

54th Annual General Meeting

REPORTS & ACCOUNTS 2019

Theme:
"Meeting Our Challenges with Our Philosophy."

Thursday December 3rd, 2020
Russell's Auditorium, Stoney Grounds
3:00 p.m.

Credit Union Song

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

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

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

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

Credit Union Prayer

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

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

Christ our Lord. Amen

National Anthem of Saint Vincent and the Grenadines

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

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

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

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

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

VISION

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

MISSION

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

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NOTICE/AGENDA OF THE 54th ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 54th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on **Thursday 3rd December, 2020** at the Russell's Auditorium, Stoney Grounds at 3:00 p.m.

AGENDA

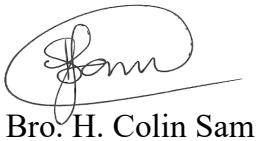
OPENING SESSION

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

CLOSED SESSION

1. Ascertainment of Quorum
2. Minutes of the 53rd Annual General Meeting
3. Matters arising from Minutes
4. Reports and Elections
    - (a) Board of Directors
        - (i) Board of Directors' Report
        - (ii) Treasurer's Report
        - (iii) Auditors' Report
        - (iv) Election of Board of Directors
    - (b) Credit Committee
        - (i) Credit Committee's Report
        - (ii) Election of Credit Committee
    - (c) Supervisory and Compliance Committee
        - (i) Supervisory and Compliance Committee's Report
        - (ii) Election of Supervisory and Compliance Committee
    - (d) Education Committee
        - (i) Education Committee's Report
5. Election of Auditors
6. New Business
7. Closing Exercise

Yours co-operatively,



Bro. 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.

10. Only one amendment should be done before the meeting at one and the same time.

11. When a motion is withdrawn any amendment to it falls.

12. The Chairman to have the right to a "Casting Vote".

13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.

14. Provision is to be made for protection by the Chairman from vilification (Personal Abuse).

15. No member shall impute improper motives against another member.

BOARD OF DIRECTORS



Brian Alexander
VICE PRESIDENT
BSc. in Management Studies



Harold C. Lewis
PRESIDENT
MSc in Finance,
BSc in Economics



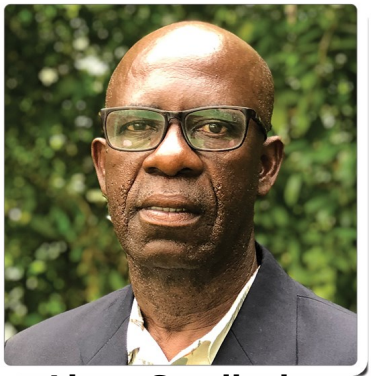
Cecelia J Williams
TREASURER
FCCA, MAAT
Certificate in BA



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



Aubrey Burgin
DIRECTOR
Certificate in Public Finance
Certificate in Audit Project
Management Implementation



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



Kimberley Cambridge
Director
MSc. Rehabilitation Counselling/
Mental Health Therapy
BSc. Psychology (Special)

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
Janice King	Master of Education - Human Resource Education B.Sc. Sociology and Management

SUPERVISORY & COMPLIANCE COMMITTEE

Ena Walters	MSc in Public Administration and Development BSc in Public Sector Management
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.)
Micah Cumberbatch	

MANAGEMENT

Lennox A Bowman	MAAT**,** ACIB, ICUDE
Maxine Johnney	FCCA
Gertrude Jacobs	BSc Accounting
Cornelia Moses	MBA
Damoris Alexander	Diploma Internal Audit Practice
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 54th Annual General Meeting



Harold C. Lewis
President

A pleasant good afternoon brothers and sisters and fellow co-operators of our noble Credit Union movement. I am delighted and honored to stand before you this afternoon as the President of this great institution, the General Employees Co-operative Credit Union Limited (GECCU Ltd). It gives me great pleasure and with a humbled sense of gratitude to preside as your Chairman at this our 54th Annual General Meeting. It is with profound pride that I take this privileged opportunity on behalf of the Board of Directors, Management, Staff and our Volunteers, to sincerely welcome all of you to AGM 2020. I want to extend a special welcome to our valued members, who are the foundation and true owners of this institutional pillar in our country's financial landscape.

Brothers and sisters, please permit me the use of a few seconds of your precious time to reflect on my own journey to this privileged position. I recalled that it was at AGM 2015, when I received your overwhelming support and vote of confidence to be elected as one of the youngest directors to serve on the board of this great Credit Union. I chair this meeting as your out-going president having assumed the post of President for the period August 2019 to December 2020, and likewise this will be my final official duty as a siting director on the Board. I am even more heartened and proud to see that our Credit Union has continued on the path of embracing youth into the leadership hierarchy and at the highest decision-making echelons of our movement.

