Co-operative League instead.
- 4.2.10.1 The Chairman explained that the collaboration with FSA was not to set up a fund but rather for policy discussions regarding the establishment of the Stabilisation Fund. He confirmed that there was a Stabilisation Fund at the Co-operative League. Thus, the reason for the discussions with FSA was for a contingency plan. Regarding the inquiry as to the legal basis of the collaboration, the Chairman stated that he made a note to provide further explanation.
- 4.2.11 Regarding Priority 8: **Corporate Social Responsibility**, Bro Philbert John said that specific reports on projects that fall under this heading should be included. He expressed his disappointment in the lack of vigour in the celebration activities of National Heritage Month. He suggested that GECCU should retain the leading position on the national celebrations and should involve the schools in the celebration activities.
- 4.2.11.2 The Chairman noted Bro. Philbert John's suggestions and explained that the lack of activities was as a result of efforts to cut cost given the global economic challenges.
- 4.2.11.3 Bro. Cecil 'Pa' Jack suggested that the National Trust should be contacted for access to the Heritage Fund.
- 4.2.12 Bro. Joel Poyer noted that no mention was made of any strategic plan regarding the outcome of the various priority activities.
- 4.2.13 Sis. Brenetta Dublin requested further clarification on the FSA's collaboration re the Stabilisation Fund.
- 4.2.13.1 The Chairman reiterated that there was no actualisation of the Stabilisation Fund in collaboration with the FSA, but rather a discussion on the policies of implementation.
- 4.2.14 Bro. Cecil Jackson commended the Board, Management and Staff for their prudent financial management throughout the 2019 financial year. He recognized that due to this prudent financial management, a net profit of \$3.2M was realised. He encouraged the new management team to continue the good work.

- 4.2.15 The Chairman proposed, on behalf of the Board, that a 3% dividend be paid on members' Equity Shares.
- 4.2.15.1 Bro. Andrew Bramble counteracted by saying that, despite the effects of the COVID-19 pandemic the credit union could pay a 4% dividend.
- 4.2.15.2 Providing clarification on the monetary equivalent of the 3% proposal, GECCU's Accountant - Sis Maxine Johnny indicated that the total pay-out will be over \$700K. She clarified that the \$3.2M net profit that was realised was before any appropriation to the Statutory Reserves. Also, funds must be transferred to the Statutory Development Fund before any pay-outs were done.
- 4.2.15.3 In response to a request from Sis Juovanie Roberts to explain the difference between Equity Shares and dividends, the Chairman stated that members were the investors in and owners of the institution. There were two aspects of shares: (1) Qualifying Shares and (2) Equity Shares. Equity Shares were the permanent capital base of the institution. This meant that although members "own" the credit union, one cannot withdraw the Equity Shares arbitrarily, otherwise the entire organization will collapse. The dividend was a fixed percentage added to a members' Equity Shares. Unlike the Equity Shares, however, the dividend can be withdrawn.
- 4.2.15.4 The Chairman further clarified that the Statutory Reserves were obligations that all financial institutions must maintain. The funding for these reserves came from the net profit realized and must be allocated before any other pay-outs were made. He added that once this allocation was provided for, there were rigorous discussions at the Board level about the most appropriate percentage dividend that can be applied, while ensuring that the institution was financially viable. Thus, a dividend of 3% was agreed upon.
- 4.2.15.5 Bro. Callistus Thompson highlighted that after statutory obligations were made, there was still a balance of over \$1.5M, of which half was being allocated to dividend. The Chairman indicated that the remainder will go towards Retained Earnings. Bro. Thompson stated that the evidence of the finances being carried forward indicated that there was room to increase the dividend to 4%.
- 4.2.15.6 Bro Cecil 'Pa' Jack suggested that a motion to increase the payment of dividend on Equity Shares be moved after the Treasurer's and Auditors' reports.
- 4.2.16 Bro. Philbert John suggested that the Social Development Fund be renamed in honour of Bro Calvin Nicholls to commemorate his dedication to the institution over the years. The suggestion was noted.
- 4.2.17 In response to a request for an explanation of the 'Minor Scholarship', Operations Officer, Sis Cornelia Moses explained that as per the Collective Agreement between GECCU and the CTAWU, a scholarship was awarded annually to a child of a GECCU staff member.
- 4.2.18 The Annual Raffle was cancelled due to the pandemic.
- On a motion moved by Bro Philbert John, seconded by Sis Marcelle Burgin, the Board of Directors' Report was accepted.

(ii) Treasurer's Report

- 4.3 Sis Cecelia J. Williams guided the meeting through the Treasurer's Report. She highlighted the growth in Assets, Share Capital and Total Income; the latter mainly due to increase in Loan interest income and the funds recovered from British American Insurance Company.

4.4 Discussion

- 4.4.1 Regarding the implementation of IFRS 9, a new reporting standard which addresses financial instruments, Bro. Joel Poyer asked about the impact of the new standard on GECCU.
- 4.4.1.1 The Treasurer responded that for 2019, IFRS 9 attracted an increase in provisioning cost which contributed to a rise in expenditure. She said that the expenditure was expected to be even higher in 2020, as further provisions will be made for loan losses due to the pandemic.
- 4.4.2 Bro Cecil 'Pa' Jack sought clarification on the investments in ARIZA Credit Union.
- 4.4.2.1 Sis. Cecelia J. Williams explained that the investment was a fixed deposit.

Auditors' Report

- 4.5 The Auditors' Report was presented by Ms. Crystal Wyllie, Senior Manager at KP.M.G for Barbados and the Eastern Caribbean. She apologized for the absence of her engagement partner, Mr Michael Edghill.
- 4.5.1 Regarding Bro Poyer's earlier request for an update on the liquidation status of CLICO, she said that the only update that she could provide in her capacity was that CLICO was in liquidation/ insolvent and the matter was being dealt with in Court. Any further information will have to be given by the judicial manager.
- 4.5.2 Regarding the impact of IFRS 9, the Senior Manager referred to Note 9 on page 92, which highlighted the slight increase in "provision for impairment" from 2018 to 2019. She also highlighted that the performing loans were significantly higher than the non-performing loans which meant that delinquency did not have a significant impact in 2019. However, for the 2020 financial year, provisions must be made to prepare for the negative impacts of the COVID-19 pandemic, particularly in the sectors that were highly affected - Tourism, cruise ship workers etc.

4.6 Discussion

- 4.6.1 Referring to Note 12 - Investment Properties on page 95, Bro Cecil Ryan asked if any significant deficiencies were encountered in the internal controls.
- 4.6.1.1 The Senior Manager responded that no significant deficiencies were noted. However, the management letter will be presented to the Audit Committee and the Board of Directors before it was brought before the membership.

4.7 Proposal for Dividend payment

- 4.7.1 The Chairman explained that although a higher dividend meant a great pay-out, it also meant that lesser funds will go towards Retained Earnings which was part of the institution's capital.
- 4.4.7.3 Bro. Andrew Bramble moved a motion to increase the dividend paid on Equity Shares from 3% to 4%. The motion was seconded by Sis Viola Andrews-Jacobs.
- 4.7.3.1 Sis Marcelle Burgin urged the members to exercise prudence in their decision making, stating that decisions should be made in the interest of sustaining the organization. She added that it would be wise in the future to educate the members on certain processes instead of arbitrarily using jargon that the layman may not understand.
- 4.7.3.2 Bro. Michael Sayers encouraged members to consider the statement under 2.5 Net Profit on page 44 which stated that there was a 25% decrease in Net Profit from 2018 to 2019.

- 4.7.3.3 Bro. Callistus Thompson reiterated that of the \$3.2M profit, \$1.6M was already allocated to the Statutory Reserves. Of the remaining \$1.6M, \$1.1 will be distributed to the members as Dividend on Equity Shares at 4% leaving a remainder of just about \$500K to add to Retained Earnings.
- 4.7.3.4 Bro. Brenford Findlay reminded members that they were the ones who voted for the Directors to represent them on the Board, trusting that they were competent to make decisions in the best interest of the organization. Therefore, if the BOD, after rigorous discussions, agreed that 3% was the most suitable figure, then the members ought to support the Board's decision.
- 4.7.3.5 Bro Philbert John asked whether the FSA must approve the decision made for it to take effect. The Chairman responded in the negative. Based on prudence, Bro. Philbert John accepted the proposal made by the Board of Directors.
- 4.7.3.6 Bro Cecil Jackson sought clarification on the tabled item "Dividends paid" on page 7 (53 in the booklet) of the financial statements. The Chairman explained that it reflected the dividend paid in 2019 for the 2018 financial year.
- 4.7.3.7 Bro. Cecil Jackson urged the members to consider that although it may feel satisfying to get the cash in hand, the sustainability of the organisation must also be considered. He agreed that 3% was a reasonable figure.
- 4.7.4 After much discussion, the 3% and 4% proposals were put to a vote. Ninety-seven (97) persons voted in favour of 3% while thirty-eight (38) persons voted in favour of 4%.

- 4.7.4.1 By majority vote, the Board of Directors' proposal for a 3% dividend on Equity Shares was approved.

On a motion moved by Bro Cecil "Pa" Jack, seconded by Bro Aubrey Burgin, the Board of Directors', Treasurer's, and Auditors' reports were accepted.

(iv) Election of Board of Directors

Sis Neva Cordice, representative of the FSA, conducted the elections.

- 4.8 Bros. Gary Matthias, Aubrey Burgin and Harold Lewis retired from the Board of Directors. Bro Harold Lewis, having served two (2) consecutive terms was not eligible for re-election.

- 4.8.1 The Nominations Committee nominated Bros. Gary Matthias and Aubrey Burgin and Sis. Samantha Robinson.

Nominations from the floor:

- 4.8.2 Sis. Janice King was nominated by Sis. Ena Walters, seconded by Sis Gemma Mc Cree.
- 4.8.3 Bro. Jerold Jackson was nominated by Bro. Joel Poyer, seconded by Sis. Cassia Simmons.
- 4.8.4 Bro. Michael Sayers was nominated by Sis. Camilla Mandeville-Mulzac, seconded by Sis. Viola Andrews-Jacobs.
- 4.8.5 Nominations were closed on a motion moved by Bro. Michael Da Silva, seconded by Bro. Philbert John.

Results

Bro. Gary Matthias	68
Bro. Aubrey Burgin	52
Sis. Samantha Robinson	42

Sis. Janice King	67
Bro. Jerold Jackson	69
Bro. Michael Sayers	107

- 4.8.6 Bros. Gary Matthias, Jerold Jackson and Michael Sayers were elected to serve on the Board of Directors for the next three (3) years.

(b) Credit Committee

(i) Credit Committee's Report

- 4.9 Having been circulated previously, the report of the Credit Committee was taken as read. Sis Janice King guided the meeting through the report and highlighted the following:

- (a) There was an increase in the total value of the loans from 2018 to 2019, although there was a decrease in the number of loans disbursed,
- (b) The delinquency rate reduced by 0.12%

4.10 Discussion

- 4.10.1 Bro. Philbert John made reference to the 57 meetings held in 2019 and commended the members of the Credit Committee for their dedication. He also congratulated the committee on its continued effort in relation to the decrease in the delinquency rate and encouraged the committee to continue its work in getting the delinquency rate below the 5% limit.
- 4.10.2 Bro Cecil 'Pa' Jack suggested that there should be more promotion for the Agri-business loans. On a motion moved by Sis Marcella Burgin, seconded by Sis Yolande Barbour, the Credit Committee report was accepted.

(ii) Election of Credit Committee

- 4.11 Sis Janice King retired from the Credit Committee. The Nominations Committee nominated Sis Wendy-Ann Richardson. Sis. Wendy-Ann Richardson was absent and was therefore not eligible for election.

Nominations from the floor:

- 4.11.1 Sis. Jouvania Roberts was nominated by Bro. Elvis Dublin, seconded by Bro Stewart Haynes.
- 4.11.2 Bro. Dougal Allen was nominated by Bro. Micah Cumberbatch, seconded by Sis Degra Michael-Scanlan.
- 4.11.3 Nominations were closed on a motion moved by Bro. Philbert John, seconded by Bro. Cecil Jackson.

Results

Sis. Jouvania Roberts	56
Bro. Dougal Allen	58

- 4.11.4 Bro. Dougal Allen was elected to serve on the Credit Committee for the next three (3) years.

(c) Supervisory and Compliance Committee

(i) Supervisory and Compliance Committee's Report

- 4.12 Having been circulated before, the report of the Supervisory and Compliance Committee was taken as read.

- 4.12.1 Bro. Philbert John commended the committee on its work and encouraged its members to ensure that the systems implemented in the Work Plan were being adhered to.

On a motion moved by Sis Louisa Martin-James, seconded by Bro. Gary Matthias, the Supervisory and Compliance Committee report was accepted.

(ii) Election of Supervisory and Compliance Committee

- 4.13 Sis. Ena Walters retired from the Supervisory and Compliance Committee. The Nominations Committee nominated Sis. Ena Walters.

Nominations from the floor:

- 4.13.1 Sis Jouvanie Roberts was nominated by Bro. Dougal Allen, seconded by Sis. Cecelia Haynes.
4.13.2 Sis. Marcelle Burgin was nominated by Bro Philbert John, seconded by Bro Cecil 'Pa' Jack.
4.13.3 Sis Louisa Martin-James was nominated by Bro. Elvis Dublin, seconded by Sis. Yolande Barbour.
4.13.4 Nominations were closed on a motion moved by Bro. Andrew Bramble, seconded by Bro. Philbert John.

Results

Sis Ena Walters	18
Sis Jouvanie Roberts	24
Sis Marcelle Burgin	11
Sis Louisa Martin-James	38

- 4.13.5 Sis Louisa Martin-James was elected to serve on the Supervisory and Compliance Committee for the next three years.

(d) Education Committee

(i) Education Committee's Report

- 4.14 Bro. Clarence Harry guided the meeting through the report. A correction was made to the first line of the first point under item 4.4 on page 113: "igh high School was" was deleted.
4.14.1 The Education Committee's Report was adopted with corrections on a motion moved by Bro Alistair Alexander, seconded by Sis Ena Walters.

4.15 Discussion

- 4.15.1 Referring to the third point under item 4.3 on page 113, Sis Marcella Burgin expressed disappointment that only 23 members from a total membership of over 40,000, attended the training on Volunteerism. She added that a training of this kind should be opened to all members.
4.15.2 With reference to item 4.5 on page 114, in relation to GECCU's increased online presence, Bro. Don Providence recommended that the credit union should continue to make use of all social media platforms.
4.15.3 Bro. Philbert John commended the committee on its work and for providing a detailed report.

On a motion moved by Sis. Susan Glasgow, seconded by Bro Dougal Allen, the report of the Education Committee was accepted.

5. ELECTION OF AUDITORS

- 5.1 KPMG was nominated by Sis. Camille Crichton, seconded by Bro. Philbert John.
- 5.2 Nominations were closed on a motion moved by Bro. Michael Da Silva, seconded by Bro. Philbert John.
- 5.3 There being no other nominees, KPMG was retained as the Auditor for the 2020 financial year.

6. NEW BUSINESS

- 6.1 Bro Cecil 'Pa' Jack expressed his appreciation to Bro. Lennox Bowman for his years of dedicated service to the credit union movement and wished him success in his retirement and future endeavours. He welcomed the new CEO, Bro. Rohan J. Stowe, commenting that he had confidence in his ability to continue leading the institution in the right direction.
- 6.2 Bro. Philbert John endorsed the sentiments expressed by Bro. Cecil 'Pa' Jack He praised Bro. Lennox Bowman for his role in the transformation of the credit union during his tenure as Chief Executive Officer. He, however, observed that the succession of the CEO position did not go down the ranks but was recruited externally instead. He wished the new CEO well in his tenure.
- 6.3 Bro. Don Providence suggested that the online platforms be utilized to make the AGMs available to members in the diaspora. He also suggested that, references to the 'Centrex building' should be re-phrased to the 'GECCU building'.
- 6.4 Permission for FSA to destroy the ballots was given.
- 6.5 The Chairman thanked everyone for their support.

7. ADJOURNMENT

There being no other business, the meeting ended at 8:04 p.m. on a motion moved by Sis. Marcelle Burgin, seconded by Bro. Philbert John.

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

.....
Chairman

.....
Secretary



Board of Directors' Report

to the

55th ANNUAL GENERAL MEETING

of the

**GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

THE BOARD OF DIRECTORS' REPORT TO THE 55TH ANNUAL GENERAL MEETING

1.0 Introduction

Fellow Co-operators,

- 1.1 GECCU turned fifty-seven (57) on July 14, 2021 as a strong “**Going Concern**’ credit union, a milestone that exemplifies the measured and prudent approach to financial management of the institution, as well as the trust and loyalty, which you the members/owners have placed in this foundation institution.
- 1.2 Over these years of existence, GECCU’s Board, Management, cadre of dedicated volunteers and staff, have remained committed to the ideals and principles underlying our vision and mission. They worked hard every day to bring to life the purpose of our existence, *that is to enhance the quality of life of our members through the operation of a stable and efficient credit union that offers a high quality financial product and services to meet the needs of our members.*
- 1.3 The contribution to nation building, community and individual advancement does not stop at finding creative solutions to meet financial needs. It also involves a catalogue of provision of social services, charitable works and participation in national discourse about the economic development of St Vincent and the Grenadines. GECCU, as one of the largest and systemically important credit unions in the Eastern Caribbean Currency Union (ECCU) has been leading the way in being a responsible social corporate entity, fighting inequity in all forms and promoting financial empowerment of the “unbanked” and “underbanked”.
- 1.4 We have come a long way over the past fifty-seven (57) years and remain resolute in the full pursuit of our vision. To achieve this ultimate goal, we must guide GECCU along a path that will facilitate a successful adaptation of the business model to the changing business environment. Therefore, the Board of Directors’ Report for 2020 was prepared under the theme: “***Making More Possible As We Navigate These Challenging Times***”. It is in recognition of the strategic thinking during the review period, which was focused on upgrading physical and technological capabilities, investing in business continuity arrangements and building resilience. The overarching goal was to ensure that GECCU remains a profitable and sound institution, that is well positioned to continually meet the ever changing needs of our valued members. The theme also calls for us to re-set and re-focus on both our short and long term priorities, as we take stock of the disruption and upheaval caused by the still on-going health pandemic.
- 1.5 During the review period, developments were dominated by the outbreak of the coronavirus pandemic, which virtually put life and business activity on pause. The combined public health and economic crises caused by the pandemic, negatively impacted our financial performance and put a large number of our members under financial stress.
- 1.6 As a result, GECCU had to respond to address the immediate to short-term issues that resulted from the crisis. The immediate focus was on ensuring the safety and security of employees and members, while maintaining services. We also prioritized providing support to members who were under some financial stress. Through good strategic planning and a stroke of luck, our operations were not severely compromised, as the strict protocols introduced at the institutional level seem to have been effective in preventing an outbreak of the virus among staff.
- 1.7 We were also able to offer significant relief to members who lost their jobs or suffered reduced income due to COVID, through our “***Ease the Burden***” loan moratorium programme.

The extent of the uptake of this programme clearly indicated the negative impact of the pandemic on members' financial situation. GECCU will continue to do all within its financial capabilities to have an orderly winding down of the programme, by providing targeted support to our members, even after the programme officially ends.

- 1.8 Notwithstanding the disruption caused by the pandemic and the reprioritisation of some tactical goals, the Board and management did not lose sight of the long-term strategic goals, which it had set out to achieve during the year. The major strategic activities embarked on during the year were;
- 1) Upgrading and expanding the physical operating capacity;
 - 2) Upgrading and modernizing our technological capabilities; and
 - 3) Appointment of a new CEO.
- 1.9 We are delighted to report that all these projects were successfully completed. The successful achievement of these milestones portend some key benefits for GECCU in the years ahead. These include:
- 1) Improved capability to provide more diverse modern digital products and services;
 - 2) Improvements in operational efficiencies;
 - 3) Preservation of business continuity; and
 - 4) Increased confidence by members in the strategic thrust of GECCU.
- 1.10 The Board extends sincere thanks to all those who have contributed in one way or the other in helping us to prevail in 2020, despite all the old and new challenges faced. Special mention must be made of those whose names are too numerous to mention, who were instrumental in planning, organizing and successfully executing the above mentioned projects and programmes. The end results were a relatively smooth transition to the new headquarters building and change over to a new banking solution software. In addition, the seamless transition to a new CEO speaks volumes about the effectiveness of our planning framework and competency of our beloved staff.
- 1.11 All of our achievements for the review period would not have been possible without the support of you our valued members. You continue to make GECCU your preferred financial institution for doing business and remained steadfast in your trust and loyalty to the brand. This was evident in the unwavering patience exhibited during the disruption to our operations caused by the pandemic. You continued to patronize our products and services, despite the inconvenience suffered from an increase in waiting time for service, due to the adherence to strict protocols aimed at preventing the spread of the virus. The Board recognises your commitment and salutes you as true heroes and heroines.
- 1.12 The Board encourages all those who are part of preserving our noble credit union, to continue employing the spirit of cooperation and the healthy commitment to long range planning, so that we could move ever closer to ultimately achieving our vision of being the "FIRST CHOICE" Financial Institution" in St Vincent and the Grenadines.

2.0 BOARD OF DIRECTORS

At the 54th Annual General Meeting, two new members, Brothers Michael Sayers and Jerold Jackson were elected to the Board.

- 2.1 At the first meeting, the Board of Directors elected Sis. Cecelia J. Williams – President; Bro. Brian Alexander- Vice President; Bro. Gary Matthias – Treasurer; and Bro. Hugh Colin Sam - Secretary.

The full Board of Directors comprises the following:

- Sis. Cecelia J. Williams - President
- Bro. Brian Alexander - Vice President
- Bro. Hugh Colin Sam - Secretary
- Bro. F. Clarence Harry - Treasurer
- Bro. Gary Matthias - Director
- Bro. Linus Goodluck - Director
- Bro. Jerold Jackson - Director
- Sis. Kimberley Cambridge - Director
- Bro. Michael Sayers - Director

3.0 MEETINGS AND ATTENDANCE

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

Table 1: Summary of Attendance of Board of Directors

Names	Regular	Special	GRAND
	TOTAL (10)	TOTAL (22)	TOTAL(32)
Sis. Cecelia J. Williams	10	22	31
Bro. Brian Alexander	10	22	31
Bro. Hugh Colin Sam	10	20	30
Bro. F. Clarence Harry	10	22	32
Bro. Gary Matthias	10	20	30
Bro. Linus Goodluck	10	20	30
Sis. Kimberley Cambridge	10	19	29
Bro. Michael Sayers	10	20	30
Bro. Jerold Jackson	8	21	29

4.0 OVERALL PERFORMANCE REVIEW

The review period could be characterized as one which produced a “Great Global Disruption” that rewired the global economy. The disruption caused specifically by the COVID-19 pandemic, has effected structural changes in the social, economic, cultural and political landscapes and has forever changed the way we do business and socialize. It has resulted in untold human and financial losses worldwide, as it was quickly transformed from a health crisis into a full blown economic and financial crisis.