Brothers and sisters, it would be remiss of me as the out-going President not to mention and introduce to you our new Chief Executive Officer (CEO): - Bro. Rohan Stowe, who joined the organization on 1st October, 2020 during the final months of my stewardship at the helm of the Board. At the same time, we as a Board express our sincere gratitude to Bro. Lennox Bowman, for his invaluable and dedicated service to the GECCU Ltd having served as Manager/CEO for the past twenty-one (21) years. To this end, a report on the CEO recruitment process conducted during the year 2020 will be provided in our AGM Booklet for 2021.

Members, as we gather to convene another AGM, under the theme: ***"Meeting Our Challenges with Our Philosophy"*** and to participate robustly in the business of our Credit Union, we are indeed profoundly mindful that we are doing so at a time of tremendous anxiety and uncertainty. This is the result of the unprecedented upheavals and challenges associated with the on-going fall-out from the global health pandemic which began in latter months of 2019 in Wuhan, China and became known as the Novel Coronavirus or COVID-19, a disease of which the likes of our generation has never seen before.

Brothers and sisters, I am proud to report to you that our Credit Union has performed well in the financial year 2019. This creditable performance has provided a solid foundation for us to face the uncertainties of this pandemic now, and in the future. Despite this, as a Credit Union we must continue to explore and brainstorm the menu of options available to us in our attempt to ameliorate and cushion the concomitant negative socio and economic impact of this disease on our members' livelihoods. We have to do so with agility, prudence and responsibility which must be grounded in the objective of meeting our members' needs and the needs of the wider Vincentian population, whilst preserving the financial health of our Credit Union going forward.

Members, I want to reassure you that our Credit Union remains stable and strong, but we must be guarded against the self-defeating notion of complacency. Therefore, we must reposition our Credit Union to navigate through these tumultuous times in an effort to achieve a brighter future for another fifty-six (56) years. To this end, I posit to you the following tenets:

- **We must cement our past.**
- **We must build on our accomplishments. And,**
- **We must embrace change for the better.**

Cementing our past: - All of us must to do our part to protect the business model of this great Credit Union by living-out the philosophy of ***"People Helping People***" as espoused by our founding fathers who many years ago started this noble institution. This philosophy must remain the bedrock or cornerstone of our Credit Union movement as we chart the way forward.

Building on our accomplishments: - We must continue to amass and consolidate our impressive gains and achievements as a responsible, social and ethical financial institution. We must recognize the hard work of our committed staff; the loyalty and unwavering patronage of our valued members; the commitment of our volunteers; and our strong involvement in the community must never cease. We must continue to tout our accomplishments.

As such, I am pleased to report the following financial achievements that were realized as at 31st December, 2019:

- Net surplus of $3.2 million;
- Assets totaling $287.5 million;
- Cash resources totaling $41.2 million;
- Members equity share capital of $30.8 million;
- Loans disbursed to members totaling $164.1 million; and
- Loan delinquency rate of 5.7 percent.

Finally,

Embracing change for the better: - We must never be afraid to embrace the ever constant notion of "change". We must always welcome the advent of change with open arms and seize all the opportunities it presents to us as we transition into new leadership across the organization. Our quest must always be to show that the GECCU Ltd remains a model Credit Union that exemplifies greatness through that beacon of hope and reflects that shining example for our fellow cooperators to aspire to become.

Conclusion

Brothers and Sisters all, as I retire as a director from the Board at this 54th AGM, I want to once again sincerely thank Bro. Lennox Bowman for his sterling contribution towards the development of the GECCU Ltd over the past twenty-one (26) years and welcome Bro. Rohan Stowe who has taken the baton to lead the organization into the future. To my fellow directors, committee members, other volunteers and the entire staff at the GECCU, please accept my humblest and sincerest appreciation for the support given to me during my tenure as President, as I navigated my way through this unprecedented and historic period in the life of this great institution. It was truly an honour for me to serve and to be a part of this historic journey with you.

For this, I say a heartfelt and sincere thank you to all!

May we have a successful 54th AGM and may the Almighty God continue to bless our beloved Credit Union.



Bro. Harold Lewis
President

MINUTES OF THE 53rd ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU) HELD AT THE RUSSELL'S AUDITORIUM ON WEDNESDAY 17TH JULY 2019 AT 3:30 PM

OPENING SESSION

PRESENT:	Bro Gary Matthias	-	President
	Bro Harold Lewis	-	Vice President
	Sis Cecelia Williams	-	Treasurer
	Bro Brian Alexander	-	Secretary
	Bro Kelvin Pompey	-	Director
	Bro Ronnie Daniel	-	Director
	Bro Clarence Harry	-	Director
	Bro Philmore Isaacs	-	Director
	Bro Colin Sam	-	Director
	Bro Lennox Bowman	-	Chief Executive Officer

1. CALL TO ORDER

The President, Bro Gary Matthias, called the meeting to order at 3:48 p.m.

2. PRAYERS

The meeting was led in prayer by Bro Ronnie Daniel. The Credit Union prayer was recited by all present.

3. NATIONAL ANTHEM

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

4. SILENT TRIBUTE

One-minute silence was observed for members who died during the year, special mentioned being made of Sis Viola John.