As a result of the rapid spread of the virus globally and the ensuing implementation of preventative measures, global economic activity collapsed in 2020. According to the IMF, the global economy contracted by 3.2 percent in 2020, much worse than during the 2008–09 financial crisis. Economic activity in all the major growth sectors were severely obstructed, accompanied by business closures and a rise in unemployment globally. Importantly, growth contracted in major trading partner countries such as the USA (-3.5 percent), Canada (-5.3 percent), and United Kingdom (-9.8 percent). These countries are major source markets for tourist arrivals to St. Vincent and the Grenadines, as well as growth financing inflows such as remittances and foreign direct investments.

In St. Vincent and the Grenadines, there was significant fallout from both the direct impact of the COVID-19 pandemic and the collapse of global economic activity on overall economic performance. In particular, these events severely impacted the tourism sector, the engine of growth for the economy. As a consequence, real GDP growth is estimated to have contracted by between 3.0 and 7.0 percent. The magnitude of the impact on overall economic activity was mitigated partially by the fact that the economy did not go into a total lockdown during 2020.

Amidst the tumultuous times and uncertain future, GECCU was still able to skillfully navigate through these new challenges and threats posed in the business environment. Thanks to our robust planning framework and responsive approach to implementation of the necessary measures. As a result, GECCU was still able to fulfill its mission of bringing affordable, quality financial services to our members, while producing a credible financial performance. A profit was recorded for 2020, although it is about 50.00 percent lower than that registered in 2019. As expected, the financial outturn reflected the deleterious effect that the COVID-19 pandemic had on the business operations and overall financial performance.

As reflected in our theme, the Board and management employed a multi-faceted strategy that was aimed at minimizing the impact of the COVID-19 pandemic and associated fallout on the operations of GECCU, while at the same time exploiting opportunities for growth and enhancing the delivery of services to our members.

The plans, programmes and initiatives were anchored in some key strategic priority goals which were identified as critical for preserving GECCU's brand, as a resilient, prosperous, compassionate and efficient **'Going Concern'** credit union.

4.1 **PERFORMANCE RELATED TO PRIORITY AREAS**

As part of the strategic planning process, the Board of Directors established eight (8) priority areas at the beginning of the year. These strategic priority areas were used as the basis for developing departments' work plans and the budget for 2020. These plans along with the budget were subsequently approved by the Board in December 2019.

The outbreak of the COVID-19 virus in the first quarter of 2020 would have led to a reprioritisation of some plans and programmes. Through broad based consultation which involved engagements between the Board, management, relevant committees and external partners, GECCU was able to reorient its strategy to navigate effectively through the changing business environment. The Board of Directors is pleased to report on its accomplishments, with respect to the priority strategic areas for the period under review.

4.2 PRIORITY 1: CORPORATE GOVERNANCE

The Board continued to emphasize the importance of sound corporate governance practices, as a vehicle for ensuring that GECCU remains a stable, profitable and growth driven institution. As the leading credit union in St Vincent and the Grenadines and a systemically important financial institution in the Eastern Caribbean Currency Union(ECCU), GECCU is expected to operate in a transparent manner, comply with regulatory and prudential standards and be held accountable to its owners/members.

During the review period, a number of initiatives and programmes were embarked on to educate management, staff and volunteers about principles of sound corporate governance. Overall, the corporate governance function could be assessed as sound and in good standing. There were no major reported infractions of the underlying governing statutory rules and regulations, i.e. the Co-operative Societies Act and By-Laws of GECCU. Public trust and confidence in the operation of GECCU continues to be strong, as reflected in the growth in key pseudo metrics such as members' liabilities and membership, during the review period.

Internally, the processes and procedures in place continue to ensure that there is transparency in decision making and accountability for actions taken, by the Board of Directors, management and staff. This conclusion was supported by an overall favourable Supervisory and Compliance Committee Report. However, the Supervisory and Compliance Committee also highlighted some areas for improvements. The Board acknowledges these concerns and is committed to taking steps to resolve those issues. In fact, a plan of action was approved for addressing these short comings.

Our network of committees also played an important role in promoting and enforcing adherence to good governance practices at GECCU. In particular, the Supervisory and Compliance Committee, Audit Committee and Internal Audit Department, all played a very crucial role in ensuring that GECCU's operations were consistent with international principles and best practices for corporate governance. As highlighted in the various committee reports, during 2020 the committees were very active. They executed their duties and responsibilities in accordance with the statutory laws and By-Laws of the credit union. All Committees, statutory or Board appointed, met regularly and produced the stipulated reports for the Board.

One major corporate responsibility that the Board is charged with, is to ensure that there is appropriate business continuity plans in place to address all events that may cause disruptions or closure of operations. It is also responsible for ensuring that GECCU is managed by individuals who are competent, have integrity and are committed to the values of the credit union.

During the review period, the Board developed and executed plans for the identification, recruitment and appointment of a new CEO. The process was a robust and transparent one, which was led by a highly qualified external human resource consultant, Dr. Janelle Allen. At the end of the process, Bro. Rohan J. Stowe was selected as the new CEO to replace Bro Lennox Bowman, who retired after twenty-six (26) years of service.

The Board welcomes the appointment of Bro. Rohan J. Stowe, who joined on **1st September, 2020** and officially assumed duties as CEO on **1st October, 2020**. He brings a wealth of knowledge and experience on the workings of the financial sector in the region. We look forward to working with him to further build on the good foundation that has been laid, to make GECCU an even greater success in the future.

To Bro. Lennox Bowman, we express our sincere gratitude to you for your years of diligent service and for helping GECCU to achieve so many milestones, during your leadership.

4.3 PRIORITY 2: REGISTRATION OF NEW MEMBERS

GECCU remained the largest credit union in St Vincent and the Grenadines in terms of market share of membership. At the end of 2020, GECCU's membership stood at 42,569, which represented 49.3 per cent of the total market share, in St Vincent and the Grenadines.

In the quest to maintain the number one status and increase GECCU's market share through attracting new members, some specific strategies were employed. The strategies mainly targeted the junior savers and 16-30 cohorts. They included but were not restricted to the following:

- i. Enlisting the help of Volunteers/Liaison Officers;
- ii. Increased use of social networks;
- iii. Intensifying the school's outreach programme;
- iv. Greater segmentation and targeting of the market.

As shown in table 2 below, new members registered in 2020 totaled 1,844 compared with 2,170 in 2019. The junior savers and 16-30 age group accounted for 62.0 per cent of the total, similar to developments in 2019.

Table 2: Breakdown of New Members by Age

AGE	NUMBER OF PERSONS	PERCENTAGE
Junior Savers	500	27
16 - 30	653	35
31 - 40	292	16
41 - 50	222	12
51 - 60	133	7
61 and over	43	2
Organizations	1	.5
Total	1,844	100

The gender breakdown of new membership for 2020 indicates that females accounted for 53.1 Percent (980) of the total, while males accounted for 46.8 percent (863). One organization was registered.

The lower level of new members joining in 2020 relative to 2019, was due primarily to the impact of COVID-19. It had a negative impact on new registrants for two main reasons. First, the global lockdown which ensued following the rapid spread of the virus in early 2020, further aggravated the depressed, low level of economic activity in the local economy. Given this reduced level of economic activity, closure of businesses, fewer employment opportunities and general uncertainties about the future, it meant that disposable income fell along with the proportion of persons with extra liquidity for savings. Secondly, the high level of uncertainty and general anxiety created by the spread of the virus deterred persons from thinking about long-term

activities such as opening a savings account. Instead they were forced to focus on the immediate short-term needs associated with adjusting to the pandemic.

Overall, in the context of the challenging economic and financial environment which we faced, the registration drive could still be seen as a success. In particular, the marketing strategy which was focused on those 30 years old and younger, produced credible results. GECCU remains a very attractive financial institution for this cohort. This bodes well for the future, as this cohort is expected to drive demand for products and services going forward. The challenge therefore from a policy stand point, is to develop and implement a top class “*Onboarding Programme*” that could uncover needs on these new members and build the type of relationships that would make them loyal to the brand of GECCU, over their life time.

4.4 PRIORITY 3: HUMAN RESOURCE CAPACITY BUILDING AND OPERATIONAL EFFICIENCY

One of the central tenets of GECCU’s human resource strategic thrust is to upgrade the capacity and capability of our staff and volunteers.

Hence, training and empowerment of our employees are a prerequisite for improving their job performance and productivity. This means we must invest to ensure that employees and volunteers have the right skills and tools to do their jobs, is critical for preparing GECCU to meet future needs of our members and the general public.

As with everything else, the disruption caused by the outbreak of the COVID-19 virus, limited access to training opportunities. It also forced us to reprioritize our scheduled programme of activities for human resource development. Therefore, during 2020 a lot of resources and initiatives were directed at educating our staff and volunteers about the virus. Those educational initiatives were facilitated by the Ministry of Health and significantly helped to prepare the staff to deal with the new realities in the work environment and broader society.

As noted earlier, GECCU also invested resources to improve the overall operational efficiency of the credit union. In this regard, one of the major institutional wide infrastructure projects undertaken during 2020, was the installation of a new core banking solution software developed by **Sharetec**, a company out of the United States of America. The successful transition from Emortelle to this new backbone software was made possible through good planning and a robust education and training programme for staff and volunteers.

In addition, during the review period, work continued on finalising the job evaluation exercise being done by consulting firm HRC Associates in Trinidad and Tobago. This project also involved internal capacity building initiatives in areas such as writing job descriptions and evaluating jobs.

The following matrix details the extensive training undertaken during the year.

Table 4 Staff Training - Workshop and Seminars**Training Sessions - Ex House**

Title	Participant	Location	Date	Resourced by
Financial Reporting Standards (IFRS)	Maxine Johnney Kenneth Thomas Damoris Alexander Keon Findlay Yolande Barbour	St. Vincent & the Grenadines	January 13	BDO Eastern Caribbean
Caribbean Development Education	Kimberley Cambridge	Trinidad	January 12-18	Caribbean Development Education Programme
Anti-Money Laundering and Terrorist Financing Compliance Training	Kenneth Thomas Maxine Johnney J-Lany Williams	St. Vincent and the Grenadines	February 20	Financial Intelligence Unit
Registration of Entities - Sensitization Training	Maxine Johnney J-Lany Williams	St. Vincent and the Grenadines	May 6	Financial Intelligence Unit
Supervisory Management	J-Lany Williams	St. Vincent and the Grenadines	June 8	University of the West Indies – Open Campus
Introduction of Events Management	Keisha Johnson	St. Vincent and the Grenadines	September 29	University of the West Indies – Open Campus

Training Sessions - In House (Virtual)

Title	Participant	Date	Facilitator
Updating the Business Continuity Plan (BCP) by Upgrading business resilience	Selected Members of Staff & Volunteers	August 25	ComplianceAid Advisory Service, iSoftware4Banks and London Risk.
Is The Risk Of Fraud Occurring In Your Organization Keeping You Up At Night?	Selected Members of Staff & Volunteers	August 26	ComplianceAid Advisory Service, iSoftware4Banks and London Risk.
Anti-Money Laundering & Counter Financing of Terrorism	Selected Members of Staff & Volunteers	August 27	ComplianceAid BSA AML Services and SVG Co-operative League
Reading & Understanding Credit Union Financial Statements	Cheryl Bacchus Colita Mitchell Keemo Alexander Sharlene Charles Alvania Simmons Kevie Frederick	October 20	Caribbean Conference of Credit Unions Institute of Chartered Accountants of Barbados
Enterprise Risk Management	Maxine Johnney Karen Mulrairie Junelto James J-Lany Williams	October 22	Jamaica Co-operative Credit Union League & Caribbean Confederation of Credit Unions
Loans Securities Documentation	Shanaz Greaves	November 18-19	Jamaica Institute of Financial Services
Anti-Money Laundering & Counter Financing of Terrorism	Board of Directors	November 19	ComplianceAid BSA AML Services and SVG Co-operative League
Cybersecurity	Selected Members of Staff and Volunteers	December 2	David Green - Hitachi Systems Security Inc. and SVG Co-operative League

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

Lending to meet land and housing demands by our members, is a vehicle which allows GECCU to fulfill some of the key principles which anchor the credit union movement. These types of lending help to improve both the economic and social well-being of our members. Furthermore, housing and land development help to build the communities in which they occur and also contribute to improving economic activity nationwide.

In 2020, GECCU continued to be a leader in providing loans to help our members fulfil their housing needs. As shown in the table 5 below, mortgage and land loans accounted for 55.0 percent of the total loans portfolio by the end of 2020 compared with 53.9 percent in 2019. Mortgages by far accounted for the larger share of the loan portfolio. This is consistent with GECCU being a leader in originating these types of loans.

Table 5: Summary of Land Loans and Mortgages

	2019	2020
Land	\$11,476,954	\$12,122,869
% of Total Loan	6.89	7.07%
Mortgage	\$78,366,707	\$86,481,352
% of Total loan	47.03	50.41%
Land & Mortgage	\$89,843,661	\$98,604,221
% of Total loan	53.92	57.48%
Total Loan (Gross)	\$166,633,165	\$171,562,777

As indicated in the Credit Committee's report, it continues to play a pivotal role in ensuring that GECCU achieves its goals, with respect to meeting our members' demands for housing. The Committee was very busy during the review period as it not only dispensed its evaluation and underwriting duties, but also provided valuable counseling services to our mortgage borrowers, especially first time homeowners.

GECCU is adding another platform, through which it will be able to further fulfil its commitment to its social housing programme. Discussions were held at the Board and management level, following the 54th AGM, with respect to working to get plans back on track for the development of an affordable housing project at the Peters Hope site. The 54th Board of Directors has already approved a strategic plan for the housing project on the 30 acres of land, owned by GECCU. This Project is expected to commence in the last quarter of 2021.

4.6 PRIORITY 5: ACCESS TO GECCU SERVICES

GECCU, through its extensive network of sub-offices, has lived up to its operating ethos of giving the **“unbanked”** and **“underbanked”** access to quality and affordable financial services. Our sub-offices are strategically located in areas, where traditionally the established banks have been reluctant to set up a bricks and mortar operation. In fact, due to consolidation in the financial sector over the past decade or so, some banks have discontinued providing services in some low income areas.

GECCU has been able to fill the void left by the closure of some bank branches, thus ensuring that families and households in those areas continue to have access to fair and equitable financial services. Table 3 shows the extent of the services provided through our sub-offices, using some key performance metrics. Overall during 2020, the level of throughput activities at the sub-branches was lower when compared with 2019. The performance was consistent with the negative impact of the COVID-19 pandemic on our operations and financial performance.

Table 3: Performance of the Sub-Offices

	New Members		Collection		Disbursement	
	2020	2019	2020	2019	2020	2019
Union Is.	37	35	\$4,648,073.93	\$4,581,144.75	\$2,569,532.54	\$601,392.15
Canouan	47	83	\$3,605,612.38	\$3,477,808.69	\$252,847.91	\$210,927.00
Bequia	150	145	\$6,350,142.79	\$5,306,166.97	\$3,679,161.10	\$2,072,195.76
Georgetown	289	412	\$9,581,346.29	\$9,938,269.37	\$14,088,367.26	\$13,874,939.89
South Rivers	116	158	\$3,457,554.03	\$2,800,633.18	\$4,217,578.24	\$3,215,793.54
Total	639	833	\$27,642,729.42	\$26,104,022.96	\$24,807,487.05	\$19,975,248.34

The improvement of access to GECCU's services has been built around two main strategic pillars during 2020: 7) *Improving the Physical Infrastructure*; and 8) *Upgrading the Technological Infrastructure*.

The renovation of the Centrex building, which is now being used as the new headquarters, was completed in August 2020. Total capital spending on this very important project amounted to approximately, \$2.3M. Operations were fully relocated to this new location in August 2020, with significant benefits for staff and our members. Principally, the move to relatively more spacious and better equipped office spaces has allowed for a more productive environment. It has also enhanced our capacity to increase staff levels and their workloads. In the end, it all leads to better provision of services to our members.

As part of the strategic approach to grow GECCU and prepare it to meet the future demands of our members in a digital age, it was important that the backbone core banking solutions software be upgraded. The changeover to the new software was planned to synchronise with the move to the new headquarters. The investment in the new software which amounted to \$1.5M, is already paying dividends to our members, through the improvements in overall operational efficiency and ease of access to more modern banking services. In particular, the new technology has allowed us to offer a suite of digital services through our home and mobile banking platforms. It has also laid the foundation for GECCU, not only to continue to expand its digital offerings, but to also offer a more diverse set of products and services in the future.

4.7 PRIORITY 6: TO STRENGTHEN THE MOVEMENT NATIONALLY AND REGIONALLY

GECCU worked closely during the review period with national, regional and international stakeholders in the credit union fraternity, to advance the causes of the sector, as well as strengthen strategic and operational capabilities of the credit union system.

The already robust framework for cooperation among credit unions, at all levels, was put to the test during the health pandemic in 2020. GECCU would have benefitted significantly from these arrangements at all levels. During the review period we collaborated with the St. Vincent Co-operative League, the Financial Services Authority, the Co-operative Department and

the Caribbean Confederation of Credit Unions, to develop a response strategy to the virus outbreak. Emphasis in the strategy was primarily placed on the protection of all our members, as much as we could practically. Secondly, the plan called for a renewed focus on meeting our members' immediate needs in order to secure their financial well-being. Access to these various networks allowed us to align our COVID-19 response strategy with international best practices and to tap into human and financial resources.

GECCU also continued to actively support the local League both financially and by our representation on the board and committees. Bros. Harold Lewis and Jerold Jackson currently sit on the Board of Directors of the St. Vincent Co-operative League as President and Treasurer respectively and Bro. Brian Alexander is a member of the Supervisory and Compliance Committee. Regionally, Bro Lennox Bowman continues to serve as Treasurer of the Caribbean Confederation of Credit Unions (CCCU).

The Financial Services Authority held discussions and consultation on strengthening the policy architecture for dealing with financial shocks and improving the legislative infrastructure governing credit unions. To this end plans were being developed to facilitate the passing of the regulations for the Co-operative Societies Act 2012.

There were not many activities with respect to attendance at conferences and other in person training sessions due to the restrictive protocols that were implemented globally for travel, in an attempt to stop the spread of the virus. Consequently, both the CCCU, WOCCU and OECS Credit Union summits for 2020 were cancelled.

4.8 PRIORITY 7: CORPORATE SOCIAL RESPONSIBILITY

GECCU has a proud and established history of being a very responsible social corporate citizen. We have been focused on not only providing opportunities for our members to advance financially, but also on building the villages and communities in which they live into thriving and prosperous places. In fulfilling this critical strategic goal, we are guided by the following key principles:

- 1) Preserving and promoting our cultural heritage in all forms;
- 2) Supporting initiatives that encourage diversity;
- 3) Removing barriers to social and economic inclusion of our citizens; and
- 4) Promoting equity across all aspects of life pursuits

Our enabling strategies during 2020 were centred around giving members access to basic food items through our food voucher programme, affordable housing, educational opportunities, health assistance programme and meeting other social needs. We used donations, sponsorships and volunteerism as the vehicles to execute these plans.

During the review period work also continued on the completion of the River 14 project, which is a collaborative undertaking with stakeholders such as the South Rivers Community, the Ministries of Agriculture, Forestry, Fisheries and Rural Development, Tourism, Health and the Environment, Housing and Human Settlement (Physical Planning Department), VINLEC, CWSA, National Parks Rivers and Beaches and the United Nations Global Environmental Fund (GEF). This project is a living testimony of GECCU's commitment to being a leader in fulfilling its corporate social responsibility charter. This type of community enhancing initiative creates other positive externalities for GECCU, especially in the form of increased brand visibility.

4.10 PRIORITY 8: FINANCIAL SUSTAINABILITY AND PROFITABILITY

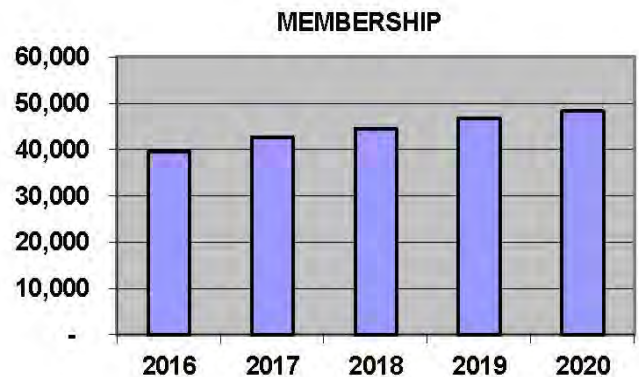
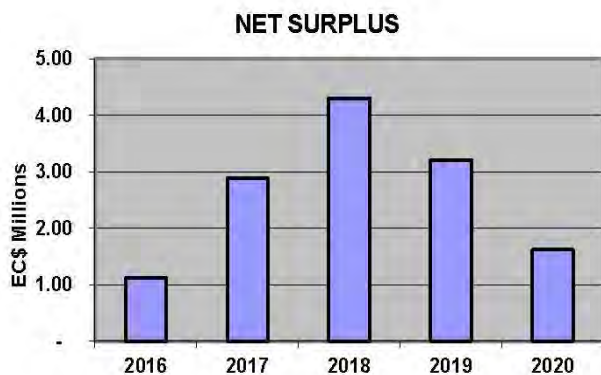
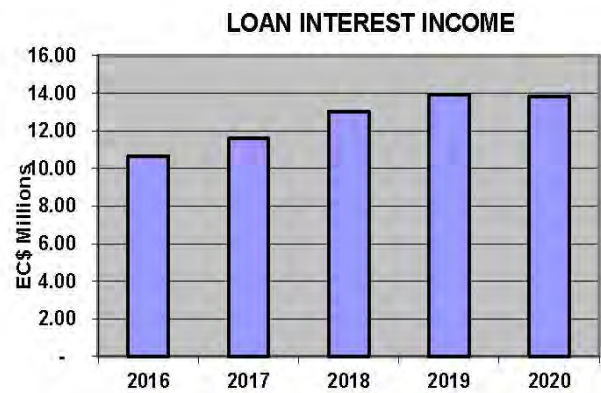
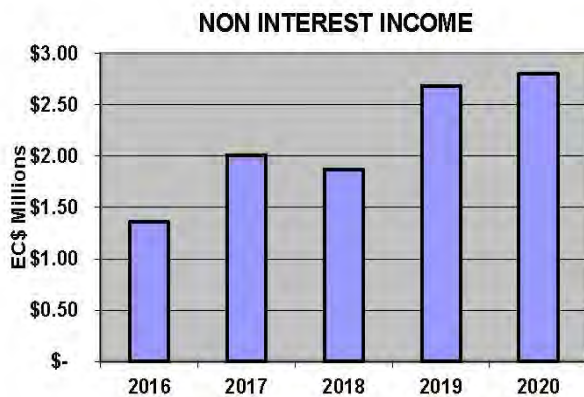
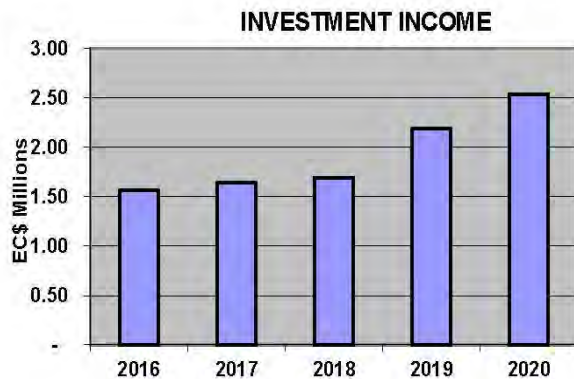
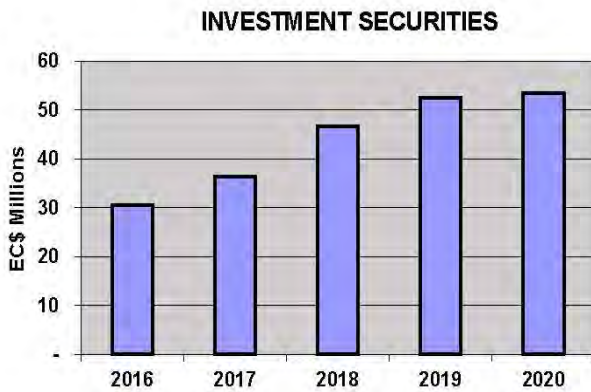
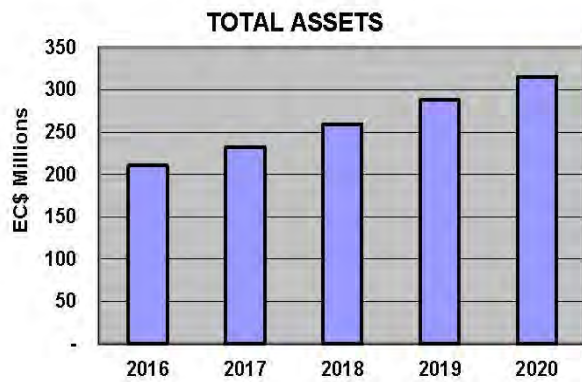
During the review period, our ability to maintain GECCU as a sound, profitable and well capitalized credit union was significantly challenged. Macroeconomic developments in the local economy were less than conducive to supporting robust growth in the key performance metrics, relative to 2019. The already depressed level of activity in the economy was further aggravated by the negative economic fallout associated with the global pandemic. As a result, asset quality deteriorated and our earnings and profitability took a hit.

However, notwithstanding these challenges and the negative impact on some aspect of our financial performance, overall GECCU remained liquid and solvent. The emphasis on quality growth, cost containment, improved liquidity management and capital enhancement, provided the strategic foundation need to counter the numerous challenges faced and to maintain a relatively good growth profile. There was reasonable growth in major indicators on both the balance sheet and income statements. The following is a summary of the outturn for key performance areas;

- **Asset Quality and Growth:** Asset quality deteriorated with a rise in delinquency to 10.45%. As a result, the elevation in non-performing loans and the current adverse economic condition resulted in a significant increase in the provision for credit losses on loans. There was sluggish growth in the loans portfolio, which increased marginally by 2%, posing greater challenge for the credit union to meet its prudential benchmark of 70-80% for loans to total assets.
- **Earnings and Profitability:** Despite the challenges in its operations caused by the pandemic, the credit union was able to record a profit although it has been reduced by 50% compared to 2019.
- **Liquidity and Members’ Savings:** There was unswerving growth in members’ savings which contributed to the credit union’s maintenance of a sound liquidity position well above the prudential benchmark. It was also responsible for the increase in total assets of 10%.
- **Solvency and Capitalization:** GECCU remains solvent with capital adequate ration above the benchmark.

A detailed analysis is included in the Treasurer’s Report; the following table shows the performance highlights for the year under review.

	2020	2019	2018	2017	2016	2015	2014
ASSET GROWTH	ECS	ECS	ECS	ECS	ECS	ECS	ECS
Loans-Net	167,717,410	164,111,376	150,013,425	137,816,907	123,416,638	108,827,524	101,662,432
Cash Resources	59,705,798	41,198,774	35,626,122	31,782,884	30,844,713	26,112,130	25,494,776
Inventories	7,091,790	6,971,489	6,793,043	6,660,283	6,657,966	6,573,290	5,904,370
Fixed Assets	13,971,097	13,587,104	12,017,716	12,101,360	9,799,610	8,491,778	4,652,031
Investment Securities	53,542,440	52,498,400	46,738,996	36,446,955	30,608,505	30,501,789	31,053,476
Other Assets	836,316	1,772,476	637,229	220,824	282,724	357,526	628,612
Investment properties	11,958,989	7,344,049	6,999,992	6,885,734	8,769,000	9,991,000	9,925,000
Total Assets	314,823,840	287,483,668	258,826,523	231,914,947	210,379,156	190,855,037	179,320,697
SAVINGS COMPONENTS							
Members' Shares Savings	115,084,280	107,225,783	97,434,046	88,825,864	81,219,786	75,414,806	69,103,981
Members Deposits	144,085,156	129,411,587	117,394,557	104,906,915	95,545,786	86,227,317	78,807,788
Total Savings	259,169,436	236,637,370	214,828,603	193,732,779	176,765,572	161,642,123	147,911,769
INCOME							
Loan Interest	13,820,533	13,938,959	13,036,752	11,588,526	10,659,222	9,752,199	9,095,687
Investment Income	2,533,813	2,184,860	1,675,381	1,639,522	1,561,637	1,528,716	1,560,615
Non Interest Income	2,801,810	2,679,398	1,867,725	2,008,524	1,357,199	1,147,546	1,141,342
Total Income	19,156,156	18,803,217	16,579,858	15,236,572	13,578,058	12,428,461	11,797,644
EXPENSES							
Marketing, General Admin & other Exp.	11,010,542	9,478,112	8,085,758	7,679,982	8,888,924	10,380,865	6,399,307
Interest Expense	4,506,682	4,797,572	4,150,669	3,999,811	3,270,542	3,555,564	3,816,232
Allowances for credit losses - Loans	1,524,294	749,054	-	678,930	305,274	179,409	216,000
Allowances for credit losses - Investment	497,140	572,527	65,698	-	-	-	-
Total Expense	17,538,658	15,597,265	12,302,125	12,358,723	12,464,740	14,115,838	10,431,539
PROFITABILITY							
Surplus	1,617,498	3,205,952	4,277,733	2,877,849	1,113,318	(1,687,377)	1,366,105
Other Reserve	12,147,606	12,133,362	9,151,620	7,034,555	4,729,154	4,047,842	6,016,190
Equity Shares	33,171,056	30,777,723	28,319,542	25,663,931	23,634,241	21,810,012	20,057,119
MEMBERSHIP	48,306	46,525	44,551	42,643	39,486	37,083	38,953



PEARLS Ratios	Goals	31st Dec 2019	31st Dec 2020
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	243.17%	100.45%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 110%	105.42%	104.85%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the percentage of total assets invested in Loans.</i>	Between 70 to 80%	57.09%	53.27%
Financial Investments / Total Assets <i>Measures the percentage of long-term Investment in Total Assets</i>	Max 10%	5.04%	5.72%
External Credit / Total Credit <i>Measures the percentage of Total Assets financed by external borrowings</i>	Max 5%	0.00%	0.00%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio <i>Measures the percentage of delinquency in the Loan Portfolio.</i>	Less than 5%	5.66%	10.45%
Non-Earning Assets / Total Assets <i>This measures the percentage of total assets not producing income.</i>	Less than 5%	9.80%	10.61%
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%	8.92%	8.32%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	3.47%	3.66%
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%	31.52%	34.29%
Non-Earning Liquid Assets / Total Assets <i>Measures the percentage of cash invested in Non-earning Assets</i>	Less than 1%	4.46%	5.91%
S – Signs of Growth			
Net Loans <i>Measures the percentage growth in Loan Portfolio</i>	More than 10%	9.40%	2.20%
Total Assets <i>To measure the percentage growth in Total Assets.</i>	More than 10%	11.60%	9.51%
Membership <i>Measures the percentage growth in Membership</i>	Min 5%	4.43%	3.83%

5. SOCIAL DEVELOPMENT FUND

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, or 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 resolution. The members who were appointed by the Board of Directors to serve for the year 2019 continued to serve for the year 2020. Listed below are the members who served for the year 2020:

Bro. Michael Da Silva (Chairman)	Sis. Gemma Mc Cree (Secretary)
Bro. Douglas Rose	Sis. Sandra Augustus
Sis. Jonquil Cadougan	Sis. Cecelia J. Williams
Bro. Brian Alexander	Sis. Camilla Mandeville Mulzac
Bro. H. Colin Sam	Bro Devonte Peters
Sis. Shenico Sutherland	Sis. Jacintha Payne
Sis Laurette Kelly	Sis. Cecile Gibson (Staff)

The committee held meetings on a monthly basis and made site visits, where necessary, to assess the validity of the requests and estimates that were submitted.

COVID 19 Pandemic: The COVID-19 Pandemic had a significant impact on the activities of the fund and there was a reduction in the request for assistance from the fund during the second and third quarters of the year. Travel restrictions brought about through the closure of the borders of some neighbouring countries may have contributed to the low number of persons applying for assistance to access medical attention overseas.

There were fifty (50) requests for assistance during 2020. Of these, forty-two (42) were approved, three (3) were denied and five (5) are pending. Fifty-eight (58%) of the cases that came to the committee were for assistance with medical expenses. The applications that were denied did not meet the requirements for assistance as set out in the Social Development Fund (SDF) Guidelines. Those that are pending are awaiting additional information, estimates and other supporting documentation. The table below gives a breakdown and status of the applications that were received and processed by the SDF Committee in 2020.

Category	No. received	Approved	Denied	Pending
Medical	29	27	-	2
Housing	7	4	-	3
Fire	1	1	-	
Storm Damage	8	7	1	
Vision	3	1	2	
Financial/Income support	2	2	-	
Total	50	42	3	5

The following is a financial statement of the status of the SDF

PARTICULARS	\$
Opening balance as at January 1st, 2020	1,877,374
Add: SDF contribution for the year	613,968
	2,491,342
Less: Payments for the year 2020	(265,859)
Balance as at December 31st, 2020	2,225,483

5.1 OTHER OUTREACH

The SDF Committee in collaboration with the Marketing Department embarked on a drive to show GECCU's appreciation to its members during December 2020. The Committee distributed fifty gift vouchers each valued at \$300 to elderly and physically challenged members and hosted a tea party for retired members and volunteers, who expressed that they were delighted that GECCU remembered them for their service.

5.2 GECCUMED: A review of GECCUMED is being undertaken by the Insurers.

6. SCHOLARSHIP

The Scholarship Committee is pleased to report that despite the very challenging environment in which our students, scholars and teachers had to operate, the year 2020 turned out to be another academically successful year. This is borne out by the fact that our students at all levels of the education system performed well. The Committee therefore expresses its appreciation to all teachers, parents and of course our students for rising above the challenges. The following report is therefore a summary of the work done by the Scholarship Committee for the year 2020:

6.1 Annual Scholarships to Secondary School

During the period under review, thirteen (13) scholarships were awarded to students who were successful in the 2020 Caribbean Primary Exit Assessment (CPEA). This total included a tie in the female category for the fifth (5th) position.

The 2020 scholarship recipients were:-

Girls: Najah Lewis	- St. Mary's Roman Catholic
Darry-Ann Richardson	- Kingstown Preparatory
Kalen Browne	- St. Mary's Roman Catholic
Isabella Sam	- St. Mary's Roman Catholic
Sarah Foster	- Sugar Mill Academy
Iyaliah Robertson	- Lowmans Leeward Anglican
Boys: André Quamina	- St. Mary's Roman Catholic
Cristiano Fitzpatrick	- St. Mary's Roman Catholic
Jonathon Wood	- St. Mary's Roman Catholic
R Jay Brooker	- Argyle Primary
Brycen Pompey	- St. Mary's Roman Catholic

Grenadines Scholarship:

Northern Grenadines: DeeJay Hackshaw – Bequia Anglican Primary

Southern Grenadines: Leshaghn Noel – Stephanie Browne Primary

- **Scholarships to Children of Employees of GECCU**

Scholarships were awarded to Konje Findlay, a student of the Kingstown Preparatory School and Hailey Bowman, a student of the St. Mary's Roman Catholic. The scholarships were awarded in accordance with the Collective Agreement between GECCU and the Commercial Technical and Allied Workers' Union (CTAWU), the union GECCU representing employees.

- **Scholarship Presentation Ceremony**

The recipients of scholarships were presented with certificates of academic excellence at a ceremony held on Thursday 20th August 2020 at the Methodist Church Hall, Kingstown. One hundred and four (104) other successful students received monetary awards of \$150.00 each. However, due to the COVID 19 protocols that were instituted by the Ministry of Health and the Environment to reduce the contraction and transmission of the corona virus, the ceremony had to be adjusted. It was therefore restricted to accommodate fifty (50) persons including officials from the Ministry of Education and GECCU, awardees and their parents. Students receiving bursaries were subsequently invited to GECCU's offices to receive their awards.



6.2 UNIVERSITY BURSARY

On Wednesday 14th October 2020, five (5) members were awarded bursaries valued at \$3,000.00 each to pursue their studies at various tertiary institutions. The Committee notes that the 2020 applications were of an exceptionally high quality. The recipients' academic records were quite impressive, with very high ranging GPAs.

The successful recipients were:

- Sis. Reah Edwards
- Sis. K-Tricia Isaacs
- Sis. Ayana Evans-Lyttle
- Sis. Andia Hadley-Thomas
- Bro. Odion Hillocks

Scholarships and bursaries amounted to \$192,592.00 as at December 31, 2020.

6.3 CONGRATULATIONS

The Board of Directors and the Scholarship Committee extended congratulations to all recipients of scholarships and bursaries and wished them continued success in their academic endeavours.

Congratulations were also extended to our scholars who performed well in the 2020 Caribbean Secondary Education Certificate (CSEC) and the Caribbean Advanced Proficiency Examinations (CAPE).

Special congratulations were given to the following scholars on their exceptional performance at the 2020 Caribbean Advanced Proficiency Examinations (CAPE):

- Kelcey Allen, Heather Lakhram, Cimalon Hamilton and Tia James. These scholars are recipients of the Government of St. Vincent and the Grenadines National Scholarships for 2020.

7.0 YOUTH LEADERSHIP SYMPOSIUM

The annual Youth Leadership Symposium which is usually held in August could not be convened owing to the COVID 19 protocol limits for indoor gathering.

8.0 SCHOLARSHIP & BURSARY GUIDELINES

During the year, the Committee met to formalize the guidelines for administering GECCU's Scholarship and Bursary Programme. Much thought and reflection went into this process to ensure that the document reflects best practices and can sustain a high level of integrity. The Committee anticipates that as circumstances change, consideration will have to be given to adopting the document as necessary to prevent any future anomalies. The guidelines were forwarded to the Board for further discussion and ratification.

9.0 CONCLUSION

The Committee wishes to acknowledge the tremendous support of the outgoing and incoming CEOs, Board of Directors, Staff and volunteers of GECCU for making the work of the Committee meaningful.

Debates and discussions of the Scholarship Committee were robust but respectful. It is perhaps this characteristic that allows the Committee to thoroughly examine and expedite matters that produce positive outcomes.

Employee of the Year



Bro. Julian Joslyn

Loans Dept.

Most Outstanding Senior
Employee

Academic Achievement



Sis. Sharlene Charles

M. Business
Administration



Sis. Maxine Johnney

M. Finance & Investments



Sis. Alicia Ashton-Doyle

AS Administrative
Professional Office Mgmt.



Bro. J-Lany Williams

LL.M Legislative Drafting

Most Outstanding Performers



Bro. Ashley Ashton

Accounts Dept.

Most Outstanding Junior Employee



Bro. Anton Jardine

Administration Dept.



Sis. Sharlene Charles

Member Service Section



Bro. Julian Joslyn

Loans Dept.



Bro. Danny George

Sub Office

Volunteer Awards



Sis. Shirley Charles



Sis. Elizabeth A. Williams



Bro. Richard Cumberbatch



Bro. Clarence Harry



Bro. Jerold Jackson

Years of Service



Sis. Cecile Fraser-Gibson

30 Years



Sis. Adinga Findlay

25 Years



Bro. Elias Francis

20 Years



Sis. Lydia Cain

20 Years



Sis. Alicia Ashton-Doyle

20 Years



Bro. Anton Jardine

15 Years

STAFF PROFILE

Bro. Rohan Stowe– Chief Executive Officer
Sis. Alicia Ashton-Doyle– CEO's Secretary

ACCOUNTS DEPARTMENT

Sis. Maxine Johnney	Accountant
Bro. Kenneth Thomas	Assistant Accountant
Bro. Leslie Joseph	Snr Accounts Officer
Sis. Adinga Findlay	Disbursement Officer
Sis. Kathlyn Parsons-Cunningham	Accounts Clerk
Bro. Ricardo Springer	Junior Clerk
Bro. Ashley Ashton	Junior Clerk
Bro. Romani Hull	Junior Clerk
Bro. Enrico Morris	Junior Clerk/Teller
Sis. Winstonique Knights	Junior Clerk/Teller
Sis. Kaliyah Lewis	Junior Clerk/Teller
Sis. Trevonette Johnson	Junior Clerk/Teller
Bro. Javal Samuel	Junior Clerk/Teller
Bro. Kevie Frederick	Junior Clerk/Teller
Sis. Azariah John	Junior Clerk/Teller
Bro. Newbornne Joseph	Driver/Office Assistant

Insurance Section:

Sis. Cecile Fraser-Gibson	Insurance Clerk
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ADMINISTRATION DEPARTMENT

Sis. Cornelia Moses	Operations Officer
Sis. Sharlene Charles	Operations Assistant
Sis. Andreka Samuel	Snr. Member Service Rep. (Ag)
Sis. Bernadette John	Member Service Rep.
Sis. Keisha Johnson	Member Service Rep.
Sis. Melene Nanton	Member Service Rep.
Sis. Shenice Wilson	Member Service Rep.
Sis. Corsel Free-Thomas	Clerk/Typist
Sis. Grace Guy	Receptionist
Sis. Lydia Cain	Filing Clerk
Sis. Tracia James	Office Attendant

INTERNAL AUDIT DEPARTMENT

Sis. Alana Karen Mulraine	Internal Auditor (Ag)
Sis. Shanet Small	Assistant Internal Auditor

MARKETING DEPARTMENT

Sis. Danny-lee Francis	Senior Marketing Officer
Bro. Asif Bailey	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– Benjamin	Loans Officer
Bro. Junelto James	Loans Officer
Sis. Shanaz Greaves	Senior Securities Officer
Sis. Kimesha Browne	Junior Securities Clerk
Sis. Ketora Browne	Loans Clerk
Sis. Theresa Douglas	Loans Receptionist
Sis. Alanis Preddie	Loans Filing Clerk

LOANS DEPARTMENT: RECOVERIES SECTION

Bro. Keon Findlay	Recoveries Officer
<i>Assistant Recoveries Officers:</i>	
Bro. Osbert Cunningham Jr	
Sis. Tonyah Williams	

LEGAL DEPARTMENT

Bro. J-Lany Williams	Legal and Compliance Officer
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I. T DEPARTMENT

Bro. Elias Francis	Data Systems Administrator
Bro. Anton Jardine	Assistant Data Systems Administrator
Bro. Tehani Cato	ICT Technician

GEORGETOWN OFFICE

Bro. Baldwin Johnney	Administrative Officer
Bro. Keldon Walters	Junior Clerk
Sis. Mehaila Williams	Junior Clerk
Sis. Jewel Butler	Junior Clerk
Bro. Imron Greaves	Junior Clerk
Sis. Annecia Richards	Junior Clerk
Sis. Norecia Seymour	Junior Clerk
Sis. Fay-Ann Baptiste	Office Attendant

BEQUA OFFICE

Sis. Treanna Sargeant	Administrative Clerk
Sis. Alvania Simmons	Junior Clerk
Bro. Danny George	Security Staff

CANOUAN OFFICE

Sis. Colita Mitchell	Administrative Clerk
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UNION ISLAND OFFICE

Sis. Vennecia Badnock-Mitchell	Administrative Clerk
Bro. Keemo Alexander	Junior Clerk
Bro. Junior Adams	Security Staff

SOUTH RIVERS OFFICE:

Sis. Charissa Pitt	Junior Clerk
Sis. Annisha Rodgers	Junior Clerk

FACILITIES

Bro. Anthony Bowman	Facilities Officer
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SVGCC DNE Orientation Presentation



Young Adult Training for Employment Program Presentation



Endless Christmas Loan Giveaway



Lennox Bowman's Retirement



New CEO & Mgmt. Team



CPEA Scholarship Awards Ceremony

2020 Highlights



University 1Jursaries Awards



Members' Appreciation Day



Damoris Alexander's Retirement



Christmas Tea for Retirees

8.0 OUTLOOK AND FUTURE STRATEGIES

- 8.1 Global economy activity is expected to rebound in 2021, albeit at an uneven pace. The unevenness of the recovery across countries is expected to be driven by the rate of vaccinations and level of policy support given by governments to facilitate a smoothing of this recovery phase.
- 8.2 Projections by the IMF is for world output to expand by 6.0 per cent in 2021, with a positive growth trajectory over the next two years. In some major trading partner countries, growth in real GDP is expected to at least match or surpass the global average. For example, robust growth in real GDP is forecast for the USA (6.0), Canada (6.3), and United Kingdom (7.0).
- 8.3 The strong recovery in the global economic activity, especially our major trading partner countries, is expected to have a positive impact on economic activity in St Vincent and the Grenadines, albeit with a lag. Empirical evidence suggests that transmission of these real shocks, from advanced economies to countries such as St Vincent and Grenadines, take as much as up to twelve (12) to sixteen (16) months. This means that the local economy will most likely experience the full impact of the robust global growth sometime in 2022.
- 8.4 Real GDP growth in St Vincent and the Grenadines is not expected to fully recover in 2021. This outturn is expected to be influenced by the continued lingering disruptive impact of the pandemic on growth sectors and private financing flows. The violent eruption of the La Soufriere Volcano in April, 2021 is another risk factor which will stymie the prospects of full recovery in 2021.
- 8.5 The implications for GECCU, given the outlook for the macro-economy over the short to medium are clear. Demand for loans and other income earning services are expected to remain depressed in 2021 and possibly into 2022. Therefore, financial statements will continue to be stressed over the short term and could significantly deteriorate further, if there is a disorderly exit from the official loan moratorium programme. If we are to remain profitable and protect our capital base, we must redouble our efforts to:
- 1) Eliminate waste and improve efficiencies in our daily operations;
 - 2) Enforce more robust credit underwriting standards to limit risks associated with the credit portfolio;
 - 3) Control cost growth in our major cost centres; and
 - 4) Develop creative solutions for products and services to meet our members' needs and stimulate growth in key performance metrics.
- 8.6 The world, and in particular the financial services industry, were already changing before the pandemic struck. The pandemic hastened the pace at which some changes are taking place. It is recognised that even before COVID-19, there were some global trends which were impacting how financial institutions conduct business, the way consumers view their financial institutions and how employees do their work. These trends created a range of challenges and issues for financial institutions such as GECCU. They have led to critical changes in overall business environment, as well as the endogenous structure of the traditional business model of credit unions.
- 8.6 The forces driving changes and creating strategic challenges in the overall business environment are reflected in three main areas:

(a) **Macro-economy:**

- Low interest globally has been transmitted to the local economy and has forced fierce price competition among financial institutions,
- The pace of globalization and geopolitical power shifts that are leading to the marginalization of sectors and people, at a scale that is making it harder for affected countries to adjust to new realities, in an orderly manner.
- De-banking and de-risking have led to the withdrawal of services and made it harder for marginalized citizens to access quality banking services.
- Low to depressed economic activity in the local economy over the past five (5) years, has resulted in stagnated labour market conditions, reduced spending power and lower demand for financial products and services. This makes it difficult for credit unions to grow key areas of the business and puts a strain on financial performance over time.