5. APOLOGIES FOR ABSENCE

Apologies were made on behalf of Hon. Frederick Stephenson – Minister with responsibility for Co-operatives; Hon René Baptiste CMG - Notary Public and Solicitor of Baptiste & Co. Chambers and Bro. Michael Sayers.

6. WELCOME

The President and Chairman, Bro Gary Matthias, welcomed all to the 53rd Annual General Meeting. In his message, captioned "Celebrating 55 Years of Service, Strength and Stability", Bro Matthias apologised for the late scheduling of the AGM which was as a result of a protracted process involving the implementation of the new accounting standard, IFRS 9.

He expressed appreciation to the members for allowing him to serve as President for the past two years. In his remarks, he highlighted that GECCU had made significant growth over its 55 years of existence, and was now considered by ECCB to be one of the Credit Unions which has a systematic impact on the economy of the OECS. The highlights of the progress made were:

I. Forty-four thousand, five hundred and fifty one (44,551) members as at December 31, 2018;
II. Six offices across St Vincent and the Grenadines including the main headquarters;
III. Asset size of EC$258 million, cash and cash equivalent of EC$35.6 million, net loans to members of EC$150 million (gross of approx. EC$170million) and institutional capital of EC$36 million;
IV. Members' Savings of EC$216 million

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

7. REMARKS – MINISTER OF COOPERATIVES

Sis Jennifer Williams, Inspector (II) of the Co-operative and Community Division, apologised for the absence of Minister with responsibility for Co-operatives, Hon. Frederick Stephenson. On behalf of the Minister, she commended GECCU for its consistency in increasing and improving their services and products to the general public of SVG and meeting the needs of its clients. She highlighted that co-operative organisations worldwide were positively impacting the socio-economic livelihood of many, and in SVG, approximately 7/10 adults were members of a co-operative. Additionally, significant growth in several areas of operations suggested a system of innovative management, sound co-operative governance, strong internal controls and an enabling political, economic, socio-cultural and technological environment.

In closing, she urged GECCU to further enhance its service delivery, programmes and business enterprise to meet the needs of its members as well as the youth.

8. GREETINGS

Fraternal greetings were received from the following:

- St Vincent and the Grenadines Teachers' Credit Union Limited
- SVG Co-operative League Limited
- St Vincent and the Grenadines Police Co-operative Credit Union Limited
- Kingstown Co-operative Credit Union Limited
- St Vincent Automotive Co-operative Limited
- Financial Services Authority
- Baptiste and Company Chambers
- Lyndon George Chambers
- Mr. Joseph Burns Bonadie – General Secretary (Ag) – CTAWU

CLOSED SESSION

1. ASCERTAINMENT OF QUORUM

The quorum was ascertained with approximately 246 members present.

Standing Order

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

Agenda

Bro Cecil 'Pa' Jack questioned if resolutions made during discussions would be dealt with throughout the discussion of the reports or tabled as a separate item of the agenda. The Chairman confirmed that resolutions would be dealt with during the discussion.

There was no amendment to the AGENDA and on a motion moved by Bro Cecil `Pa' Jack, seconded by Bro Philmore Isaacs, the AGENDA was confirmed as presented.

2. MINUTES OF THE 52ND ANNUAL GENERAL MEETING, 31ST MAY 2018

The minutes having been circulated before were accepted as read.

Amendments

Page 8: first sentence, “Holmer” was corrected to “Homer”;

4.4.2, third line: “continued” was changed to “concluded”

Page 13: 4.6.5: “Jelesia” was changed to “Thelsea”

Page 14: 4.7.2: “Codougan” was corrected to “Cadougan”

On a motion moved by Bro Aubrey Burgin and seconded by Bro Philmore Isaacs, 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 was still not supported as other matters took precedence while the project remained on hold until issues were sorted.

3.2 The CEO in response to a request for an update on COMFI said that the liquidation process was still on-going and the legal matters regarding its liquidation were being dealt with. From a financial/transactional standpoint, correspondences were held with lawyers who requested up-to-date information on the security held as well as their balances. However, the accounting work that affected GECCU’s overall accounts had been dealt with.

3.3 Bro Cecil ‘Pa' Jack further sought updates on GECCUMED and the negotiations regarding the procurement of lands in Troumaca. In response to his first request, the Chairman stated that they were consulting with new insurance providers NAGICO, administered by St. Vincent Insurances (VINSURE). NAGICO has since presented policies that cover a wider age range for members than the previous insurance providers.

3..31 Referring to the Chairman’s statement, Sis Marcelle Burgin inquired about the threshold for the age limit. The CEO responded that members up to 60 years old can apply and members were covered up to the age of 80.

3.4 In response to Bro Cecil ‘Pa’ Jack’s second request, the CEO stated that the first plot of land that was bought was too small and the possibility of obtaining a second plot adjacent to the first was being explored. GECCU had been in communication with the owner who resided overseas to negotiate either purchasing the land or trading it for another plot of land from the Peter’s Hope project.