(b) **Consumer Behaviour:** Changing consumer expectations driven by an increasing demand for more choices, ease of access along with efficient speedy decisions and service fulfilment across all delivery channels, including both the physical and digital channels.

(c) **Operational Developments:**

- Increased regulations and administrative arrangements which could negatively affect cost. However, on the other hand, they may provide an opportunity for creating a competitive advantage particularly for the early adapters.
- Disruptive innovation/new technologies which are positively changing customer demands for more digital products/services, increasing market competitions (markets) and improving operational efficiency.
- Increased use of data analytics to better predict and meet consumer needs, enhance operational efficiency and support empirical strategic policymaking.

8.7 There are also a set of endogenous structural forces that are impacting GECCU's operations due to the structure of the traditional business model These include but are not limited to:

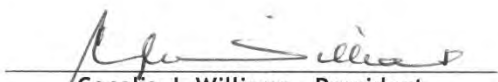
- a) Lack of scale and scope economies;
- b) Restrictive legal-framework (common bond) profile;
- c) Changing member demographics of population.

8.8 In light of these challenges and the massive disruptions caused by the pandemic, the Board recognised the need to pause and consider the development of a comprehensive strategic plan that would effectively address these challenges, over a planning horizon of not less than five (5) years. This was seen as a pre-requisite for securing the sustainability of GECCU into the future.

8.9 The Board is therefore pleased to announce that we have successfully completed this important corporate governance responsibility. A comprehensive strategic plan has been developed under the theme **"Imagining the Future...Making GECCU Better Fit for Purpose"**, covering the planning period 2021-2025. We are confident that the plan contains a thorough road map, that would help GECCU to effectively navigate the challenging times ahead and position it to continue being one of the premiere financial institutions in the OECS.

8.10 At its core, the strategic plan seeks to strike a workable balance between a "defensive approach" which is necessary to stabilize and secure the gains made to date and a more "aggressive approach" which will enable GECCU to continue to be a leader, by pursuing growth and investment opportunities.

- 8.11 To this end, the plan identifies seven (7) CORE strategic goals that would form the basis for developing the business while enabling strategies and the departments' work plans. These are as follow:
- 1) Strengthening Financial Performance
 - 2) Improving Corporate Governance
 - 3) Improving Member Experience
 - 4) Updating Internal Processes
 - 5) Improving Human Resource Retention and Development
 - 6) Develop a Business Intelligence Function
 - 7) Strengthening Social Charter and Community Engagements
- 8.12 The enabling business strategies which would allow us to achieve these broad core goals will be focused on the following:
- 1) Investment in Business Processes Redesign;
 - 2) Product and Service Development Targeting Expansion of Digital Offerings
 - 3) Improvement in the integrated Multi-Channel Delivery of Services focusing on the operations of the sub-offices;
 - 4) Realigning Risk and Compliance Framework;
 - 5) Use of Data Analytics to Drive Improvements in Member Experience and Policy Making;
 - 6) Reducing Cost and Improving Operational Efficiencies Through Automation of More Processes; and
 - 7) Development of a Modern Marketing/Branding strategy.
- 8.13 The plan, once successfully implemented, will allow GECCU to successfully overcome the short to medium term challenges, posed by the combined threats of the public health crisis and the depressed, low growth of the economic environment. Already, work has begun on implementing the priority programmes, project and initiatives for 2021 targeting two broad areas: 1) The Policy Architecture infrastructure; and 2) The Core Banking Technology Infrastructure.
- 8.14 The Board would like to express its sincere gratitude to the CEO, Bro. Rohan J Stowe, his management team, volunteers and staff, who worked so diligently to produce such a comprehensive and high quality document. Indeed, the results from this strategic planning process highlighted not only the competency of the management and staff that we have entrusted with the day to day operations of the credit union, but also signifies the importance of working collectively.



Cecelia J. Williams - President

Appendix 1: List of members who passed on during the year.

1.	Alexander	Terrance	49.	Edwards	Pamela
2.	Alexander-foster	Juan	50.	Edwards	Iona
3.	Anderson	Anne	51.	Edwards	Cornelius
4.	Andrews	Moltan	52.	Etienne	Christobel
5.	Andrews	Ernest	53.	Ferdinand	Daisy
6.	Archibald-peters	Sonia	54.	Foster	Rodney
7.	Arrindell	Molley	55.	France	Bernice
8.	Ashby	Cynthia	56.	Francois	Dave
9.	Ashton- Leslie	Sharon	57.	George	Benford
10.	Bacchus	Grafton	58.	George Browne	Juliet
11.	Baptiste	Godfred	59.	George-Browne	Cherry-Ann
12.	Baptiste	Clifton	60.	Gibson	Curtis
13.	Barker	Arlanne	61.	Gibson	Jerome
14.	Best	Clifford	62.	Glasgow	Latisha
15.	Billingy	Anthony	63.	Goodluck	Jonathan
16.	Bowman	Bertram	64.	Goodluck	Jacqueline
17.	Bristol	Lemie	65.	Gordon	Randolph
18.	Browne	Godson	66.	Grant	Jeremy
19.	Browne	Yvonne	67.	Grant	Lilly
20.	Butler	Edward	68.	Grant	Brent
21.	Campbell	Lennox	69.	Gregg	Earl
22.	Cato	Gregory	70.	Gumbs	Mickeisha
23.	Chambers	Philbert	71.	Guy	Theophilus
24.	Chambers	Dillon	72.	Hall	Daniel
25.	Charles	Cynthia	73.	Hamilton	Christina
26.	Charles	Yvette	74.	Hamlet	Isola
27.	Cottle-Hickson	Levester	75.	Harry	Godfrey
28.	Cox-king	Glenice	76.	Harry	Emiel
29.	Cuffy-Pierre	Althea	77.	Haynes	Dennis
30.	Culzac	Chelita	78.	Hector	Gloria
31.	Cyrus	Louie	79.	Hector	Alveta
32.	Dabreo	Kamoryah	80.	Henry	Josephine
33.	Daniel-Ambris	Velma	81.	Higgins	Lynda
34.	David	Samuel	82.	Homer	Michelle
35.	Davis	Esther	83.	Horne	Carmel
36.	Davis	Fidel	84.	Huggins	Leonard
37.	Davis	Godfree	85.	Hutchinson	Diana
38.	Davis	Cordiet	86.	Jack	Jean
39.	Davy	Lincoln	87.	Jack	Tyrone
40.	De Bique	Mary	88.	Jackson	Fitz
41.	Deane	Sylvenia	89.	Jackson	Felix
42.	Delpliche-Nash	Effie	90.	Jacobs	Ashley
43.	Diamond	Chester	91.	Jacobs	Leslie
44.	Dolloway	Ohrma	92.	James	Roland
45.	Dowers	Alpheaus	93.	James	Roland
46.	Doyle	Louise	94.	James	Marilyn
47.	Dublin	Julia	95.	James	Kenneth
48.	Edwards	Albert	96.	James	Molton

97.	James	Joseph	145.	Roberts	Sylbertt
98.	James	Kendra	146.	Roberts	Dean
99.	John	Shanelle	147.	Roberts	Esther
100.	John	Louise	148.	Roberts	Byran
101.	John	Bernard	149.	Roberts-chance	Josephine
102.	John	Martha	150.	Robinson	Levi
103.	John	Asa	151.	Rodgers	Juliet
104.	Joseph	St.clair alexis	152.	Romeo	Joslyn
105.	King	Simeon	153.	Rose	Monica
106.	King	Christiana	154.	Ross	Neal
107.	Lathman-Charles	Koreen	155.	Ryan	Vincent
108.	Lavia	Elain	156.	Samuel	Elston
109.	Ledger	Brian	157.	Samuel	Sherilan
110.	Lewis	Roy	158.	Saunders	Nila
111.	Lewis	Margery	159.	Scott	Andrew
112.	Lewis	Elvin	160.	Sealey	Kenrick
113.	Lotmore	Roy	161.	Smart	Jeffery
114.	Lynch	Glenn	162.	Sprott	Cornis
115.	Mack	Beulah	163.	Stapleton	Clifton
116.	Marksman	Kenrick	164.	Stewart	Hyacinth
117.	Matthews Penniston	Everlyn	165.	Stoddard	Elsa
118.	Matthias	Franklyn	166.	Stowe	Clint
119.	Matthias	Ludina	167.	Sutherland	Patricia
120.	Mayers	Geneva	168.	Sutherland	Denise
121.	Mc coy	Oswin	169.	Tannis	Edith
122.	Mcdowall	Raymond	170.	Toby	Randolph
123.	Mcfee	Charles	171.	Toney	Matica
124.	Myers	Andrew	172.	Victory	Yvonne
125.	Nash	Jonalya	173.	Weekes	George
126.	Nero	Maveen	174.	Westfield	Shorn
127.	Neverson	Eldica	175.	Wilkinson-	
128.	Noel Deane	Joseph		Bowens	Marion
129.	Oliver	William	176.	Williams	Henry
130.	Ollivierre	Saville	177.	Williams	Julia
131.	Patterson	Harold	178.	Williams	Leroy
132.	Pereira	Tamisia	179.	Williams	Ancia
133.	Peterkin	Jennifer	180.	Williams	Omega
134.	Peters	Cyprian	181.	Williams	David
135.	Peters	Charles	182.	Williams	Cauldrick
136.	Phillips	Richard	183.	Williams Bailey	Ava
137.	Pollard	Chermon	184.	Williams Lewis	Yvette
138.	Providence	Verral	185.	Young	Ian
139.	Quammie	Joseph	186.	Young	Mischka
140.	Quow	Veta			
141.	Ragguette	Otto			
142.	Richards	Elizabeth			
143.	Richardson	Veritha			
144.	Roberts	Bernard			



Treasurer's Report

to the
55th ANNUAL GENERAL MEETING
of the
**GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

THE TREASURER'S REPORT TO THE 55TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

Brothers and sisters, I am pleased to present to you an overview of GECCU's financial results, which highlights the financial performance of the General Employees Co-operative Credit Union Ltd for the year ended December 31, 2020.

- 1.1 The general slowdown in economic activities in the 2020 financial year has posed some challenges to the expected performance of the credit union. The increased uncertainties triggered from the disruptions of the global health crisis have contributed to the elevation of the credit union's credit risk levels and the reduction of its profitability. Despite the adverse performance in some key areas of operations, the credit union recorded steady growth in its members' deposits. It was able to maintain liquidity levels well above the required prudential benchmarks. Albeit, GECCU continues to maintain the members' increased confidence and exhibit a high level of financial strength as it navigates the complexities that emanated from the COVID-19 pandemic.

2.0 FINANCIAL PERFORMANCE

The following is a synopsis of performance for the financial year ended December 31, 2020, with comparatives from the 2019 financial year.

2.1 ASSETS

The credit union's total assets amounted to \$314.8 million, increasing by \$27.3 million or 10% over the 2019 fiscal year; the asset growth was mainly concentrated in cash resources. The movement in total assets was influenced by the following:

1. Loans portfolio

The adverse changes in economic activities suppressed the expected performance of the loan portfolio. As a result, there was a marginal net growth of \$3.6 million or 2% compared to the \$14.1 million or 9% in 2019. The growth was mainly reflected in the mortgage portfolio and Christmas loans.

2. Investment securities.

The portfolio amounted to \$53.5 million, which reflects an increase of \$1 million or 2% compared to the 2019 financial year. The credit union continues to employ its strategic objective of maximizing returns by investing its excess liquidity in additional low-risk investment securities. As a result, the credit union participated in competitive and private auctions of treasury bills and bonds via the Regional Government Securities Market (RGSM) and other brokers. Although several of these bids were unsuccessful, the credit union successfully purchased additional sovereign bonds amounting to \$9.8 million.

3. Cash resources

The consistent receipt of members' deposits throughout the fiscal year resulted in the growth in cash resources of \$18.5 million or 45% over the 2019 fiscal year. Net cash of \$24.9 million was received from members' contributions to regular shares, deposits, and equity shares.

4. Investment properties

There was an upward movement in Investment properties of \$4.6 million or 63% to \$11.96 million compared to \$7.3 million in 2019. This was mainly due to the transfer of the former headquarters from Property Plant and Equipment to Investment Properties (\$3.03 million) and the ongoing development of the South Rivers - River 14 recreational project.

5. Property Plant and Equipment

There was a net increase in property plant and equipment of \$384k or 3% to \$13.97 million relative to the \$13.59 million in 2019. The following were the main changes to property plant and equipment:

- Reclassification of the former headquarters to investment properties - \$3.03 million;
- Completion of the new headquarters - \$2.31 million;
- Purchase of furniture and computer equipment for the new headquarters and to support the Sharetec software - \$1.1 million.

Table 1: Component of Assets

	2020 \$	2019 \$	Increase/ (Decrease) \$	Increase (Decrease) % - age 2020 over 2019	Increase (Decrease) % - age 2019 over 2018
Total Assets	314,823,840	287,483,668	27,340,172	10%	11%
Loans	167,717,410	164,111,376	3,606,034	2%	9%
Investment Securities	53,542,440	52,498,400	1,044,040	2%	12%
Cash Resources	59,705,798	41,198,774	18,507,024	45%	16%
Investment property	11,958,989	7,344,049	4,614,940	63%	5%
Property plant and Equipment	13,971,097	13,587,104	383,993	3%	13%

2.2 SHARE CAPITAL & MEMBERS' DEPOSITS

Table 2 shows the movement in the different categories of deposits and share capital. The term deposit increased by \$2 million or 3%, while the ordinary deposit increased by \$12.61 million or 19%. The growth in share capital and members' deposits has fueled the increase in total assets for 2020. Members' payments to deposit and shares continue to be the primary liquidity sources of the credit union.

Table 2: Component of Share Capital and Members' Deposits

	2020 \$	2019 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2020 over 2019 (% age)	Increase/ (Decrease) 2019 over 2018 (% age)
Share capital	33,171,056	30,777,723	2,393,333	8%	9%
Members' shares savings	115,084,280	107,225,783	7,858,497	7%	10%
Term deposits	63,053,053	61,016,909	2,036,144	3%	5%
Ordinary deposits	80,073,597	67,465,097	12,608,500	19%	17%

2.3 INCOME

The credit union's total income increased by \$352k or 2% to \$19.2 million compared to \$18.8 million in 2019. The growth was driven mainly by rental income and investment income. The following were the changes in the different revenue categories.

- Loan interest income fell moderately by \$118k or 1% relative to the 2019 fiscal year. The marginal decline was consistent with the sluggish growth experienced in the loan portfolio due to the disruption of the pandemic.
- The growth in investment income of \$348k or 16% was mainly due to interest earned from the special deposit account and additional bond investments. The credit union is still being challenged by the low-interest-rate environment.
- The significant rise in rental income of \$144k or 99% was due to the increase in the occupancy of our rental properties during the last quarter of the 2020 fiscal year.
- Other income of \$1.52 million was consistent with the \$1.53 million earned in 2019; there was a slight decline of \$15k or 1%.

Table 3: Categories of Income

	2020 \$	2019 \$	Increase/ (Decrease)	Increase/ (Decrease) 2020 over 2019 (% age)	Increase/ (Decrease) 2019 over 2018 (% age)
Total income	19,156,156	18,803,217	352,939	2%	13%
Loan interest income	13,820,533	13,938,959	(118,426)	-1%	7%
Investment income	2,533,813	2,184,860	348,953	16%	30%
Rental income	290,337	145,962	144,375	99%	0
Death benefit contributions	989,400	995,590	-6,190	-1%	1%
Other income	1,522,073	1,537,846	(15,773)	-1%	108%

2.4 EXPENSES

Total expense amounted to \$17.5 million, an increase of \$1.9 million or 12% compared to the \$15.6 million for the comparative period in 2019. The changes in the individual categories were due to the following:

- The upward movement in staff cost of \$589k was due to expenditure relating to retirement benefits paid to two senior employees, the growth in the staffing composition and the changes in benefits from trade union negotiated increase.
- The rise in other operating expenses was mainly due to higher depreciation charges resulting from the increase in fixed assets. Also, there was an increase in office expenses due to additional health and safety measures implemented to reduce staff and members' exposure to the Covid-19 virus.
- The increase in allowances for credit losses in loans was in keeping with the IFRS 9 accounting standards' requirements. There was a significant increase in the level of credit risk arising from the economic fallout due to the global health crisis, which contributed to the increase in expected credit loss.

Table 4: Categories of Expenses

	2020 \$	2019 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2020 over 2019 (% age)	Increase/ (Decrease) 2019 over 2018 (% age)
Total expenses	17,538,658	15,597,265	1,941,393	12%	27%
Interest expenses	4,506,682	4,797,572	(290,890)	-6%	16%
Staff costs	4,408,440	3,819,191	589,249	15%	19%
CUNA insurance	1,439,816	1,128,460	311,356	28%	14%
Other operating expenses	4,340,834	3,831,050	509,784	13%	16%
Death benefit payments	821,452	699,411	122,041	17%	19%
Allowances for credit losses - Loans	1,524,294	749,054	775,240	103%	-
Allowances for credit losses - Investment	497,140	572,527	(75,387)	-13%	771%

2.5 NET PROFIT

A net profit of \$1.6 million was realized for 2020, representing a decrease of \$1.6 million or 50% from the profit of \$3.2 million reported in 2019.

3.0 CONCLUSION

As we look back at the year 2020 in the rear view mirror, we can attest that it was a year of monumental challenges which tested the fabric of our Credit Union. Our systems, structures and personnel were all stretched, but they held their own and did not break.

The windshield that is ahead offers endless possibilities, albeit evenly laced with matched challenges. Hence, we must re-double our efforts; remain focused, resilient and innovative as we continue to meet the needs of our members while managing cost and improving efficiencies.

I would like to thank the Board of Directors, Committees, Management and Staff for their support in 2020. It would be remiss of me if I did not say special thanks to the staff in the Accounts Department for their unwavering support.

Brothers and Sisters, I know that together we can and will continue to achieve.



Frank Clarence Harry - Treasurer



GECCU Financial Statements & Auditors' Report

**to the
55th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**



GENERAL EMPLOYEES' CO-OPERATIVE CREDIT
UNION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020



GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

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GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

CORPORATE INFORMATION

REGISTERED OFFICE

Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Sis. Cecelia J. Williams	- President
Bro. Brian Alexander	- Vice President
Bro. Frank Clarence Harry	- Treasurer
Bro. Hugh Colin Sam	- Secretary
Bro. Gary Matthias	
Bro. Linus Goodluck	
Sis. Kimberley Cambridge	
Bro. Michael Sayers	
Bro. Jerold Jackson	

CHIEF EXECUTIVE OFFICER

Rohan Stowe

SOLICITORS

Baptiste and Company
Lyndon George

FINANCIAL INSTITUTIONS

Bank of St. Vincent and the Grenadines Limited
RBTT Bank Caribbean Limited

AUDITORS

BDO Eastern Caribbean
Chartered Accountants



Tel: 784-456-2669
Tel: 784-456-1644
Fax: 784-456-1576
www.bdoecc.com

The Financial Services Centre
P.O. Box 561
Kingstown Park
St. Vincent and the Grenadines

INDEPENDENT AUDITORS' REPORT

To the Members
General Employees' Co-operative Credit Union Limited
St. Vincent

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of General Employees' Co-operative Credit Union Limited ("the Credit Union"), which comprise the statement of financial position as at December 31, 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union 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 other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of General Employees' Co-operative Credit Union Limited for the year ended December 31, 2019 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated November 18, 2020.

Other information

Management is responsible for the information included in the Credit Union's 2020 Annual Report, other than the financial statements and our auditor's report thereon. The Credit Union's Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members
General Employees' Co-operative Credit Union Limited
St. Vincent

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

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

In preparing the financial statements, management is responsible for assessing the Credit Union'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 Credit Union or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members
General Employees' Co-operative Credit Union Limited
St. Vincent

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

- 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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Credit Union 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



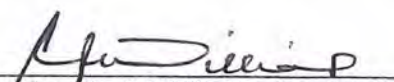
BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
September 15, 2021

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	2020 \$	2019 \$
Assets			
Cash resources	6	59,705,798	41,198,774
Inventories	7	7,091,790	6,971,489
Investment securities - amortised cost	8(i)	52,560,988	51,470,654
Investment securities - Fair value through profit or loss (FVPL)	8(ii)	981,452	1,027,746
Loans to members	9	167,717,410	164,111,376
Right of use asset	10	337,213	410,974
Other assets	11	499,103	1,361,502
Investment properties	12	11,958,989	7,344,049
Property, plant, and equipment	13	13,971,097	13,587,104
Total assets		314,823,840	287,483,668
Liabilities			
Other payables	14	3,693,628	3,612,842
Deferred grant income		404,940	202,490
Staff pension fund deposit	15	904,715	971,786
Lease liabilities	16	358,692	447,941
Members' deposit	17	144,085,156	129,411,587
Members' ordinary savings	18	115,084,280	107,225,783
Total liabilities		264,531,411	241,872,429
Members' equity			
Share capital	19	33,171,056	30,777,723
Statutory reserve	20	7,685,520	7,198,743
Social development fund	21	2,225,483	1,877,374
Statutory development fund	22	30,000	30,000
Revaluation reserve		2,718,284	1,634,601
Retained earnings		4,462,086	4,092,798
Total members equity		50,292,429	45,611,239
Total liabilities and members' equity		314,823,840	287,483,668

The notes on pages 9 to 59 are an integral part of these financial statements.

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON AND SIGNED ON ITS BEHALF BY:


Cecelia J. Williams - President


Frank Clarence Harry - Treasurer

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	2020 \$	2019 \$
Income			
Loan interest		13,820,533	13,938,959
Investment - net	23	2,533,813	2,184,860
Interest expense		16,354,346	16,123,819
		(4,506,682)	(4,797,572)
Net interest income		11,847,664	11,326,247
Expected credit losses	24	(2,004,226)	(617,535)
General and administrative expense	25	(5,734,356)	(4,944,553)
Staff costs	26	(4,408,440)	(3,819,191)
Other operating income	27	1,963,150	1,275,941
Operating profit		1,663,792	3,220,909
Net unrealized loss on FVTPL investments		(46,294)	(14,957)
Net profit for the year		1,617,498	3,205,952
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Net gain in revaluation reserve		1,083,683	-
Total comprehensive income		2,701,181	3,205,952

The notes on pages 9 to 59 are an integral part of these financial statements.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

Statement of Changes in Members' Equity

For the year ended December 31, 2020

With comparative figures for the year ended December 31, 2019

(Expressed in Eastern Caribbean Dollars)

	Note	Share capital \$	Statutory reserve \$	Social development fund \$	Statutory development fund \$	Revaluation Reserve \$	Retained earnings \$	Total \$
Balance as at December 31, 2018		28,319,542	5,538,695	1,581,298	30,000	1,634,601	3,612,925	40,717,061
Net profit for the year		-	-	-	-	-	3,205,952	3,205,952
Net increase in qualifying shares	19	177,585	-	-	-	-	-	177,585
Net increase in equity shares	19	2,280,596	-	-	-	-	-	2,280,596
Net Increase in social development fund	21	-	-	296,076	-	-	-	296,076
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	1,658,449	-	-	-	(1,658,449)	-
Entrance fees	20	-	1,599	-	-	-	-	1,599
Dividends paid		-	-	-	-	-	(1,037,630)	(1,037,630)
Balance as at December 31, 2019		30,777,723	7,198,743	1,877,374	30,000	1,634,601	4,092,798	45,611,239
Opening balance		30,777,723	7,198,743	1,877,374	30,000	1,634,601	4,092,798	45,611,239
Net profit for the year		-	-	-	-	-	1,617,498	1,617,498
Net increase in qualifying shares	19	187,626	-	-	-	-	-	187,626
Net increase in equity shares	19	2,205,707	-	-	-	-	-	2,205,707
Net Increase in social development fund	21	-	-	348,109	-	-	-	348,109
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	485,249	-	-	-	(485,249)	-
Entrance fees	20	-	1,528	-	-	-	-	1,528
Net gain in revaluation reserve		-	-	-	-	1,083,683	-	1,083,683
Dividends paid		-	-	-	-	-	(732,961)	(732,961)
Balance as at December 31, 2020		33,171,056	7,685,520	2,225,483	30,000	2,718,284	4,462,086	50,292,429

The notes on pages 9 to 59 are an integral part of these financial statements.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Profit for the year		1,617,498	3,205,952
Adjustments for:			
Depreciation	13	939,825	454,280
Depreciation right-of-use assets	10	141,673	164,420
(Gain) loss on disposal of property and equipment	27	(36,889)	3,715
Net (gain) loss on revaluation of properties	27	(445,172)	7,760
Unrealized loss on FVTPL investments		46,294	14,957
Loss on termination of project		-	10,987
Expected credit loss on investment	24	497,140	572,527
Expected credit loss on loans, net of recoveries	24	1,507,086	45,008
Interest income		(16,354,346)	(16,123,819)
Dividend income		27,898	24,276
Lease interest		11,868	8,104
Interest expense		4,506,682	4,797,572
		(7,540,443)	(6,814,261)
Changes in:			
Loans to members		(4,959,721)	(14,080,359)
Other assets		862,399	(735,260)
Members' deposits		14,644,644	12,279,045
Deferred grant income		202,450	-
Staff pension fund deposit		(67,071)	102,540
Inventories		(120,301)	(178,446)
Other payables		80,786	1,111,655
Members' ordinary savings		7,858,497	9,791,737
		10,961,240	1,476,651
Interest received		16,200,948	16,061,219
Lease interest paid		(11,868)	(8,104)
Dividends received		(27,898)	(24,276)
Interest paid		(4,477,757)	(4,767,523)
Net cash generated from operating activities		22,644,665	12,737,967
Cash flows from investing activities			
Purchase of property, plant, and equipment	13	(3,435,948)	(2,027,383)
Proceeds from sale of property, plant, and equipment		55,605	-
Addition to investment properties	12	(992,672)	(351,817)
Change in investment securities		(1,587,474)	(6,346,888)
Net cash used in investing activities		(5,960,489)	(8,726,088)
Cash flows from financing activities			
Net increase in social development fund	21	348,109	296,076
Statutory development fund paid	22	(30,000)	(30,000)
Increase in share capital	19	2,393,333	2,458,181
Net increase in lease liability		(157,161)	(127,453)
Entrance fees	20	1,528	1,599
Dividends paid		(732,961)	(1,037,630)
Net cash generated from financing activities		1,822,848	1,560,773
Increase in cash and cash equivalents		18,507,024	5,572,652
Cash and cash equivalents - Beginning of year		41,198,774	35,626,122
Cash and cash equivalents - end of year		59,705,798	41,198,774

The notes on pages 9 to 59
are an integral part of these financial statements.

1. Reporting entity

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, Family, Gender Affairs, Persons with Disabilities and Youth.

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.

2. Basis of preparation

a. Statement of compliance

These financial statements 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, except for fair value through the profit or loss (FVTPL) investments, land and buildings and investment property which have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors on August 25, 2021.

b. Functional and presentation currency

These financial statements are presented in Eastern Caribbean dollars, which is the Credit Union's functional and presentation currency. All financial information in Eastern Caribbean dollars has been rounded to the nearest dollar.

c. Use of judgement and estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates, based on assumptions and judgments. Management also makes judgments, other than those involving estimations, in the process of applying the accounting policies. The estimates and judgments affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

The estimates and the underlying assumptions, as well as the judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Credit Union's accounting policies provide scope for financial assets and liabilities to be designated on inception into different accounting categories in certain circumstances, and the Service exercises judgment in carrying out such designation; this judgment relates to whether the instruments meet the criteria for the particular classification. Judgments that have a significant effect on the amounts recognised in the financial statements, and estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year include the following:

2. Basis of preparation

c. Use of judgement and estimates (cont'd)

Note 3: classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Note 5(b): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit losses and selection and approval of models used to measure expected credit losses.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended December 31, 2020 is included in the following notes:

Note 4(f): impairment of financial instruments: determining inputs into the expected credit loss measurement model, including forward-looking information.

A number of the Credit Union's' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management performs the significant fair value measurements including Level 3 fair values and reports to the audit committee through the internal auditor.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 - Investment properties
- Note 5(a) - Financial risk review
- Note 5(b) - Fair value of financial instruments

Residual values and useful lives of property and equipment

As noted in note 4(d), the residual values and useful life of each asset are reviewed at least at each reporting date and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The assumptions regarding residual values give rise to estimation uncertainty.

3. New standards, amendments and interpretations mandatory for the first time for the financial year

A number of other new standards are also effective from January 2020 but they did not have a material effect on the Credit Union's financial statements.

The Credit Union has consistently applied the accounting policies as set out in Note 4 to all periods presented in the financial statements.

a. New standards, interpretations, and amendments effective from 1 January 2020

New standards impacting the Credit Union that will be adopted in the annual financial statements for the year ended 31 December 2020, and which have given rise to changes in the Credit Union's accounting policies are:

- *Definition of a Business (Amendments to IFRS 3).* The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:
 - clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
 - narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
 - add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
 - remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
 - add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendment has no significant impact in the Credit Union's financial statements.

- *Definition of Material (Amendments to IAS 1 and IAS 8).* The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

The amendment has no significant impact in the Credit Union's financial statements.

- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).* The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The amendment has no significant impact in the Credit Union's financial statements.

3. New standards, amendments and interpretations mandatory for the first time for the financial year

a. *New standards, interpretations, and amendments effective from 1 January 2020 (cont'd)*

- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).* The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16).* The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendment has no significant impact in the Credit Union's financial statements.

- *Annual Improvements to IFRS Standards 2018-2020.* Makes amendments to the following standards:
 - IFRS 1 - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
 - IFRS 9 - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
 - IFRS 16 - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
 - IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

b) *New standards, interpretations, and amendments not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Board has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

- Disclosure of Accounting Policies (*Amendments to IAS 1 and IFRS Practice Statement 2*)
- Definition of Accounting Estimates (*Amendments to IAS 8*)

The Credit Union is currently assessing the impact of these new accounting standards and amendments.

4. Significant accounting policies

a. 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 recognized in the statement of profit or loss and other comprehensive income.

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 recognized in profit or loss.

Translation differences on non-monetary items, such as equities held at fair value are recognized 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 fair value through other comprehensive income, are included in the fair value in other comprehensive income and ultimately accounted for in reserves in equity.

b. Cash resources

Cash resources include notes, coins, balances held with banks and highly liquid financial assets with original maturities of less than three months.

c. Inventories

Inventories represents property held for sale and is stated at the lower of cost and net realised 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.

4. Significant accounting policies (cont'd)

d. Property 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 and equipment are 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 and other comprehensive income.

Land is not depreciated. Leasehold improvements are amortised over the term of the lease. 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%
Computer equipment & software	20%
Motor vehicle	20%

Gains or losses on disposal of property 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.

e. Investment properties

Investment properties are properties, land or buildings or part thereof or both owned by the Credit Union, 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 is determined by reference to independent notional market approach valuations. Changes in fair market valuation of investment properties are reflected in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial Assets

Measurement categories of financial assets

From 1 January 2020, the Credit Union classifies all of its financial assets into one of the following categories:

- Amortised cost
- FVTPL or
- FVOCI

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

Financial assets

Under IFRS 9

Deposits with other institutions, treasury bills, loans and advances to customers and investment securities

The Credit Union measures deposits with other institutions, treasury bills, loans and advances to customers and investment securities at amortised cost if the following criteria are met:

- the financial asset is held within a business model with the objective to hold the financial asset in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Equity Instruments

Equity instruments under IFRS 9 are always reported at fair value since they fail the SPPI test. Where the Credit Union's management has elected to present fair value gains and losses on equity investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit and loss as investment income when the Credit Union's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(loss) in the statement of profit or loss as applicable. Impairment losses (and reversal of investment losses) on equity investment measured at FVOCI are not reported separately from other changes in fair value.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Debt instruments

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

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL).

Investments in debt instruments are measured at amortised cost if they meet both of the following conditions and are not designated as FVTPL:

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

Business model assessment

With the adoption of IFRS 9, the business model test was used by the Credit Union to migrate the instruments along with the SPPI test to the new reporting classification. The assessment was done by reviewing the investments under the existing IAS 39 classification and selecting the business model that best suits the individual instruments in the respective classification.

The objective of this test was to determine whether an arrangement pays only interest and principal and would then qualify as a basic lending arrangement. An instrument would therefore pass the SPPI test if it does not introduce risks or volatility that is inconsistent with a basic lending arrangement. Conversely, financial assets which have SPPI characteristics but are held within the business model whose objective is both to collect the contractual cash flows and to sell the financial assets ("hold to collect" and sell) are subsequently measured at fair value through other comprehensive income (FVOCI).

The Credit Union currently holds loans and advances solely for the collection of principal and interest. Based on the business model, it is the Credit Union's intention to hold these instruments until they are fully amortised. However, there may be instances where the Credit Union may need to dispose of a portion of its portfolio to meet liquidity requirements this is however only done in exceptional circumstances and is not considered to be the sole purpose of negotiating these instruments.

For the held-to-maturity (HTM) instruments the "hold to collect" business model was adopted since the objective is to hold the financial asset and to collect contractual cash flows. The existing fixed income HTM portfolio consists of only bond instruments with fixed contractual cash flows. The money market instrument portfolio includes fixed deposit and treasury bills with fixed contractual cash flows. Since investment disposals, for these portfolios are infrequent and incidental to the model's objective, the measurement category used will be amortised cost.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

The SPPI Test

As a second step of the classification process, the Credit Union assesses the contractual terms of financial assets to identify whether they meet the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Credit Union applies judgement and considers relevant factors such as the currency in which the financial assets is denominated and the period for which the interest rate is set.

In contrast, the contractual terms that introduce a more than de minimis exposure to risk or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases the financial asset is required to be measured at FVTPL or FVOCI without recycling.

Debt instruments measured at amortised cost

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

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

Debt instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in non-interest income in the statement of income on an average cost basis. Foreign exchange gains and losses that relate to the amortised cost of the debt instrument are recognised in the statement of profit and loss and other comprehensive income.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Debt instruments measured at fair value through other comprehensive income (FVOCI) (cont'd)

Premiums, discounts and related transaction costs are amortised over the expected life of the instrument to interest income in the statement of profit and loss and other comprehensive income using the effective interest rate method.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The ECL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the statement of financial position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to provision for credit losses in the statement of profit and loss and other comprehensive income. The accumulated allowance recognised in OCI is recycled to the statement of profit and loss and other comprehensive income upon derecognition of the debt instrument.

Debt instruments measured at fair value through profit or loss (FVTPL)

Debt instruments are measured at FVTPL for assets:

- held for trading purposes;
- held as part of a portfolio managed on a fair value basis; or
- whose cash flows do not represent payments that are SPPI.

These instruments are measured at fair value in the statement of financial position, with transaction cost recognised immediately in the statement of profit and loss and other comprehensive income as part of non-interest income. Realised and unrealised gains and losses are recognised as part of non-interest income in the statement of profit and loss and other comprehensive income.

Debt instruments designated at FVTPL

Financial assets classified in this category are those that have been designated by the Credit Union upon initial recognition, and once designated, the designation is irrevocable. The FVTPL designation is available only for those financial assets for which a reliable estimate of fair value can be obtained.

Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Financial assets designated at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recognised in non-interest income in the statement of profit and loss and other comprehensive income.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Impairment of financial assets

The Credit Union recognizes expected credit losses (ECLs) on the following financial assets that are not measured at FVTPL:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- lease receivables;
- loan commitments.

The measurement of expected credit loss involves increased complex judgement that includes:

Determining a significant increase in credit risk since initial recognition.

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12 months ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Credit Union applies a three-stage approach based on the change in credit quality since initial recognition.

Expected credit loss impairment model

The Credit Union's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either:

- (i) over the following twelve months; or
- (ii) over the expected life of a financial instrument depending on credit deterioration since origination.

The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

To assess whether there is significant increase in credit risk, the Credit Union compares the risk of default occurring on the asset at the reporting date with the risk of default at initial recognition. It considers available reasonable and supportive forward looking information. A summary of the assumptions underpinning the assessment of significant increase in credit risk is as follows:

Category	Credit Union Definition of Category	Basis of Recognition of Expected Credit Loss
Stage 1: Performing	Customers who have low risk of Default and strong capacity to meet contractual cash flows	12 month expected credit loss. Where the expected lifetime of an asset is less than 12 months, expected losses are measured as its expected lifetime.
Stage 2: Non-performing	Loans for which there is significant increase in credit risk as evidenced by: - absence of up to date financial information on file - Inadequate credit documentation to support borrowing which may result in losses if not corrected - Breach of loan covenant - Other potential weakness that deserve management's attention but do not expose the Credit Union to significant risk.	Lifetime expected losses
Stage 3: Credit Impaired	All or most of the weaknesses of 'non performing in stage 2. - Full liquidation of collection of debt improbable - significant financial difficulty of the borrower or issuer; a breach of contract such as a default or being more than 90 days past due; - the restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise; - it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.	Lifetime expected losses
Write off	Cases in which the Credit Union determine that the borrower does not have assets or source of income that could generate sufficient cash flows to repay the amount subject to write off	Asset is Written off

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Measurement of expected credit loss

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward looking.

ECLs are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Credit Union in accordance with the contract and the cash flows that the Credit Union expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- For undrawn loan commitments the Credit Union estimates the expected portion of the loan commitment that will be drawn down over its expected life and calculates the ECL as the present value of the difference between the contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.
- Financial guarantee contracts, which comprise the expected payments to reimburse the holder less any amounts the Credit Union expects to recover.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

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

Incorporation of forward -looking information

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

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Assessment of significant increase in credit risk (SICR)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Credit Union compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument. In making this assessment, the Credit Union considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that was available.

The assessment of an increase in credit risk included macroeconomic outlook, management judgement, and delinquency and monitoring. With regards to delinquency and monitoring, there was a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

Some of the indicators which were incorporated included:

- i) Internal credit rating
- ii) External credit rating (as far as available)
- iii) Actual or expected significant adverse changes in businesses, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations. This includes but is not limited to evidence of one or more of the following:
 - Delinquency in contractual payments of principal or interest;
 - Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
 - Breach of loan covenants or conditions;
 - Initiation of bankruptcy proceedings;
 - Deterioration of the borrower's competitive position; and
- iv) Actual or expected changes in the operating results of the borrower
- v) Significant increase in credit risk or other financial instrument of the same borrower
- vi) Significant change in the value of the collateral supporting the obligation
- vii) Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating result of the borrower
- viii) Deterioration in the value of collateral.

Quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime determined PD by comparing the remaining lifetime PD at reporting date with the remaining lifetime PD at the point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Assessment of significant increase in credit risk (SICR) (cont'd)

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Credit Union still considers separately some qualitative factors to assess if credit risk has increased significantly. For loans and advances there is particular focus on assets that are included on a 'watch list' once there is a concern that the creditworthiness of the specific counterparty has deteriorated. Events such as unemployment, bankruptcy or death are also considered.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. Financial asset that are 30 or more days past due and are not credit impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or churn rate approach is applied to compute expected credit losses, significant increase in credit risk is primarily based on 30 days past due on the contractual payment.

Improvement in credit risk/curing

A period may elapse from the point at which financial instruments enter lifetime expected credit losses (stage 2 and stage 3) and are reclassified back to 12 month expected credit losses (stage 1). For financial assets that are credit impaired (stage 3), a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit impaired. An instrument will no longer be considered credit impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where a significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original transfer criteria are no longer valid. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1.

A forbore loan can only be removed from the category (cured) if the loan is performing (stage 1 or 2) and a further one-year probation is met.

In order for a forbearance loan to become performing, the following criteria have to be satisfied:

- At least a year has passed with no default upon the forbore contract terms
- The customer is likely to repay its obligations in full without realising security
- The customer has no accumulated impairment against amount outstanding

Subsequent to the criteria above being met, probation continues to assess if regular payments are made by the customer and none of the exposures to the customer are more than 30 days past due.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Expected life

When measuring expected credit loss, the Credit Union considers the maximum contractual period over which the Credit Union is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, extension and rollover options.

Presentation of allowance for credit losses in the statement of financial position

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the financial assets;
- Debt instruments measured at fair value through other comprehensive income: no allowance is recognised in the statement of financial position because the carrying values of these assets is their fair values. However, the allowance determined is presented in accumulated other comprehensive income;
- Off-balance sheet credit risks include undrawn lending commitments, letters of credit and letters of guarantee: as a provision in other liabilities.

Loans and advances

All non-performing and performing loans and advances are individually reviewed and specific provisions made for impaired portion based on the realisable value of the loan collateral and discounted by the original effective rate of the loan. The provision made is the difference between the loan balance and the discounted value of the collateral. Previously accrued income is reversed and further interest income not accrued. Loans and advances with similar characteristics are assessed for impairment on a group basis. Where possible the Credit Union seeks to restructure loans instead of taking possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms are renegotiated, any impairment is measured using the original effective interest rate and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and the future payments likely to occur. The loans continue to be subject to an individual or collective impairment assessment.

When all efforts have been exhausted to recover a non performing loan, that loan is deemed uncollectible and written off against the related provision for loan losses.

Investment securities

The Credit Union assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Investment securities (cont'd)

In assessing collective impairment, the Credit Union uses historical information and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. If the fair value of an impaired debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

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.

g. Leases

At inception of contract, the Credit Union assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Credit Union uses the definition of a lease in IFRS 16.

Credit Union acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Credit Union allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branched and office premises the Credit Union has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Credit Union recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

4. Significant accounting policies (cont'd)

g. Leases (cont'd)

The right-of-use asset is subsequently at the present value of the lease payments that are not paid at the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Credit Union's incremental borrowing rate. Generally, the Credit Union uses its incremental borrowing rate as the discount rate.

The Credit Union determines its incremental borrowing rate by analyzing its borrowing from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurements of the lease liability comprise the following:

- (i) Fixed payments, including in-substance fixed payments;
- (ii) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) Amounts expected to be payable under a residual value guarantee; and
- (iv) The exercise price under a purchase option that the Credit Union is reasonably certain to exercise, lease payments in an optional renewal period if the Credit Union is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Credit Union is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from change in an index or rate, if there is a change in the Credit Union's estimate of the amount expected to be payable under a residual value guarantee, if the Credit Union changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Credit Union presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Credit Union has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Credit Union recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Significant accounting policies (cont'd)

g. Leases (cont'd)

Credit Union acting as a lessor

At inception or on modification of a contract that contains a lease component, the Credit Union allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Credit Union acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Credit Union makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Credit Union considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

h. Impairment of other 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 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-derivative financial liabilities - Classification, Recognition/Derecognition and Measurement

The Credit Union classifies non-derivative financial liabilities into the other financial liabilities category.