3.5 Bro Cecil ‘Pa’ Jack requested a developmental update on the Peter’s Hope project in terms of consultant(s), commencement date, etc. In response, the CEO indicated that of all the projects GECCU had embarked on, it was the one in which they were least proud of its progress. He continued that lands had been cleared, but the estimated cost for the design and construction of the roads was costly ($10.50/sqft) and so revisions had to be done to find more affordable alternatives for members. The rate of progress was expected to increase in the following 2-3 weeks.

3.5.1 Bro Daniel Mc Millan commented that since the project started in 2014, not much indication was made of NIS’ contributions and he got the impression that GECCU was the only contributor. The Chairman refuted the statement and said that both parties were moving in the same direction and both institutions had representatives on the project committee.

3.5.2 Bro Philmore Isaacs also explained that the contributions in terms of management and expenditure from both GECCU and NIS were 50:50 efforts. He highlighted that the Chairman of the Board of the Peters’ Hope project was from NIS while the Deputy Chairman was from GECCU and an equal number of members from each institution was represented on the board.

3.5.3 In response to Bro Kelroy Harry's question as to whether there was a separate report that outlined the responsibilities and undertakings of each party, as well as the drawbacks experienced, the Chairman stated that the Board received internal reports from the Project Manager and the Committee but a separate report was not prepared for members. However, one can be provided by the next AGM or sooner.

3.5.4 Bro Joel Poyer expressed concern that during the rainy season the recently cleared lands in Peter's Hope can regrow rapidly which will incur an additional cost to clear again. He also complained about tree logs left on the lands that needed to be removed. The Chairman noted Bro Poyer's concerns and assured him that the issues will be addressed.

3.5.5 Sis Brennetta Dublin commented that the concerns expressed and inquiries made about the project thus far demonstrated the members' invested interest in the project. She added that the Chairman's responses to the questions being asked were not reassuring, and she got the impression that the project was not being given the attention it needed. She also questioned the extent of NIS' involvement and requested that a report on the project be made available at the offices for members before the next AGM. The Chairman assured Sis Dublin that both GECCU and NIS were equally invested and efforts will be made to have a report available before the next AGM.

3.5.6 Bro Elson Samuel referred to the recent developments in the area and with the expected appreciation of land value over time, questioned whether members would be able to afford the lands by the time they become available. The CEO assured Bro Samuel that land value appreciation would not affect members as buyers as far as GECCU was concerned.

3.6 Referring to 4.2.3.3 re the Succession Planning Committee, Bro Cecil 'Pa' Jack asked about the new available staff positions, the reasons for their availability and whether the persons who held those positions previously were still employed.

3.6.1 The CEO responded that a Succession Plan was already completed and adopted by the Board. The plan encompassed the following process:

- Job Evaluation and Performance management exercise;
- Consultants engaged to review existing positions and job description;
- A tool will be developed to evaluate jobs;
- Staff members will be trained to evaluate jobs;
- Jobs will be graded in terms of their weighting and value with respect to each other within the organisation;
- A grading structure will be developed and presented to the Board for consideration
- The Board may make adjustments to certain job roles.

Implementation of the exercise was expected to last 9 weeks.

3.6.2 Bro Cecil 'Pa' Jack further questioned the reason for the creation of an in-house counsel as mentioned by Mr Lyndon George in his greetings. He opined that lawyers working together with the Board and staff members can create a conflict of interest on the part of the lawyers.

3.6.3 In his response, the CEO stated that GECCU had an in-house counsel as well as two external legal counsels namely Lyndon George Chambers and Baptiste and Company. He continued that with the implementation of the new financial regulations, IFRS 9, it was necessary to have an in-house counsel, as it offered members quicker services with respect to certain legal issues that would otherwise require an external counsel. The external counsells were however still being utilised when necessary.

3.6.4 Referring to a quote mentioned by the President in his welcome remarks, "We are masters of our own destiny", Bro Cecil 'Pa' Jack commented that the Board seemed to have created a ruling class at the exclusion of the general membership. He expounded that the credit union boasted of over 40,000 members, yet, there was little to no involvement of the general membership in decision-making and other areas such as voluntary work. He further urged members to take a

greater interest in the organisation and implored the Board to make use of members' skills as a resource and involve the membership more in decision-making processes.

4. REPORTS AND ELECTIONS

(a) Board of Directors

i. Board of Directors' Report

The report having been circulated before was taken as read.

4.1 The Chairman guided the meeting through the report and highlighted that at the request of the members, the Board exhibited more diversity in terms of age and gender representation.

4.2 Discussion

4.2.1 Referring to 4.1.3 under PRIORITY 1: CORPORATE GOVERNANCE, Bro Philbert John (1) questioned whether revision of the by-laws was completed and made available to the general membership and (2) requested a layman's explanation of IFRS 9.

4.2.1.1 The Chairman referred the question re IFRS 9 to the Auditors in their report. The CEO responded to Bro John's question re the by-laws stating that they were reviewed, but there were still some incomplete areas, specifically those that would be impacted by the new financial regulations. The new by-laws will be made available to members when completed and approved by FSA. They will also be brought before the membership for approval.