The Credit Union's financial liabilities include customer deposits, loans payable, reimbursable shares and other liabilities. The Credit Union determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans payable, net of directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. The EIR amortisation, if any, is included in the statement of profit or loss and other comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

4. Significant accounting policies (cont'd)

i. Interest income and expense

Interest income and expense are recognised in the statement of profit or loss and other comprehensive income 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.

j. 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

k. 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.

l. 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 and other comprehensive income in the period they are approved by the directors.

5. Financial risk management

a. Financial risk factors

The Credit Union's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risks and operational risks. 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

Credit risk is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Credit Union's cash resources, loans and advances to members and investment securities.

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.

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.

5. Significant accounting policies (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Impairment and provisioning policies

The internal rating systems focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes an expected loss model using a three-stage approach. This impairment model measures credit loss allowance using a three-stage approach based on the extent of credit deterioration since initial recognition as summarized below:

Stage 1	Stage 2	Stage 3
Initial Recognition	Significant increase in credit risk (SICR)	Credit impaired
12 month expected credit loss	Lifetime expected credit loss	Lifetime expected credit loss

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

Financial instruments that are not already credit impaired are originated into stage 1 and a 12-month expected credit loss provision is recognised.

Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit impaired (stage 3).

Instruments will transfer to stage 2 and a lifetime expected credit loss provision recognised when there has been a significant increase in credit risk compared with what was expected at origination.

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Valuation of investment

The Credit Union has applied IFRS 9 in its classification of investment securities which requires measurement of securities as fair value. For unlisted securities, fair values are estimated using price/earnings or price/cash flow ratios which have been refined to accommodate the specific circumstances of the issuer.

Maximum credit risk

The following summarises the maximum credit risk:

	2020 \$	2019 \$
Deposit with commercial banks	56,728,289	39,350,056
Investment securities	53,542,440	52,498,400
Loans to members	167,717,410	164,111,376
Other assets	499,103	1,361,502
	<u>278,487,242</u>	<u>257,321,334</u>

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, 2020 and 2019 without taking account of any collateral held or other credit enhancements attached.

Loans and advances to members are summarised as follows:

	Consumer \$	Computer \$	2020 Mortgage \$	Student \$	Total \$
Gross loans	80,739,127	140,838	86,481,352	4,201,460	171,562,777
Interest receivable	545,573	328	536,794	34,150	1,116,845
	<u>81,284,700</u>	<u>141,166</u>	<u>87,018,146</u>	<u>4,235,610</u>	<u>172,679,622</u>
Less: ECL allowance	(3,950,594)	(3,492)	(849,813)	(158,313)	(4,962,212)
	<u>77,334,106</u>	<u>137,674</u>	<u>86,168,333</u>	<u>4,077,297</u>	<u>167,717,410</u>

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

	Consumer \$	Computer \$	2019 Mortgage \$	Student \$	Total \$
Gross loans	83,584,990	60,054	78,366,707	4,621,414	166,633,165
Interest receivable	555,812	114	344,740	62,780	963,446
	84,140,802	60,168	78,711,447	4,684,194	167,596,611
Less: ECL allowance	(2,179,338)	(853)	(1,178,493)	(126,551)	(3,485,235)
	81,961,464	59,315	77,532,954	4,557,643	164,111,376

Loans and advances to customers neither past due nor impaired (Stage 1)

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

	2020 \$	2019 \$
Stage 1		
Consumer loans	70,788,928	78,074,354
Computer loans	137,309	57,823
Mortgage loans	79,108,342	75,637,505
Student loans	3,595,401	4,123,545
Total	153,629,980	157,893,227

Loans and advances to customers past due but not impaired (Stage 2)

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

	Stage 2 - 2020				Total \$
	Consumer loans \$	Computer loans \$	Mortgage loans \$	Student loans \$	
Secured - Past due under 90 days	1,878,431	359	2,076,370	110,049	4,065,209
Unsecured - Past due 30 to 59 days	928,389	1,015	117,464	3,070	1,049,938
Unsecured - Past due 60 to 89 days	389,320	-	84,103	58,490	531,913
Total	3,196,140	1,374	2,277,937	171,609	5,647,060

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Loans and advances to customers past due but not impaired (Stage 2) (cont'd)

	Stage 2 - 2019				
	Consumer loans \$	Computer loans \$	Mortgage loans \$	Student loans \$	Total \$
Secured - Past due under 90 days	684,429	2,181	253,642	-	940,252
Unsecured - Past due 30 to 59 days	471,140	-	49,281	-	520,421
Unsecured - Past due 60 to 89 days	384,616	-	520,946	-	905,562
Total	1,540,185	2,181	823,869	-	2,366,235

Loans and advances to customers individually impaired (Stage 3)

	2020 \$	2019 \$
Stage 3		
Consumer loans	6,754,059	3,970,451
Computer loans	2,155	50
Mortgage loans	5,095,073	1,905,333
Student loans	434,450	497,869
Total	12,285,737	6,373,703

The following summarises the Credit Union's maximum credit risk exposures to off-balance sheet financial instruments:

	2020 \$	2019 \$
Loan commitments and other related obligations	5,849,146	5,435,686

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

The table below presents an analysis of the Credit Union's special savings, treasury bills and debt and equity securities, loans to members and other financial assets by rating agency designation at December 31, 2020 and 2019, based on Moody's ratings or equivalent:

	Cash resources \$	Investment securities \$	Loans to members \$	Other assets \$	Total \$
At December 31, 2020					
Lower the A-	-	13,000,000	-	-	13,000,000
Unrated	56,728,289	40,542,440	167,717,410	499,103	265,487,242
	<u>56,728,289</u>	<u>53,542,440</u>	<u>167,717,410</u>	<u>499,103</u>	<u>278,487,242</u>

	Cash resources \$	Investment securities \$	Loans to members \$	Other assets \$	Total \$
At December 31, 2019					
Lower the A-	-	10,000,000	-	-	10,000,000
Unrated	33,969,460	36,738,996	150,013,425	637,229	221,359,110
	<u>33,969,460</u>	<u>46,738,996</u>	<u>150,013,425</u>	<u>637,229</u>	<u>231,359,110</u>

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

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.

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

At December 31, 2020

Financial Assets

Cash resources	59,705,798	-	-	-	-	59,705,798
Investment securities	10,309,882	26,662,859	8,997,871	7,571,828	-	53,542,440
Loans to members	2,492,167	2,706,022	57,532,184	104,987,037	-	167,717,410
Other assets	499,103	-	-	-	-	499,103
	73,006,950	29,368,881	66,530,055	112,558,865	-	281,464,751

Financial Liabilities

Other payables	3,693,628	-	-	-	-	3,693,628
Staff pension fund deposit	904,715	-	-	-	-	904,715
Members' deposits	144,085,156	-	-	-	-	144,085,156
Members' ordinary savings	115,084,280	-	-	-	-	115,084,280
	263,767,779	-	-	-	-	263,767,779

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

ii) Liquidity risk (cont'd)

At December 31, 2019

Financial Assets

Cash resources	41,198,774	-	-	-	41,198,774
Investment securities	16,628,503	26,133,402	5,160,384	4,576,111	52,498,400
Loans to members	6,204,327	21,117,489	64,600,593	72,188,967	164,111,376
Other assets	1,361,502	-	-	-	1,361,502
	65,393,106	47,250,891	69,760,977	76,765,078	259,170,052

Financial Liabilities

Other payables	3,320,778	-	-	-	3,320,778
Staff pension fund deposit	971,786	-	-	-	971,786
Members' deposits	129,703,651	-	-	-	129,703,651
Members' ordinary savings	107,225,783	-	-	-	107,225,783
	241,221,998	-	-	-	241,221,998

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

ii) Liquidity risk (cont'd)

Off-balance sheet 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 31), are summarised in the table below:

	2020 \$	2019 \$
Loan commitments and other related obligations	5,849,146	5,435,686

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Credit Union is mainly exposed to interest rate risk. The Credit Union's exposure to currency risk is minimal since it does not have any significant foreign currency denominated assets.

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.

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

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, 2020					
Financial Assets					
Cash resources	56,728,289	-	-	2,977,509	59,705,798
Investment securities	36,972,741	8,997,871	6,590,376	981,452	53,542,440
Loans to members	9,071,494	57,532,184	101,113,732	-	167,717,410
Other assets	-	-	-	499,103	499,103
Total financial assets	102,772,524	66,530,055	107,704,108	4,458,064	281,464,751
Financial liabilities					
Other payables	-	-	-	3,693,628	3,693,628
Staff pension fund deposit	904,715	-	-	-	904,715
Members' deposits	144,085,156	-	-	-	144,085,156
Members' ordinary savings	115,084,280	-	-	-	115,084,280
Total financial liabilities	260,074,151	-	-	3,693,628	263,767,779
Total interest re-pricing gap	(157,301,627)	66,530,055	107,704,108	764,436	17,696,972

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

At December 31, 2019

Financial Assets

Cash resources	39,350,056	-	-	1,848,718	41,198,774
Investment securities	42,761,905	5,160,384	3,548,365	1,027,746	52,498,400
Loans to members	27,321,816	64,600,593	72,188,967	-	164,111,376
Other assets	-	-	-	1,361,502	1,361,502
Total financial assets	109,433,777	69,760,977	75,737,332	4,237,966	259,170,052

Financial liabilities

Other payables	-	-	-	3,320,778	3,320,778
Staff pension fund deposit	971,786	-	-	-	971,786
Members' deposits	129,703,651	-	-	-	129,703,651
Members' ordinary savings	107,225,783	-	-	-	107,225,783
Total financial liabilities	237,901,220	-	-	3,320,778	241,221,998
Total interest re-pricing gap	(128,467,443)	69,760,977	75,737,332	917,188	17,948,054

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow interest rate risk arises from loans and advances to members at variable rates. At December 31, 2020, if variable interest rates had been 0.5% higher/lower with all other variables held constant, profit for the year would have been \$749,103 (2019: \$691,585) higher/lower, mainly as a result of higher/lower interest income on variable rate loans.

iv) Operational risk

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

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

Within the Credit Union, mitigation of operating risk is assigned to senior management supported by a well-defined organisational structure that segregates operational and administrative functions. Back-up capabilities are also maintained to ensure on-going service delivery in adverse circumstances.

In addition, periodic reviews are undertaken by the Internal Audit department. The results of the reviews are discussed with the management of the business unit to which they relate, senior management and Board of Directors.

5. Financial risk management (cont'd)

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 measured at fair value

The table below summarises the carrying amount and fair values of those financial assets and liabilities presented in the Credit Unions statements of financial position at their fair value:

	Carrying value		Fair value	
	2020 \$	2019 \$	2020 \$	2019 \$
Financial Assets				
Cash resources	59,705,798	41,198,774	59,705,798	41,198,774
Investment securities	53,542,440	46,738,996	53,542,440	46,738,996
Loans to members	167,717,410	164,111,376	167,717,410	164,111,376
Other assets	499,103	1,361,502	499,103	1,361,502
	281,464,751	253,410,648	281,464,751	253,410,648

	Carrying value		Fair value	
	2020 \$	2019 \$	2020 \$	2019 \$
Financial Liabilities				
Other payables	3,693,628	3,612,842	3,693,628	3,612,842
Staff pension fund deposit	904,715	971,786	904,715	971,786
Members' deposit	144,085,156	129,411,587	144,085,156	129,411,587
Members' ordinary shares	115,084,280	107,225,783	115,084,280	107,225,783
	263,767,779	241,221,998	263,767,779	241,221,998

Off-balance sheet instruments

	Carrying value		Fair value	
	2020 \$	2019 \$	2020 \$	2019 \$
Loan commitments and other related obligations	-	-	5,849,146	5,435,686

5. Financial risk management (cont'd)

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

i) Financial instruments measured at 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, investment securities, 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-balance sheet financial instruments is also assumed to approximate the amounts disclosed in Note 31 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.

5. Financial risk management (cont'd)

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

i) Financial instruments measured at fair value (cont'd)

Fair value hierarchy (cont'd)

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.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2020				
FVTPL - Corporate equity				
- equity securities	259,590	-	721,862	981,452
Total financial assets	259,590	-	721,862	981,452
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2019				
FVTPL - Corporate equity				
- equity securities	305,884	-	721,862	1,027,746
Total financial assets	305,884	-	721,862	1,027,746
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2019				
Acquisition	305,884	-	721,862	1,027,746
Gain/(Loss) on Revaluation	(46,294)	-	-	(46,294)
Total financial assets	259,590	-	721,862	981,452

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.

ii) Non-financial instruments measured at fair value

Fair value measurement of non-financial assets

	2020 \$	2019 \$
At December 31, 2020		
Investment properties	11,958,989	7,344,049
Land and Building	11,206,771	11,121,466
Total nonfinancial assets at fair value	23,165,760	18,465,515

5. Financial risk management (cont'd)

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

ii) Non-financial instruments measured at fair value (cont'd)

Fair value of the Credit Union's real properties was 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.

6. Cash resources

	2020 \$	2019 \$
Cash on hand	2,977,509	1,848,718
Current account	15,633,207	10,968,816
Special savings	41,095,082	28,381,240
	59,705,798	41,198,774

The effective interest rate on special savings is 2% (2019: 2%)

7. Inventories

	2020 \$	2019 \$
Balance - beginning of year	6,971,489	6,793,043
Development costs	120,301	178,446
Balance - end of year	7,091,790	6,971,489

Inventories comprise land at Peter's Hope held for real estate development, subdivision and sale.

The General Employees Cooperative Credit Union Limited (GECCU) owns property adjoining the lands owned by the NIS. Both parties, the NIS and GECCU, entered into a Memorandum of Understanding (MOU) that establishes a working relationship for the joint planning and physical infrastructural development of the properties owned by the parties ("the Project"). The MOU establishes and defines the Project activities and provides for, among other things, a framework for project administration and cost allocation. The total size of the proposed development is 57 acres. GECCU is the owner of 30 acres and the NIS owns 27 acres. The parties plan to develop and subdivide the lands for residential and commercial purposes with the intention to sell in the ordinary course of business.

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8. Investment securities

(i) Debt securities at amortised cost

	2020 \$	2019 \$
(a) <i>Treasury bills</i>		
Government of St. Lucia - 365-day treasury bills	1,000,000	1,000,000
Government of Grenada - 365-day treasury bills	2,116,184	2,116,184
Government of Antigua and Barbuda - 365-day treasury bills	1,438,107	-
Government of St. Vincent and the Grenadines - 91-day treasury bills	-	3,987,366
	4,554,291	7,103,550
Interest receivable	73,409	67,443
	4,627,700	7,170,993
Less: expected credit loss	(108,138)	(40,884)
	4,519,562	7,130,109
(b) <i>Bonds</i>		
Government of St. Vincent and the Grenadines - 8-year bonds	2,000,000	2,000,000
Government of St. Vincent and the Grenadines - 7-year bonds	5,500,000	3,000,000
Government of St. Vincent and the Grenadines - 5-year bonds	5,500,000	4,500,000
Government of St. Vincent and the Grenadines - 4-year bonds	5,000,000	-
Government of St. Vincent and the Grenadines - 3-year bonds	-	5,000,000
	18,000,000	14,500,000
Interest receivable	262,640	281,336
	18,262,640	14,781,336
Less: expected credit loss	(637,916)	(552,952)
	17,624,724	14,228,384
(c) <i>Term deposits</i>		
Eastern Caribbean Home Mortgage Bank - 1-year corporate paper	331,000	331,910
St. Vincent Teachers Co-operative Credit Union - 1-year term deposit	3,244,800	3,120,000
Bank of St. Vincent and the Grenadines - 1-year term deposit	14,928,336	14,665,476
St. Vincent Police Co-operative Credit Union - 5-year term deposit	1,000,000	1,000,000
St. Vincent Co-operative Bank - 1-year term deposit	99,186	98,199
St. Vincent Co-operative League - CFF deposit	824,012	815,841
St. Vincent Co-operative League - 1-year term deposit	368,259	361,746
First Citizen Investment Services - 1-year term deposit	6,507,896	6,349,167
Ariza Credit Union - 3-year term deposit	3,000,000	3,000,000
St. Vincent Small and Micro-Finance Co-operative Limited (COMFI)	522,500	522,500
	30,825,989	30,264,839
Interest receivable	414,691	326,378
	31,240,680	30,591,217
Less: expected credit loss	(823,978)	(479,056)
	30,416,702	30,112,161
Total debt securities at amortised cost	52,560,988	51,470,654

During the year ended December 31, 2020, interest rates varied from 1% to 7.25% per annum (2019 - 1% to 7.25%)

8. Investment securities

(ii) Equity securities at fair value

	2020 \$	2019 \$
(a) <i>Designated as fair value through profit or loss (FVPL)</i>		
17,355 shares in Bank of St. Vincent and the Grenadines Limited	117,146	117,146
71,222 shares in First Caribbean International Bank Limited	142,444	188,738
111,301 shares in St. Vincent Co-operative League	556,507	556,507
404 shares in East Caribbean Home Mortgage Bank	73,950	73,950
4,666 shares in St. Vincent Brewery	90,405	90,405
100 shares in St. Vincent Building and Loan Association	1,000	1,000
Total equity securities at fair value	981,452	1,027,746

The movement in expected credit loss allowance is as follows:

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2020	449,142	383,460	240,290	1,072,892
Provision on additions to investment	-	-	-	-
Provision on Matured Investments	(257,142)	(94,162)	-	(351,304)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
- Increases due to change in credit risk	563,296	2,938	282,210	848,444
Loss allowance as at 31 December 2020	755,296	292,236	522,500	1,570,032

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2019	260,075	-	240,290	500,365
Provision on additions to investment	-	-	-	-
Provision of Matured Investments	(237,199)	-	-	(237,199)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(383,460)	383,460	-	-
Transfer to Stage 3	-	-	-	-
- Increases due to change in credit risk	809,726	-	-	809,726
Loss allowance as at 31 December 2019	449,142	383,460	240,290	1,072,892

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9. Loans to members

Loans to members are comprised of the following:

	2020				
	Consumer	Computer	Mortgage	Student	Total
	\$	\$	\$	\$	\$
Performing loans	70,788,928	137,309	79,108,342	3,595,401	153,629,980
Non-performing loans	9,950,199	3,529	7,373,010	606,059	17,932,797
Gross loans	80,739,127	140,838	86,481,352	4,201,460	171,562,777
Add: interest receivable	545,573	328	536,794	34,150	1,116,845
Gross loans and interest receivable	81,284,700	141,166	87,018,146	4,235,610	172,679,622
Less: provision for impairment	(3,950,594)	(3,492)	(849,813)	(158,313)	(4,962,212)
	77,334,106	137,674	86,168,333	4,077,297	167,717,410

	2019				
	Consumer	Computer	Mortgage	Student	Total
	\$	\$	\$	\$	\$
Performing loans	78,074,354	57,823	75,637,505	4,123,545	157,893,227
Non-performing loans	5,510,636	2,231	2,729,202	497,869	8,739,938
Gross loans	83,584,990	60,054	78,366,707	4,621,414	166,633,165
Add: interest receivable	555,812	114	344,740	62,780	963,446
Gross loans and interest receivable	84,140,802	60,168	78,711,447	4,684,194	167,596,611
Less: provision for impairment	(2,179,338)	(853)	(1,178,493)	(126,551)	(3,485,235)
	81,961,464	59,315	77,532,954	4,557,643	164,111,376

Non-performing loans comprise of:

- (i) Non-accrual loans that are in arrears over 90 days, which are either past due but not impaired or individually impaired
- (ii) Impaired non-accrual loans.

The average yield on loans for the year was 8.3% (2019 - 8.4%).

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
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9. Loan to members (cont'd)

The Credit Union's loans portfolio as at December 31, 2020 are in the following staging categories.

2020				
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Consumer	70,788,928	3,196,140	6,754,059	80,739,127
Computer	137,309	1,374	2,155	140,838
Mortgage	79,108,342	2,277,937	5,095,073	86,481,352
Student	3,595,401	171,609	434,450	4,201,460
Gross loans	153,629,980	5,647,060	12,285,737	171,562,777
Add: Interest receivable	791,898	175,365	149,582	1,116,845
Gross loans and interest receivable	154,421,878	5,822,925	12,435,319	172,679,622
Less: ECL allowance	(1,385,340)	(542,365)	(3,034,507)	(4,962,212)
	153,036,538	5,280,060	9,400,812	167,717,410

2019				
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Consumer	78,074,354	1,540,185	3,970,451	83,584,990
Computer	57,823	2,181	50	60,054
Mortgage	75,637,505	823,869	1,905,333	78,366,707
Student	4,123,545	-	497,869	4,621,414
Gross loans	157,893,227	2,366,235	6,373,703	166,633,165
Add: Interest receivable	607,507	26,160	329,779	963,446
Gross loans and interest receivable	158,500,734	2,392,395	6,703,482	167,596,611
Less: ECL allowance	(1,587,806)	(98,894)	(1,798,535)	(3,485,235)
	156,912,928	2,293,501	4,904,947	164,111,376

The movement in the expected credit loss allowance is as follows:

2020				
	Consumer	Computer	Mortgage	Student
	\$	\$	\$	\$
Balance, beginning of year	2,179,338	853	1,178,493	126,551
Expected credit losses	1,771,256	2,639	(328,680)	31,762
Balance, end of year	3,950,594	3,492	849,813	158,313

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
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9. Loan to members (cont'd)

The movement in the provision for impaired loans is as follows:

	Consumer \$	Computer \$	2019 Mortgage \$	Student \$	Total \$
Balance, beginning of year	1,881,925	764	1,353,204	180,687	3,416,580
Loan impairment expense	480,416	463	199,521	-	680,400
Amount charged/write off	(183,003)	(374)	(374,232)	(54,136)	(611,745)
Balance, end of year	2,179,338	853	1,178,493	126,551	3,485,235

10. Right-of-use assets

	2020 \$	2019 \$
Balance as at December 31, 2019	410,974	-
Impact of IFRS 16 initial adoption	-	53,744
Balance as at January 1, 2019	410,974	53,744
Additions	67,912	521,650
	478,886	575,394
Less Accumulated Depreciation	(141,673)	(164,420)
Balance as at December 31, 2020	337,213	410,974

11. Other assets

	2020 \$	2019 \$
ATM receivable	12,684	93,833
Rent receivable	228,870	20,362
Prepaid expenses	57,169	56,352
Staff receivables - net	1,438	3,241
Western Union receivable	34,155	75,432
Deposits on fixed assets	63,489	1,073,486
Others	101,298	38,796
	499,103	1,361,502

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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12. Investment properties

	Coombs Building \$	Bounty Building \$	Reliance Building \$	Cane Hall (land) \$	River 14 \$	Main Office (Upper Halifax Street) \$	Total \$
Year ended December 31, 2020							
Carrying value, beginning of year	1,170,734	2,940,000	2,550,000	217,240	466,075	-	7,344,049
Additions	-	-	435,998	-	556,674	-	992,672
Transfer from PPE	-	-	-	-	-	3,030,000	3,030,000
Revaluations	137,266	83,000	372,002	-	-	-	592,268
Carrying value, end of year	1,308,000	3,023,000	3,358,000	217,240	1,022,749	3,030,000	11,958,989
Year ended December 31, 2019							
Carrying value, beginning of year	1,170,734	2,940,000	2,550,000	225,000	114,258	-	6,999,992
Additions	-	-	-	-	351,817	-	351,817
Revaluations	-	-	-	(7,760)	-	-	(7,760)
Carrying value, end of year	1,170,734	2,940,000	2,550,000	217,240	466,075	-	7,344,049

Investment properties comprise property held for rental. Rental income from investment properties amounted to \$290,337 (2019: \$145,962) and direct operating expenses amounted to \$100 (2019: \$3,804). Fair value gain of \$592,268 (2019: loss \$7,760) has been recognised in other operating (expense) income.

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Credit Union's investment property portfolio every three years.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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13. Property, Plant and Equipment

	Land	Buildings	Furniture and Equipment	Computer equipment & software	Motor Vehicles	Leasehold Improvement	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost or valuation								
Balance as at January 1, 2019	6,265,923	5,154,250	1,777,291	803,968	326,678	146,628	75,048	14,549,786
Additions	-	-	195,665	249,781	-	2,832	1,579,105	2,027,383
Disposals	-	-	(18,370)	(2,765)	-	-	-	(21,135)
Balance as at December 31, 2019	6,265,923	5,154,250	1,954,586	1,050,984	326,678	149,460	1,654,153	16,556,034
Balance as at January 1, 2020								
Cost of valuation	6,265,923	5,154,250	1,954,586	1,050,984	326,678	149,460	1,654,153	16,556,034
Additions	-	2,305,231	822,116	292,339	-	16,262	-	3,435,948
Reclassification	-	-	-	1,314,144	-	-	(1,314,144)	-
Gain (loss) on revaluation	1,515,598	(1,004,231)	-	-	-	-	-	511,367
Transfer to investment properties	(1,651,000)	(1,379,000)	-	-	-	-	-	(3,030,000)
Disposals	-	-	(246,875)	(200,088)	(167,172)	-	-	(614,135)
Balance as at December 31, 2020	6,130,521	5,076,250	2,529,827	2,457,379	159,506	165,722	340,009	16,859,214
Accumulated depreciation								
Balance as at January 1, 2019	-	195,621	1,492,945	628,734	132,204	82,566	-	2,532,070
Depreciation for the year	-	103,086	144,576	111,390	65,336	29,892	-	454,280
Disposals	-	-	(17,420)	-	-	-	-	(17,420)
Balance as at December 31, 2019	-	298,707	1,620,101	740,124	197,540	112,458	-	2,968,930
Balance as at January 1, 2020								
Depreciation for the year	-	298,707	1,620,101	740,124	197,540	112,458	-	2,968,930
Reversal of accumulated depreciation on revalued properties	-	126,513	301,495	421,697	56,977	33,143	-	939,825
Disposals	-	(425,220)	-	-	-	-	-	(425,220)
Balance as at December 31, 2020	-	-	(243,950)	(192,655)	(158,813)	-	-	(595,418)
Net book value								
As at December 31, 2019	6,265,923	4,855,543	334,485	310,860	129,138	37,002	1,654,153	13,587,104
As at December 31, 2020	6,130,521	5,076,250	852,181	1,488,213	63,802	20,121	340,009	13,971,097

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
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14. Other payables

	2020 \$	2019 \$
Accrued expenses	536,998	408,826
ATM payable	483,506	1,005,844
Due to COMFI	282,201	282,201
Accrued vacation liability	123,465	112,037
Accrued pension liability	309,913	452,590
Member's Insurance deposit payable	606,875	594,383
ECL provision on undisbursed loans	47,317	-
Trade and other payables	1,303,353	756,961
	<u>3,693,628</u>	<u>3,612,842</u>

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 judicial management and is insolvent. The Credit Union retains the pension contributions in a deposit account, which at reporting date amounted to \$904,715 (2019: \$971,786). The deposit earns interest at the rate of 2% per annum.

16. Lease liability

	2020 \$	2019 \$
Balance as at December 31, 2019	447,941	-
Impact of IFRS 16	-	48,825
Balance as at January 1, 2019	447,941	48,825
Additions	67,912	521,650
	515,853	570,475
Less Lease Liability Payment	(157,161)	(122,534)
Balance as at December 31, 2020	<u>358,692</u>	<u>447,941</u>

17. Members' deposits

	2020 \$	2019 \$
Term deposits	63,053,053	61,016,909
Saving deposits	80,073,597	67,465,097
	143,126,650	128,482,006
Interest payable on term deposits	958,506	929,581
	<u>144,085,156</u>	<u>129,411,587</u>

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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18. Members' ordinary savings

	2020 \$	2019 \$
Members' ordinary shares	113,742,039	105,276,893
Interest payable on member ordinary shares	1,342,241	1,948,890
	<u>115,084,280</u>	<u>107,225,783</u>

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

19. Share capital

(i) Qualifying shares

	2020 \$	2019 \$
Authorised number of shares of \$1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance - beginning of year	3,895,000	3,717,415
Issued during the year	214,400	201,440
Repurchased during the year	(26,774)	(23,855)
	<u>4,082,626</u>	<u>3,895,000</u>

(ii) Equity shares

	2020 \$	2019 \$
Authorised number of shares of \$1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance - beginning of year	26,882,723	24,602,127
Issued during the year	2,465,579	2,810,883
Repurchased during the year	(259,872)	(530,287)
Balance - end of year	<u>29,088,430</u>	<u>26,882,723</u>
Total share capital	<u>33,171,056</u>	<u>30,777,723</u>

Each member shall purchase, annually, at least 50 equity 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.

20. 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.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
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20. Statutory reserve (cont'd)

	2020	2019
	\$	\$
Balance - beginning of year	7,198,743	5,538,695
Entrance fees received in current year	1,528	1,599
Appropriation of statutory reserve	485,249	1,658,449
Balance - end of year	7,685,520	7,198,743

21. 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.

	2020	2019
	\$	\$
Balance - beginning of year	1,877,374	1,581,298
Contribution received	613,968	531,260
Payments from fund	(265,859)	(235,184)
Balance - end of year	2,225,483	1,877,374

22. Statutory development fund

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.

	2020	2019
	\$	\$
Balance - beginning of year	30,000	30,000
Payment to National League	(30,000)	(30,000)
Annual transfer of profits	30,000	30,000
Balance - end of year	30,000	30,000

23. Investment income

	2020	2019
	\$	\$
Interest on savings account	637,455	476,287
Interest on investments	1,868,460	1,684,297
Dividend income	27,898	24,276
	2,533,813	2,184,860

24. Expected credit losses

	2020	2019
	\$	\$
Loans and advances and undrawn loan commitments	(1,524,294)	(749,054)
Financial investments	(497,140)	(572,527)
Recoveries	17,208	704,046
	(2,004,226)	(617,535)

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
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25. Operating expenses

	2020	2019
	\$	\$
Advertising	265,506	250,622
ATM card embossing cost	5,998	7,013
Audit fee	82,940	73,080
Bank charges	99,748	126,238
Board and committee expenses	173,931	168,295
Credit Union week	15,960	14,075
Cleaning expenses	67,016	43,560
Depreciation	939,825	454,280
Depreciation - Right -of -use assets	141,673	164,420
Donations	67,234	54,046
Education and promotion	19,212	44,496
Electricity	140,787	141,386
General insurance	123,643	125,610
Georgetown branch expenses	98,900	90,185
Grenadines branches expenses	211,003	181,748
Heritage month expenses	-	650
Honorarium	9,600	9,600
Insurance on members' shares and loans	1,439,816	1,128,460
League dues	154,755	152,861
Lease interest	11,868	8,104
Licensing fees	71,923	117,745
Meeting expenses	64,413	92,457
Miscellaneous expenses	6,157	16,144
Motor vehicle expense	25,768	23,794
Office expenses	251,413	93,818
Professional fees	105,361	162,351
Property tax	14,720	21,940
Rent	12,000	27,000
Repairs and maintenance	163,974	153,246
Security	172,756	145,501
Social events	155,787	117,729
Social assistance expense	6,269	3,350
School co-operative expense	2,258	17,235
Scholarships	192,592	210,644
South Rivers branch expense	79,054	63,198
Stationery, postage, and office supplies	101,442	97,020
Subscriptions and membership dues	7,261	9,904
Telephone and Internet	199,492	168,582
Water and sewerage	32,301	24,104
Convention and summit	-	140,062
	5,734,356	4,944,553

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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26. Staff costs

	2020 \$	2019 \$
Education assistance	6,755	1,944
Group medical insurance	124,057	122,374
Holiday grant	9,000	10,000
Housing allowance	9,200	4,800
Pension	198,958	335,366
National Insurance contributions	128,965	113,969
Salaries, wages, and bonus	3,727,049	2,954,020
Staff training	15,143	118,645
Travel and entertainment allowances	156,111	111,857
Uniforms	33,202	46,216
	4,408,440	3,819,191
Number of employees as of reporting date	70	66

27. Other operating income/(expenses)

	2020 \$	2019 \$
Commission income	55,770	57,472
Gain (loss) on disposal of property	36,889	(14,702)
Income on death benefit plan - net (Note 28)	167,948	296,179
Rental income	290,337	145,962
Gain (loss) on revaluation of investment properties (Note 12)	592,268	(7,760)
Loss on revaluation of land and buildings	(147,096)	-
Loan processing fee	426,158	509,995
Security processing fees	470,318	219,786
Other income	70,558	69,009
	1,963,150	1,275,941

28. Income on death benefit plan - net

	2020 \$	2019 \$
Members' death benefit contributions during the year	989,400	995,590
Death benefit claims paid during the year	(821,452)	(699,411)
	167,948	296,179

29. Income tax

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

30. Related party balances and transactions

a. Identity of related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Credit Union considers the Board of Directors, Committee members and key management personnel as related parties.

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.

These represent loans outstanding and deposits held by related parties as identified in (a).

	2020 \$	2019 \$
Loans		
Directors and volunteers	3,717,532	4,119,687
Staff	8,297,845	7,763,390
	<u>12,015,377</u>	<u>11,883,077</u>

	2020 \$	2019 \$
Deposits		
Directors and volunteers	1,645,460	1,331,996
Staff	1,199,802	1,816,343
	<u>2,845,262</u>	<u>3,148,339</u>

b. Key management compensation

	2020 \$	2019 \$
Salaries	841,756	726,915
National Insurance Services	16,379	20,082
Board honorarium	9,600	9,600
Board and committee allowance	173,930	168,295
	<u>1,041,665</u>	<u>924,892</u>

31. Commitments

a. Capital commitments

For the year ended December 31, 2020

As of reporting date, the Credit Union is committed to capital expenditure contracts amounting to approximately \$682,063 as follow:

	Total committed balance \$
Design of the GECCU Head Office	386,871
Renovation and upgrade of Centrex	208,382
River 14 construction contracts	67,187
Reliance Building renovations	19,623
	<u>682,063</u>

For the year ended December 31, 2019

As of reporting date, the Credit Union is committed to capital expenditure contacts amounting to approximately \$983,450 as follow:

	Due in 2020 \$
Renovation and upgrade of Centrex	805,859
Provision of Engineering drawings, design and specification for land development at Peter's Hope	82,500
Design and Construction Supervisor of Peter's Hope Development Road network	95,091
	<u>983,450</u>

b. Loan commitments

Loan commitments in respect of undisclosed loans as at December 31, 2020 amounted to \$5,849,146 (2019: \$2,980,426)

32. Comparative figures

Certain comparative figures have been amended to conform to the current year's presentation.

33. Events after balance sheet date

Increased seismic activities at the La Soufriere started in 2020 at an alert level of orange. The volcano went into an explosive eruptive phase from April 09, 2021, where the alert level was changed to Red. It continued to erupt over the following days with a series of episodic explosions with accompanying ashfall and also generated pyroclastic flows.

The University of the West Indies Seismic Research Center report of June 8, 2021, stated that seismic activity at La Soufriere remained low, and the volcano alert level remained at orange. The volcano continues to be in a state of unrest, and an escalation in activity can still occur with little or no warning.

Over 15,000 persons living within the red and orange zones were dislocated to public shelters and private facilities. The actual economic toll of the eruption on St. Vincent and the Grenadines is unclear. However, preliminary estimates of the impact show extensive damage to infrastructure, agriculture, and housing in the areas nearest to the volcano. In addition, it will require a significant amount of financial resources to clean up the island and provide food for the evacuees.

The financial impact of this event on the General Employees Co-operative Credit Union Ltd. has not yet been quantified and is not included in these financial statements. However, management believes the financial effects, if any, would be on the credit union loan or investment portfolio and the disruption caused to its operations at the Georgetown and South Rivers offices.



The Credit Committee's Report
to the
55th ANNUAL GENERAL MEETING
of the
**GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

THE CREDIT COMMITTEE'S REPORT TO THE 55TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.1 The Credit Committee is pleased to present its report for the year ended December 31, 2020.
- 1.2 Bro. Renato Gumbs, Bro. Cecil Jackson, Sis. Janice King, Sis. Gemma Mc Cree and Sis. Vestricia Llewellyn-Richards continued to serve on the Credit Committee for the year 2020. At the 54th Annual General Meeting held on December 03, 2020. Bro. Dougal Allen was elected to serve for a three-year term. The composition of the 2020/2021 Credit Committee was as follows:
- Bro. Renato Gumbs - Chairman
 - Bro. Cecil Jackson - Vice Chairman
 - Sis. Gemma Mc Cree - Secretary
 - Sis. Vestricia Llewellyn-Richards - Member
 - Bro. Dougal Allen - Member

2.0 MEETINGS AND ATTENDANCE

- 2.1 For the calendar year 2020, a total of forty-six (46) regular meetings were convened.
- 2.2 The committee's attendance record was as follows:
- | | 2020 | |
|-------------------------------------|---------|----|
| • Bro. Renato Gumbs | Jan-Dec | 46 |
| • Sis. Janice King | Jan-Dec | 42 |
| • Sis. Gemma Mc Cree | Jan-Dec | 45 |
| • Sis. Vestricia Llewellyn-Richards | Jan-Dec | 29 |
| • Bro. Cecil Jackson | Jan-Dec | 45 |
| • Bro. Dougal Allen | Dec | 01 |
- 2.3 A total of fifty-seven (57) interviews were conducted for loans applications, thirty (30) of which, included the members' contractors.
- 2.4 Members of the Credit Committee, as well as in-house staff, conducted thirty-one (31) site visits to three hundred and three (303) properties. The aforementioned properties were visited for which loan applications were submitted to ascertain the quality of the assets being offered as collateral and for continued monitoring of projects.

3.0 WORK PLAN

- Process loans in accordance with GECCU's loan policy;
- Submit monthly reports to the Board of Directors;
- Provide financial counselling to members when necessary;
- Conduct site visits;
- Conduct interviews where necessary;
- Work closely with the Loans Department;
- Revise loan policy;
- Collaborate with technical personnel

4.0 LOAN REVIEW AND DISBURSEMENT

- 4.1 GECCU continued to meet the needs of its membership despite the on-going Covid-19 pandemic. Additionally, the committee provided financial counselling, and assisted members in the restructuring of loans.

4.2 Compared to the year 2019, both the number and value of loans processed decreased by -18.63 and -15.39 respectively as summarized in the table below.

4.3 The table shows the Total Loans Processed in 2020 in comparison to 2019.

	2020		2019			
Particulars	No.	Value (\$)	No.	Value (\$)	No.	Value
Total loan applications processed	6669	51,902,129	8196	61,347,405	-18.63	-15.39
Total loan applications approved	6637	45,780,473	8167	55,827,368	-18.73	-17.99
Total loan applications deferred	15	2,159,327	17	3,249,479	-11.76	-33.54
Total loan applications not approved	17	3,962,329	12	2,270,558	41.66	74.50
Total loans disbursed	6620	43,528,759	8131	51,984,262	-18.58	16.26
Total loans approved but not yet disbursed	17	2,251,714	36	3,843,106	-52.77	41.40

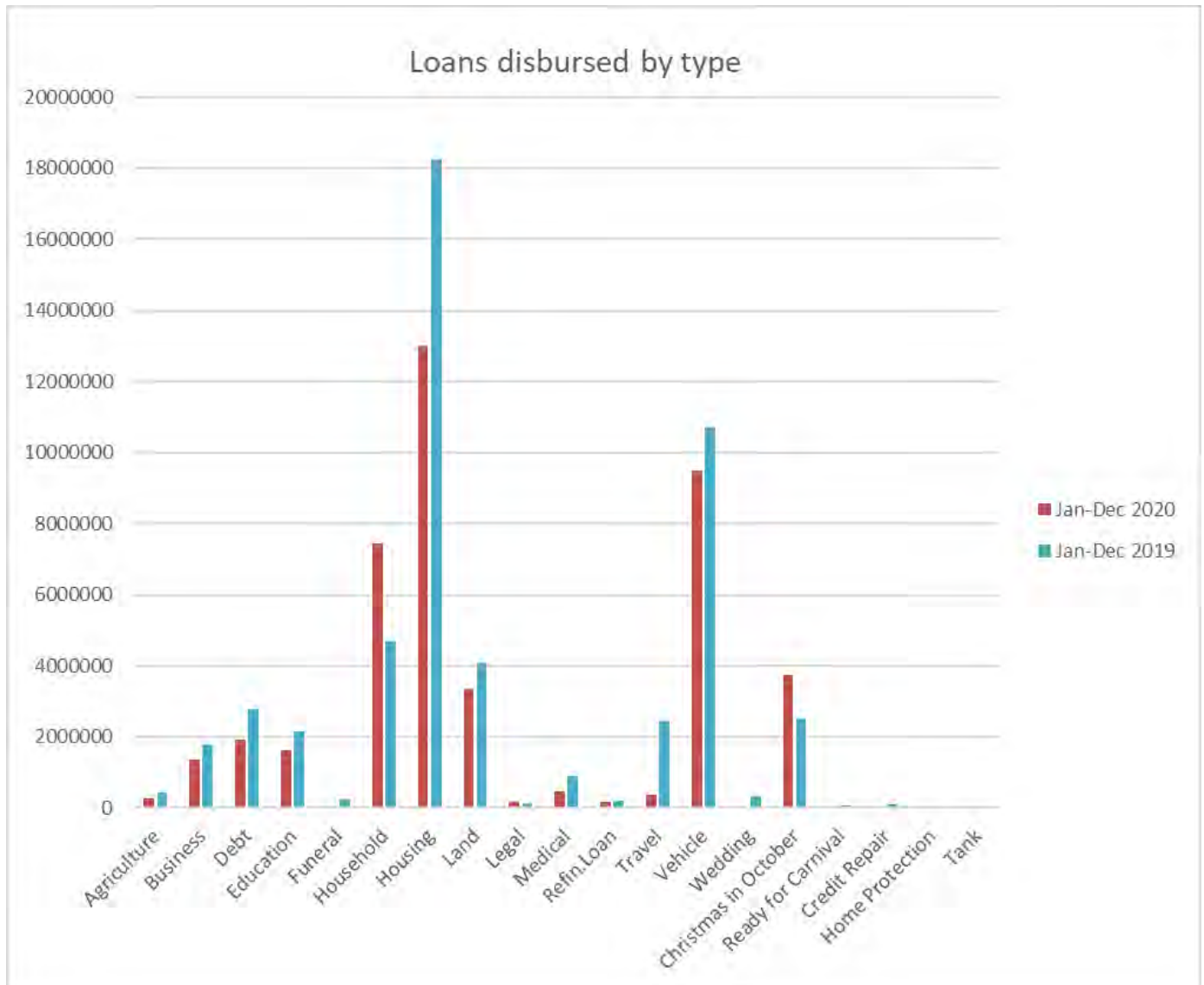
4.4 The table below shows loans disbursed by categories in 2020 and 2019

	JAN-DEC 2020			JAN-DEC 2019			
Type	No. of Loans	Amount (\$)	% of Total Loan Value	No. of Loans	Amount (\$)	% of Total Loan Value	% change (Value)
Agriculture	83	263,783.00	0.61	136	438,892.00	0.84	-39.90
Business	133	1,366,234.00	3.14	290	1,806,021.00	3.47	-24.35
Debt	332	1,918,261.00	4.41	694	2,805,309.00	5.4	-31.62
Education	365	1,643,270.00	3.78	574	2,154,647.00	4.14	-23.73
Funeral	0	0	0	48	231,004.00	0.44	-100.00
Household	3143	7,445,535.00	17.10	2487	4,717,808.00	9.08	57.82
Housing	453	12,993,651.00	29.85	917	18,250,291.00	35.11	-28.80
Land	58	3,355,657.00	7.71	65	4,072,386.00	7.83	-17.60
Legal	36	165,454.00	0.38	43	136,308.00	0.26	21.38
Medical	205	473,642.00	1.09	442	909,258.00	1.75	-47.91
Refin. loans	14	194,210.00	0.45	23	204,582.00	0.39	-5.07
Travel	91	379,551.00	0.87	580	2,473,670.00	4.76	-84.66
Vehicle	788	9,510,272.00	21.85	989	10,729,088.00	20.64	-11.36
Wedding	0	0	0	65	358,669.00	0.69	-100.00
Christmas in October	873	3,733,575.00	8.58	747	2,521,530.00	4.85	48.07
Ready for Carnival	0	0	0	26	68,150.00	0.13	-100
Credit Repair	5	34,532.00	0.08	5	106,649.00	0.21	-67.62
Home Protection	39	37,582.00	0.09	0	0	0	100
Tank	2	13,550.00	0.03	0	0	0	100
COMFI							
Total	6,620	43,528,759.00	100	8131	51,984,262.00	100	

- 4.4.1 Overall, the number of loans disbursed decreased by -18.58%, and the value of the loans also decreased by -16.26% or \$8.5million. It was noted in 2020, there was a decrease in the disbursement of funds for most categories of loans.