4.2.2 Bro Philbert John further questioned the need for FIU's involvement in the credit union's affairs. The Chairman responded that the credit union had a legal obligation to submit any information of suspicious criminal activity such as money laundering to the FIU.

4.2.2.1 Regarding the roles of FIU and FSA, Bro Philbert John commented that for years, the credit union had always been successfully self-regulated. However, with the new regulations handed down by entities such as FSA, the statement: "The tightened conditions for registering new members did negatively impact our members" should not be taken lightly as it indicated the impact of external involvements on the members of the credit union.

4.2.2.2 The Chairman reiterated that the implementation of the new rules governed by the International Financial Regulatory Standards (IFRS) was out of the credit union's control.

4.2.2.3 Bro Cecil Jackson commended the Board for its work in Corporate Governance and its adherence to IFRS 9. He was pleased with the establishment of an in-house legal counsel as it also supported good governance practices.

4.2.3 Bro Philbert John also commended the Board and management for their work in Human Resource Capacity Building. However, he observed that the training sessions targeted mainly staff members and in a couple of instances, volunteers, but not the general membership. He stated that with the issues facing the credit union currently, particularly IFRS 9, it was important that members also be educated on the new rules and regulations.

4.2.4 Referring to PRIORITY 7, Bro Philbert John highlighted that no reference was made to a strategic plan and questioned when the last one was held and whether there was one scheduled for the future.

4.2.4.1 The Chairman responded that no retreat was held last year but it will be scheduled as an annual event as it was useful in terms of getting new ideas and possible strategies from members.

4.2.5 In response to Bro Daniel McMillan's question regarding the type and the cost for the new operations software programme, the Chairman stated that the credit union was transitioning from Emortelle operations software to Sharetec. The CEO added that the software cost approximately

$1.1 million to install and run and was widely used. It was expected to enhance operations in terms of its flexibility and suitability with respect to communication, reporting, data analytics and digital customer experience. The software was expected to go live by December 2nd, 2019 and preparations including staff training were already in process.

4.2.5.1 Bro Joel Poyer expressed concerns about the safety and security of members' accounts, especially with the onset of increased and more sophisticated cybercrimes. The Chairman responded that those concerns were already considered and the project team devised resolutions. He added that the IT team was capable of operating the software effectively and measures would be put in place to deal with possible threats.

4.2.6 Bro Daniel McMillan requested a more detailed description of "The Riverine Mitigation and Enhancement Project" as mentioned under **Corporate Social Responsibility**.

4.2.6.1 With the aid of a projected 3D concept design, Bro Philmore Isaacs, Project Manager, explained that the project was an undertaking to develop a recreational park in South Rivers, inclusive of a parking lot (30 vehicles maximum), 4 gazebos – each equipped with 2 cooking pits, a covered 2 -storey pavilion – lower floor: toilet, bathroom and changing room, upper floor: open area suitable for weddings, concerts etc. There was also an open space for play or events under a tent. GECCU was partnering with the Global Environmental Fund (GEF) to execute the project along with other stakeholders, including Central Water and Sewerage Authority (CWSA), St. Vincent Electricity Services Limited (VINLEC), Ministry of Agriculture and Fisheries, Ministry of Health and the Environment, Forestry Department, National Parks, Rivers and Beaches Authority, SVG Tourism Authority and the South Rivers community.

4.2.6.2 Bro Philbert John commended the Board and management for undertaking such a project and suggested that one also be done on the Leeward side of the island, preferably at the Peter's Hope playing field to complement the Peter's Hope housing project.

4.2.6.3 The CEO welcomed the suggestion stating that GEF was pleased with the progress of the current South Rivers project set to complete in April 2020. He said the possibility of partnering with GEF next year for another project seemed likely.

4.2.6.4 Sis Brennetta Dublin pointed out the star-shaped open space as projected in 3D concept design of the South Rivers project. She warned that though it may not be intentional, it can relay a provocative message. The Chairman assured Sis Dublin that the shape was innocuously incorporated into the design without any political influence.

4.2.7 The Chairman in response to a question on the length of tenure for appointed members of the Social Development Fund Committee replied that the BOD reviewed appointments yearly. However, there may not always be changes to committee members.

4.2.7.1 Bro Kelroy Harry then sought further clarification asking whether the appointments were up to the discretion of members of the Board. The Chairman responded in the affirmative.

4.2.7.2 Bro. Daniel Mc Millan then referred to the Social Development Fund (SDF) and suggested that the fund be given an implicit interest from GECCU, especially with revenue of over $1.5 Million.

4.2.7.3 Bro Cecil Jackson further suggested that 1% of profits be donated to the SDF on permission from the members due to the increased demands for assistance from the fund.

4.2.7.4 Sis Marcelle Burgin proposed that a resolution be made on Bro Jackson's suggestion.

4.2.7.5 The Chairman agreed to discuss the proposal with the members of the Board.

4.2.7.6 Bro Philbert John commended the Social Development Committee on the work done over the past year and suggested that a Social Development Committee report be added as an appendix to the BOD report at the next AGM.

4.2.8 Several suggestions regarding the annual scholarships to secondary schools were as follows:

i) the Scholarship Committee should explore other criteria for awarding scholarships, for example, economic circumstances;
ii) scholarship awards should be staggered throughout all areas of the country, particularly to children who need it the most;
iii) SDF be expanded to include educational needs of needy students. The members murmured in disagreement;
iv) The number of awardees be increased from 12 to 15 and the monetary award be increased from $150 to $200.

4.2.8.1 Bro Daniel Mc Millan also proposed that the University Bursaries be increased from 5 to 10 awards.

4.2.8.2 The Chairman agreed to take the members' recommendations to the Board of Directors. He added that the students come from all over the island and the awards did reach students from all over the country, including the Grenadines. Allocations were made in the budget for assistance to needy children. Additionally, the Board had already agreed to increase the University bursary from 5 awards at $3,000 to 11 awards at $5,000. He agreed to continue the discussion at the annual retreat.

4.2.8.3 Bro Kelroy Harry suggested that a separate fund, just like the scholarship fund, be established specifically for needy children.

4.2.8.4 Bro Philbert John suggested that a system be put in place to track scholarship awardees to ensure that they also become members of GECCU.

4.2.8.5 In closing the President congratulated Sis Jonquil Cadougan on winning the 2018 raffle for an all-expense-paid trip to attend the 61st annual Caribbean Confederation of Credit Unions (CCCU) Convention in Trinidad & Tobago.

4.2.10 On a motion moved by Bro Philbert John, seconded by Sis Vestricia Llewellyn-Richards, the Board of Directors' report was accepted.

i. Auditors' Report

1.1 The Auditors' and Treasurer's reports having been circulated before were taken as read.

1.1.1 The Auditors' report was presented by Sis Crystal Wyllie, Senior Manager at KPMG for Barbados and the Eastern Caribbean. She applauded GECCU for being one of the major credit unions which implemented and satisfied the requirements of IFRS 9.

1.1.2 As per earlier request, Sis Wyllie elaborated on IFRS 9. She stated that GECCU's financial statements which were audited in accordance with IFRS, set by the International Accounts Board (IAB), had to comply with the regulations of the international body. Furthermore, IFRS 9 which is an expected loss approach had replaced IAS 39 which was a historical approach. This meant that GECCU would have had to make some assumptions on economic decisions, geographic decisions, inflation, unemployment etc.

1.1.3 In her comments on GECCU's financial statements, Sis Wyllie read the Auditors' ***Opinion*** of the Auditors' report which described the financial statements as fair in all material respects for the period 1st January to 31st December 2018. It further stated that the financial performance and cash flow for the year ended were in accordance with the IFRS.

ii. Treasurer's Report

4.4 Sis Cecelia J. Williams guided the meeting through the Treasurer's report.

4.5 Discussion

4.5.1 In response to Bro Cecil 'Pa' Jack's question on whether the new IFRS regulations only applied to the credit unions, Sis Wyllie responded that it applied to every single financial institution globally.

4.5.2 Bro Daniel McMillan congratulated the Auditors on the excellent job done in preparing the financial statements.

4.5.3 Referring to page 57 of the statements re the transition disclosures, Bro McMillan questioned whether the $942,281 was a reduction in measurement allowances. Sis Wyllie directed Bro. McMillan to page 6 of the statements which tabled the $942,281 as 'Adjustment on initial application of IFRS 9'. She explained that it was a provision made when the standards changed from IAS 39 to IFRS 9 that described the reduction in retained earnings from $2,788,237 to $1,845,956.

4.5.3.1 Bro Cecil 'Pa' Jack referred to the third point and closing paragraph of Auditors' Opinion questioning whether the Auditors had a responsibility to inform the membership of any foreseen difficulties that the credit union may encounter. Sis Wyllie responded that the Auditors' responsibility was to report to the Audit Committee who would then report to the Board. It was then the Board's responsibility to report to the membership.

4.5.4 Sis Brennetta Dublin asked if areas that could be improved on that were identified during the audit were communicated in a management letter and submitted to the BOD. Sis Wyllie responded in the affirmative.

4.5.4.1 Bro Daniel McMillan referred to a statement under ***Investment securities*** that stated "The placement of large fixed deposits at two financial institutions…". He noted that in previous years, members were accustomed to receiving a list of treasury bills, bonds, fixed deposits etc. However, the aforementioned statement did not give much information on the safety of these deposits or even the names of the institutions, considering what had recently happened with Building and Loan, and CLICO/ BAICO. Sis Williams responded that in a financial report such as the one presented, all of the institutions that GECCU invested in would not be listed.

4.5.4.2 GECCU's Accountant, Sis Maxine Johnney provided the names and deposits of the two institutions in question; namely, Bank of St. Vincent and the Grenadines (BOSVG) - $6 Million and St. Vincent Teachers' Co-operative Credit Union Limited (SVTCCU) - $3 Million. She expounded that the deposit made to BOSVG was done because the bank had stopped giving interest on one of GECCU's savings accounts. So, to earn some money on the account, the bank offered a fixed deposit to place the funds in.