Graph 1 below shows a graphical representation of loans disbursed by type:

Graph 1: Loans disbursed by type for the period 2019-2020



5.0. Mortgage Financing Program (MFP)

- 5.1 The total value of the mortgage (housing) portfolio stood at \$86,481,352 as at December 31st 2020, representing 50.4% of the total loan portfolio of the organization.
- 5.2 For the period under review, a total of 50 mortgages were approved, which amounted to \$11,267,529.00. This represented a 21.61% decrease in the monetary value when compared to 2019. Housing accounted for 29.85% of approved loans by value.

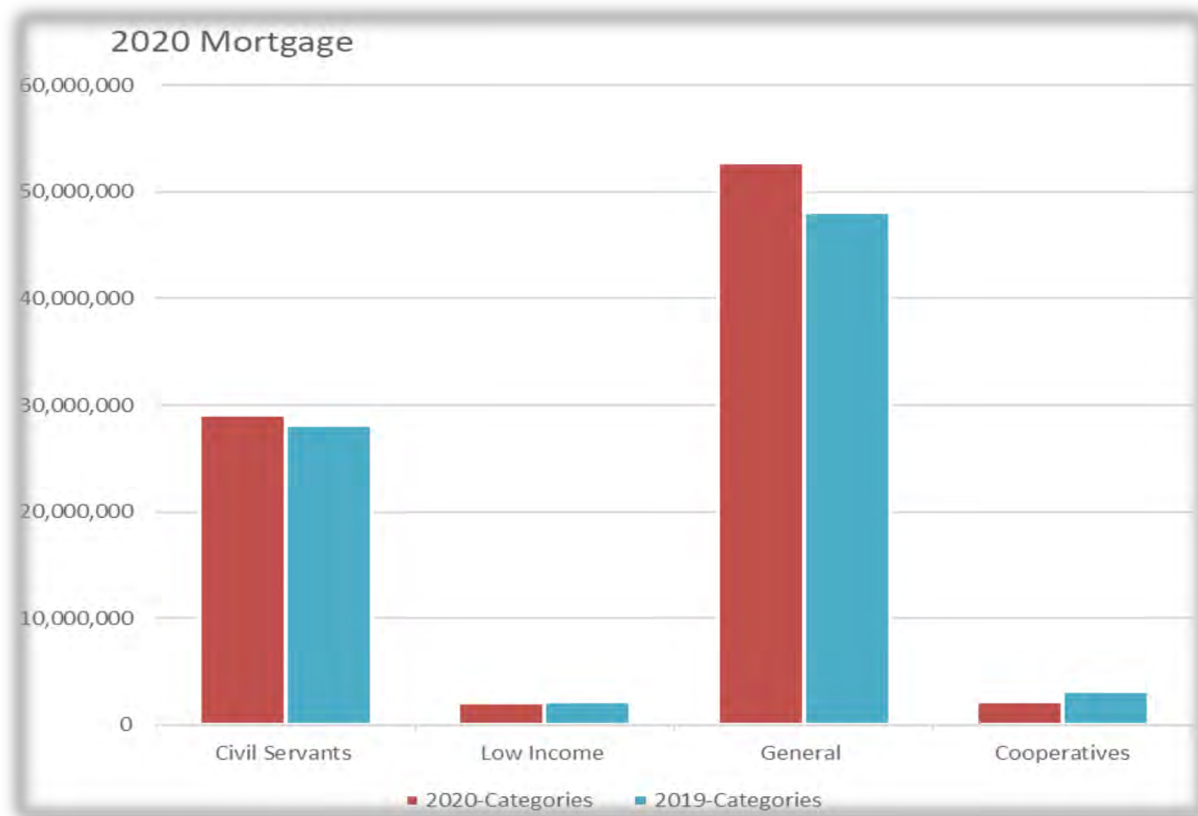
- 5.3 The committee continued to place emphasis on the monitoring of all loans, with the aim of ensuring compliance and providing counselling to applicants.
- 5.4 The table below shows the number and the value of the mortgage portfolio for the year 2020 in comparison to the year 2019.

Table 3: Mortgage portfolio by Category

	2020			2019		
Category	No. of Loans	Value (\$)	% of Total Loan Value	No. of Loans	Value (\$)	% of Total Loan Value
Civil Servants	174	29,116,708	34%	174	28,097,270	34%
Low Income	29	2,063,950	2%	31	2,189,824	3%
General	312	53,081,572	61%	293	48,079,613	59%
Cooperatives	2	2,219,122	3%	2	3,138,312	4%
Total	517	86,481,352	100	500	81,505,019	100

- 5.4.1 The distribution of the mortgage portfolio for the fiscal year 2020 is presented in the bar chart below.

Graph 2: Mortgage portfolio by Category



6.0 DELINQUENCY STATUS

In 2020, the delinquency rate increased to 10.45% from 5.25% in 2019. The Credit Committee remains cognizant of this increase and will continue to work assiduously with the Loans Department and the Recoveries Committee to manage the delinquency.

7.0 CONCLUSION

The members continue to display confidence in the ability of the credit union to meet their diverse needs. However, the Credit Committee noted that the Covid-19 pandemic impacted the performance of the loan portfolio of the organization. Despite the challenging times faced in the year 2020, the committee remains committed and optimistic about its mandate and would continue to seek new ways to assist members.

The Credit Committee takes this opportunity to express its sincere thanks 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 organization.



Bro. Renato Gumbs
Chairperson



Sis. Gemma Mc Cree
Secretary



*The Supervisory & Compliance
Committee's Report*
to the
55th ANNUAL GENERAL MEETING
of the
**GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

THE SUPERVISORY & COMPLIANCE COMMITTEE'S REPORT TO THE 55TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.1 The Supervisory and Compliance Committee (SCC) is pleased to present its annual report for the year ended December 31st 2020.
- 1.2 The duties of the Supervisory and Compliance Committee are enshrined in the Co-operatives Societies Act No.12 of 2012, section 66 and article 10 of GECCU's Bye-laws and entail:
- Examination of the books and documents of the Credit Union;
 - Oversight of the Board, Committees, Management and Staff activities;
 - Monitoring compliance with the Act, Regulations, By-Laws and policies;
 - Receiving and investigating member complaints/suggestions;
 - Keeping Minutes of its meetings;
 - Submission of monthly reports to the Board of Directors;
 - Submission of annual report to the AGM
- 1.3 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 largely in compliance with Co-operative Societies Act No.12 of 2012, the organization's Bye-laws, internal policies and procedures and other statutory and regulatory requirements.

2.0 MEMBERSHIP AND ATTENDANCE

- 2.1 At the 54th Annual General Meeting held on December 3rd 2020, Sis Louisa James was nominated to serve a period of three (3) years.
- 2.2 The other members of the Committee were:
- Sis Timora Peters
Bro Micah Cumberbatch
Sis Yolande Barbour
Sis Gatlin Roberts
- 2.3 At the first meeting after the 54th AGM, Sis Yolande Barbour and Sis Gatlin Roberts were elected as Chairperson and Secretary respectively. It was decided that regular meetings would continue on the second and fourth Tuesday of each month as obtained previously.
- 2.4 Attendance at meetings held during 2020 were as follows:
- | | |
|-----------------------|-------------|
| Sis Ena Walters | 23 meetings |
| Sis Timora Peters | 24 meetings |
| Bro Micah Cumberbatch | 25 meetings |
| Sis Gatlin Roberts | 27 meetings |
| Sis Yolande Barbour | 27 meetings |
| Sis Louisa James | 02 meetings |

2.5 The Committee was ably assisted by the Internal Audit Department in implementing its work programme.

3.0 **WORK-PLAN**

The Committee developed a work-plan to aid in the execution of its tasks and fulfill its responsibilities. The activities undertaken to date were as follows:

- Perused contractual documents including leases, licenses and insurance policies
- Monitored the effectiveness of safeguards to protect members' investments
- Performed tests on VAT, NIS and PAYE remittances
- Review of Death Benefits, GECCU MED and CUNA
- Examination of disbursements/expenditure
- Reviewed the status of projects
- Reviewed Bank Reconciliations
- Reviewed New Loan Products
- Visited Sub Offices
- Review of minutes of the Board of Directors and other Committees
- Met with the Board of Directors, and Credit Committee
- Observed the selection process for the Scholarships and Bursaries by the Scholarship Committee.

4.0 **SUB OFFICE OPERATIONS**

Visits were made to GECCU's Sub Offices to ensure adherence to the policies, that the working conditions were conducive and that controls were in place. In Union Island there was a privacy issue which was brought to the attention of management. The issue was subsequently resolved by Management. In Bequia, concerns were raised about inadequate storage, resulting in boxes of files being left on the floor which in the event of flooding, could be damaged by water. However, Management is seeking to resolve this issue in a timely manner.

5.0 **REPORTING REQUIREMENTS/GOVERNANCE**

The Committee continued its review of the minutes and reports of the Board of Directors, Committees and Departments and is satisfied that all parties were in compliance with their reporting obligations.

6.0 **LOANS & DELINQUENCY**

The Committee continues to be concerned that the delinquency rate is in excess of the stipulated 5% bench mark. However, we are cognizant of the effects of the current Global Pandemic and the inability of some members to meet their obligations as they become due. The Credit Union must be applauded for managing the same over the reporting period despite the many challenges.

7.0 **SCHOLARSHIPS AND BURSARIES**

The Committee reviewed the criteria and applications for the awards to CPEA and university students. The successful applicants met the eligibility criteria and the Committee was satisfied that the process for selection was transparent and thorough.

8.0 DISASTER MANAGEMENT

The Committee was informed that a draft comprehensive disaster plan was formulated. However, we were unable to review it. During enquiries about disaster drills, we were informed that none had been undertaken since the move to the new location. There are however, clearly marked entrance and exit signs.

9.0 COMMENDATIONS

The management and staff of GECCU must be commended for a job well done with the transition to a new software, the refurbishment of its new headquarters and the relocation with minimal disruption in spite of the challenges posed by the COVID 19 restrictions.

During the year, the staffing capacity was enhanced and this added to the skill set of the organization.

We would like to place on record our appreciation for the contribution made by the past CEO, Bro. Lennox Bowman for his sterling contribution to the Co-operative Movement in St. Vincent and the Grenadines and the Caribbean.

We also welcome the new CEO, Bro. Rohan J. Stowe and look forward to working closely with him in enhancing GECCU and the Co-operative Movement.

10.0 ACKNOWLEDGEMENT

The members of the Supervisory and Compliance Committee are grateful for the opportunity to serve this noble institution. Special mention must be made of the Internal Audit Department for providing invaluable assistance during the year. Special thanks to Sis Damoris Alexander former Internal Auditor, for her years of service to the institution and her immeasurable support to the Supervisory and Compliance Committee. We would also like to thank the Board of Directors, Committees and Staff for their continued cooperation which facilitated the execution of our tasks.



Sis Yolande Barbour
Chairperson



Sis Gatlin Roberts
Secretary



The Education Committee's Report

to the
**55th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

THE EDUCATION COMMITTEE'S REPORT TO THE 55TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

1.1 The Education Committee and the Marketing Department continue to work in tandem to achieve GECCU's objectives. During the period under review, the the following volunteers and staff constituted the committee:

- | | |
|------------------------------|-----------------------|
| • Bro. Clarence Harry | - Chairperson |
| • Sis. Colleen Thomas | - Deputy Chairperson |
| • Sis. Velda Gumbs | - Secretary |
| • Sis. Samantha Robinson | - Assistant Secretary |
| • Sis. Peggy Da Silva | |
| • Sis. Mineva Glasgow | |
| • Bro. Claude Cambridge | |
| • Sis. Diana Browne | |
| • Sis. Thelsea John | |
| • Bro. Dougal Allen | |
| • Sis. Degra Michael Scanlan | |
| • Sis. Kimberley Cambridge | |
| • Sis. Gail Peters Toney | |
| • Bro. Keith O'Neil | |
| • Sis. Danny-Lee Francis | - Staff |
| • Bro. Tehani Cato | - Staff |

1.2 The committee's first meeting was convened on 13th January, 2020 and the named persons were elected as follows:

- | | |
|--------------------------|-----------------------|
| • Bro. Clarence Harry | - Chairperson |
| • Sis. Colleen Thomas | - Deputy Chairperson |
| • Sis. Velda Gumbs | - Secretary |
| • Sis. Samantha Robinson | - Assistant Secretary |

2.0 Meetings

2.1 The official meeting day of the committee is the second Monday of each month, but other meetings are convened when necessary.

3.0 Strategic Objectives

The committee's work and work plan were developed and executed by the following six (6) broad strategic objectives, as set by the Board of Directors:

1. To maintain and heighten our quality of service delivery
2. To enhance the brand and marketing function of GECCU
3. To strengthen the movement nationally, regionally and internationally
4. To expand the range of services, provide new ones and improve access to GECCU services
5. To enhance our community engagement
6. To preserve and enhance GECCU properties

4. ACCOMPLISHMENTS

The year 2020 was anticipated to be one of great promise before the onset of the Covid-19 pandemic. The Education Committee and Marketing Department redoubled their efforts and energies in providing fresh perspectives to advertising, branding, training and education of the membership of GECCU. New and exciting changes were envisaged for the credit union, inclusive of a conversion in the first quarter to a new software, the recruitment of a new Chief Executive Officer and the relocation of GECCU's headquarters. However, many of the activities that were planned and budgeted for the year had to be postponed, and in some cases cancelled, due to the Coronavirus pandemic. Notwithstanding the uncertainties that prevailed, the following were accomplished:

4.1 To maintain and heighten our quality of service delivery

- In an effort to better understand the needs of members and the quality of the service delivery being offered by GECCU, the Marketing Department, in collaboration with the Member Services Department, developed a Members' Satisfaction Survey to be conducted among the membership. The parameters for the survey included a sample of 10% of the membership or approximately 4,500 members. This survey was intended to provide first hand face to face feedback from the members regarding the quality of service delivery. Unfortunately, visits to all GECCU branches to collect responses in-person were cancelled due to the pandemic. As a consequence, the survey was subsequently launched online and sent to all of GECCU's members with a saved email address. The results of the survey are expected to be compiled by the first quarter in 2021 to inform the 2021 to 2025 Strategic Plan.
- The conversion from Emortelle to Sharetec in March 2020 offers better service delivery to the membership. The new online banking platform provides greater functionality to the membership via the Home Banking and Mobile App.
- The successful execution of a comprehensive relocation plan for the move to GECCU's new headquarters in June 2020. This plan included installing signage on the exterior and in interior of the new building, advertising to inform members of the move and notifying all stakeholders and businesses by way of official correspondence.

4.2 To enhance the brand and marketing function of GECCU

- Visits were made to thirty-one (31) GECCU-sponsored school cooperatives across the St. Vincent and the Grenadines during the month of January 2020.
- Meetings were held in January 2020 with Teacher Guides and principals of GECCU-sponsored schools to discuss the thrift program and devise strategies how GECCU could play a greater role in getting more students to join the program.
- GECCU sponsored the joint sports meet of the St. Vincent Girls' High School and the St. Vincent Grammar School which was held on Wednesday, February 12, 2020 at the Arnos Vale Sporting Complex. The Deputy Headmistress of the Girls' High School, Mrs. Athalie Cain-Soleyn, presented a plaque to Bro. Lennox Bowman, Chief Executive Officer of GECCU, for his contribution on behalf of GECCU for sponsoring the sports over the last fifteen (15) years.
- GECCU partnered with the UWI Open Campus to sponsor a poetry and fiction competition on Monday, December 14, 2020 and also sponsored prizes for the second-place winners in both categories.
- GECCU part-sponsored the National Corporate Public Speaking Competition (NCPSC) which was held on June 27th 2020 at the Russell's Auditorium. Ms. Andreka Samuel- Member Services Representative at GECCU, participated in the competition.

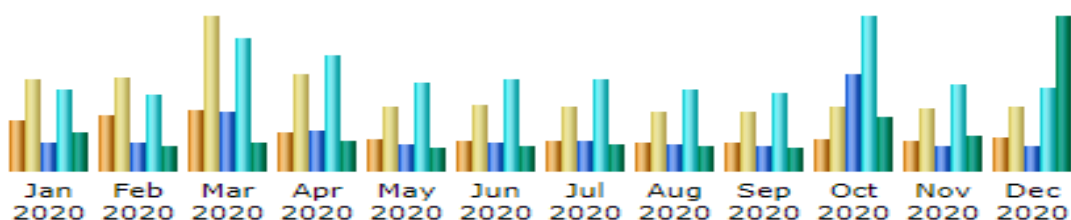
- GECCU part sponsored 'The Best of SVG Campaign' which commenced on December 1, 2019 and culminated on January 31st, 2020. GECCU was officially voted as St. Vincent and the Grenadines' best credit union in 2020, the first credit union to be awarded this honour, after having received over 1,000 votes. This announcement was made at the 2020 Best of SVG awards held at the campus of the St. Vincent and the Grenadines Community College on Sunday, February 16, 2020.
- The Marketing Department, in collaboration with the Scholarship Committee, hosted the annual University Bursaries ceremony on Wednesday, October 14, 2020 at the National Insurance Service Conference Room. Five (5) bursaries were awarded to the following members who are pursuing undergraduate and post graduate degrees:
 1. Sis. K-Tricia Isaacs
 2. Sis. Ayana Evans-Lyttle
 3. Sis. Reah Edwards
 4. Sis. Andia Hadley-Thomas
 5. Bro. Odion Hillocks

4.3 To strengthen the movement nationally, regionally and internationally

- The Marketing Department partnered with the Ministry of Education at the resumption of classroom teaching during the month of September 2020 in the dissemination of information, regarding healthy practices for students during the pandemic. This information was made available on all of GECCU's social media platforms.
- The Marketing Department engaged in ongoing documentation of the development works at the South Rivers River 14 Projet.
- Support was provided to the Bequia Education Sub-committee to ensure that they functioned effectively since its reactivation in December 2019.

4.4 To expand the range of services, provide new ones and improve access to GECCU services

- Converted from Emortelle Software to Sharetec Software in March 2020 to offer better service delivery. The new online banking platform provides greater functionality to the membership via the Home Banking and Mobile App.



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2020	4669	8462	19214	54159	3.13 GB
Feb 2020	5170	8501	18925	50233	2.04 GB
Mar 2020	5519	14161	38811	87698	2.30 GB
Apr 2020	3512	8881	26257	75883	2.42 GB
May 2020	2843	5925	17608	57741	1.81 GB
Jun 2020	2761	6103	18485	60840	1.97 GB
Jul 2020	2802	5909	20150	60882	2.06 GB
Aug 2020	2651	5438	17105	54115	2.01 GB
Sep 2020	2668	5400	16220	51781	1.83 GB
Oct 2020	2862	5881	64218	101746	4.27 GB
Nov 2020	2796	5675	16329	57248	2.87 GB
Dec 2020	3009	5951	16270	55182	12.32 GB
Total	41262	86287	289592	767508	39.02 GB

- Relocated to the new headquarters which provides more space, a friendlier business environment and greater convenience of services.
- Relaunched the computer loan in April 2020 in an effort to target members who required financing to purchase devices for online learning for themselves or their children.
- Launched the back to school Loan promotion in August 2020 for members. As part of the promotion, members were eligible to win a chromebook laptop and a special GECCU bookbag.

4.5 To enhance our community engagement

- Sponsored the joint sports meet of the St. Vincent Girls' High School and the St. Vincent Grammar School on Wednesday February 12, 2020 at the Arnos Vale Sporting Complex.
- Continuous engagement with the residents of South Rivers and the surrounding communities regarding the River 14 Project explaining the opportunities and benefits of the project upon completion.
- Assisted the Social Development Committee in the hosting of a '*Christmas Tea*' for retired members (Retirees) of GECCU on December 29, 2020 at the Botanical Gardens.
- Celebrated International Credit Union (ICU) day on October 15, 2020 by hosting a Members' Appreciation Day at all GECCU branches. Members were treated to light snacks and were given GECCU paraphernalia. The theme for ICU Day 2020 was "*Inspiring Hope for a Global Community*".
- Homage was paid to two (2) longstanding members of staff: Bro. Lennox Bowman-Chief Executive Officer and Sis. Damoris Alexander - Internal Auditor for their 26 and 34 years respectively of exemplary work to GECCU.
- Assisted the Social Development Committee in the distribution of food vouchers valued at \$300.00 each to members in Union Island in December 2020.

4.6 To preserve and enhance GECCU properties

- Continued documentation of the progress of the River 14 Project for posterity purposes.
- Documentation of the construction of the a GECCU headquarters that facilitated the relocation from the old Halifax to a more spacious and friendlier accommodation.

5.0 CONCLUSION

The Education Committee would like to express its sincere thanks to the Board of Directors for affording us the opportunity to serve this noble organization. Special thanks is also extended to the staff of the Marketing Department for their continued support in making our job rewarding and fulfilling. The Committee remains committed to its mandate in ensuring that the members' dreams are realized.


Br. Clarence Harry
Chairperson


Sis. Velda Gumbs
Secretary



Serving Officers

55th ANNUAL GENERAL MEETING of the GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

SERVING OFFICERS 2020/2021

BOARD OF DIRECTORS

*Sis. Cecelia J. Williams -	President
*Bro. Brian Alexander -	Vice President
*Bro. Hugh Colin Sam -	Secretary
Bro. F. Clarence Harry -	Treasurer
Sis. Kimberley Cambridge -	Director
Bro. Linus Goodluck -	Director
Bro. Gary Matthias -	Director
Bro. Michael Sayers-	Director
Bro. Jerold Jackson -	Director

CREDIT COMMITTEE

*Bro. Renato Gumbs -	Chairperson
*Sis. Gemma Mc Cree -	Secretary
Bro. Cecil Jackson -	Member
Sis. Vestricia Llewellyn-Richards -	Member
Bro. Dougal Allen -	Member

SUPERVISORY & COMPLIANCE COMMITTEE

Sis. Yolande Barbour -	Chairperson
Sis. Gatlin Roberts -	Secretary
*Sis. Timora Peters -	Member
*Bro. Micah Cumberbatch -	Member
Sis. Louisa Martin-James -	Member

(*) Indicates members due to retire at this meeting

“ Together we give and receive,
together we help each other to achieve ”



Putting Members First!

Kingstown

Halifax Street
info@geccu.com

Georgetown

Commercial Road
gtownoffice@geccu.com

South Rivers

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Bequia

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Canouan

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Union Island

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