4.5.5 Referring to the Staff pension fund deposit of the Auditors' report and the Staff retirement benefit plan which was administered by CLICO Trinidad Ltd., Bro. Daniel Mc Millan noted that the statement "…*CLICO is under judicial management and is insolvent*" raised concerns for the safety of the pension contributions, especially if the funds were still being administered by CLICO.

4.5.5.1 Sis Williams explained that when CLICO ceased operations, GECCU stopped depositing funds to the account. Funds were set aside so that employees would receive some sort of compensation when they are ready to retire.

4.5.5.2 Bro. Daniel McMillan further questioned why the $25 Million investment to CLICO that was written off years ago was still being reflected in GECCU's accounts.

4.5.5.3 Sis Maxine Johnney clarified that when CLICO was in operation, 4% of staff earnings were

deposited into an account as the staff pension fund. She further stated that when GECCU stopped sending funds to CLICO, the deposit that was already made was still held by CLICO but it was not reflected in the current financial statements. The reflection in the statements was the 4% contributions that were made after the dissolution of CLICO, which GECCU managed. This account was referenced in the last sentence of Note 13 on Page 51 of the Auditors' report. However, the funds that were already deposited to CLICO had to be recognised.

4.5.5.4 Sis Crystal Wyllie added that while the legal processes continue in the liquidation of CLICO, the administration by CLICO would continue until all legalities have been finalised.

4.5.6 On a motion moved by Bro Philbert John seconded by Bro Linus Goodluck, the Auditor's and Treasurer's reports were accepted.

4.6 Election of Board of Directors

4.6.1 Bros Clarence Harry, Ronnie Daniel and Kelvin Pompey retired from the Board of Directors. Bros Ronnie Daniel and Kelvin Pompey had served six consecutive terms and were not eligible for re-election. Bro Philmore Isaac resigned from the Board of Directors. Bro Clarence Harry, after serving three years was eligible for re-election.

4.6.2 The Nomination Committee comprised Sisters Mavis Verlene Saunders, Damoris Alexander, Arlene Lewis and Bro Harold Lewis. The Committee nominated Bros Clarence Harry, Aubrey Burgin, Linus Goodluck and Michael Sayers.

4.6.3 Sis Kimberley Cambridge was nominated from the floor by Sis Camilla Mandeville-Mulzac, seconded by Sis Sandra Augustus.

4.6.4 Nominations were closed on a motion moved by Bro. Philbert John, seconded by Bro Cecil Jackson.

Results

Bro Clarence Harry	114
Bro Aubrey Burgin	114
Bro Linus Goodluck	122
Bro Michael Sayers	102
Sis Kimberley Cambridge	135

4.6.5 Bro. Linus Goodluck and Sis. Kimberley Cambridge were elected to serve on the Board of Directors for the next three years.

4.6.6 The resignation of Bro Philmore Isaacs just one year short of the completion of his tenure meant that the elected candidate with the lowest number of votes would serve one year. There was a tie between Bros. Clarence Harry and Aubrey Burgin. A motion for a runoff vote was moved by Sis Mineva Glasgow, seconded by Bro Linus Goodluck.

Results

Bro Clarence Harry	62
Bro Aubrey Burgin	68

4.6.7 Bro Aubrey Burgin will serve on the Board of Directors for the next three years and Bro Clarence Harry will serve for one year.

4.7 Raffle

4.7.1 It was announced that a raffle will be done from among the attendance of members for an all-expense-paid trip to attend the OECS Credit Union Summit, which was scheduled to be held in Grenada in 2020. The expense included a return airfare, registration, ground transportation,

accommodation, meals and allowance for the duration of the summit.

4.7.2 The winner was Bro. Calvin Aberdeen.

b Credit Committee

i. Credit Committee's Report

4.8 Having been circulated before, the report of the Credit Committee was taken as read on a motion moved by Sis Jacintha Payne, seconded by Bro Philbert John.

4.8.1 Bro Linus Goodluck, Deputy Chairperson of the Committee, guided the meeting through the Credit Committee's report.

4.9 Discussion

4.9.1 Bro Philbert John commended the Committee for its work over the past year. He inquired about the criteria used in determining which applicants were interviewed for loan applications.

4.9.2 In response, Bro Linus Goodluck stated that of the 78 interviews done, 43 included contractors, which indicated that they were mortgage loans. The other categories of loans did not necessitate interviews.

4.9.3 Bro Philbert John further questioned how the committee was able to visit 211 properties. Bro Goodluck explained that the Committee met every Wednesday and the driver transported members to the different sites at different times.

4.9.4 On a motion moved by Bro Philbert John, seconded by Bro Harold Lewis, the Credit Committee's report was accepted.

ii Elections for the Credit Committee

4.9.5 Bros Linus Goodluck and Michael Sayers retired from the Credit Committee. The Nominations Committee nominated Bro. Lukeano King and Sis Vestricia Llewellyn-Richards.

Nominations from the floor:

4.9.6 Bro Cecil Jackson was nominated by Bro Philbert John, seconded by Sis Mineva Glasgow.

4.9.7 Sis Velda Gumbs was nominated by Bro Simeon Bacchus, seconded by Sis Jeussana Bacchus.

4.9.8 Bro Danroy Ballantyne was nominated by Bro Mikhail Akers, seconded by Sis Yolande Barbour.

4.9.9 Nominations were closed on a motion moved by Sis Hyacinth Harry, seconded by Bro Daniel Mc Millan.

Results

Bro. Lukeano King	58
Sis. Vestricia Llewellyn-Richards	47
Bro. Cecil Jackson	68
Sis. Velda Gumbs	94
Bro. Danroy Ballantyne	27

4.9.10 Bro. Cecil Jackson and Sis. Velda Gumbs were elected to serve on the Credit Committee for the next three years.

c Supervisory & Compliance Committee

i Supervisory & Compliance Committee's Report

1.1.1 Having been circulated before, the report of the Supervisory and Compliance Committee was taken as read on a motion moved by Bro Aldonio Matthews, seconded by Sis Vestricia Llewellyn-Richards.

1.1.2 Sis. Ena Walters steered the meeting through the Committee's report.

1.2 Discussion

1.2.1 Sis Marcelle Burgin referred to members' attendance and inquired whether there was a mandate for the number of meetings a member should attend.

1.2.2 Sis Ena Walters responded that after the resignation of Bro Ricky Haynes, Sis Gatlin Roberts was appointed. However, there was a lapse between the resignation and the appointment.

1.2.3 On a motion moved by Sis. Peggy Da Silva, seconded by Bro Linus Goodluck, the Supervisory and Compliance Committee's report was accepted.

ii Election of Supervisory & Compliance Committee

4.13.1 Sisters Gatlin Roberts and Anika Stapleton retired from the Supervisory & Compliance Committee. The Nominations Committee nominated Sisters Gatlin Roberts and Yolande Barbour.

4.13.2 Bro Joel Poyer was nominated by Sis Lauramay Pope, seconded by Bro Philbert John.

4.13.3 Sis Brennetta Dublin was nominated by Sis Vestricia Llewellyn-Richards, seconded by Bro Daniel Mc Millan.

4.13.4 Bro Devonté Peters was nominated by Sis Mineva Glasgow, seconded by Sis Melissa Millington.

4.13.5 Sis Bernisa Roberts was nominated by Bro Stanley John, seconded by Sis Marcia John

4.13.6 Nominations were closed on a motion moved by Sis Jacintha Payne, seconded by Bro Philbert John.

Results

Sis. Gatlin Robert:	70
Sis. Yolande Barbour	59
Bro. Joel Poyer	23
Sis. Brennetta Dublin	45
Bro. Devonté Peters	66
Sis. Bernisa Roberts	17

4.13.7 Sis Gatlin Roberts and Bro Devonté Peters were elected to serve on the Supervisory and Compliance Committee for the next three years.

d Education Committee

i Education Committee's Report

4.13.8 Having been previously circulated, the report of the Education Committee was taken as read on a motion moved by Bro Daniel Mc Millan, seconded by Sis Jonquil Cadougan. Bro Clarence Harry guided the meeting through the report.

4.13.9 Bro Philbert John referred to paragraph 1.2 of the report and highlighted that the first committee meeting was not convened until 9th August 2018. Given that the reporting year started from January 2018, he asked whether the activities of the committee between January and August 2018 were reported.

4.13.10 Bro Clarence Harry responded in the affirmative. He explained that work was being done in 2018 before the 52nd AGM in May and work continued after the AGM. The meeting referred to was the first held after the AGM. However, all activities for the year January to December 2018 were reported as detailed under **'4.0 Accomplishments'**.

4.13.11 Bro Philbert John commended the Committee on its increased social media following. He highlighted that the radio advertisements for the 53rd AGM announced that the financial statements could be found online. However, at the time of the announcement, the link redirected to 2017 statements with the heading "Greaves Supermarket".

4.13.12 The report of the Education Committee was accepted on a motion moved by Sis Kimberley Cambridge, seconded by Sis Lauramay Pope.

2 ELECTION OF AUDITOR

2.1 KPMG was nominated by Bro Daniel Mc Millan, seconded by Bro Philbert John.

2.2 Nominations were closed on a motion moved by Bro Philbert John, seconded by Bro Daniel McMillan.

2.3 There being no other nominees, KPMG was retained as the Auditor for the 2019 financial year.

3 NEW BUSINESS

3.1 Sis Vestricia Llewellyn-Richards suggested that before the elections, some background information on the nominees be provided to members so they can have an idea of the qualifications and capabilities of the persons being represented on the Board and Committees. The Chairman noted Sis Llewellyn-Richards' suggestion.

3.2 Bro Joel Poyer commented that the increased use of technology for announcements may have caused a breakdown in communication with the older members as some were not aware of the 55th Anniversary Church Service which was held on Monday 15th, July 2019. He suggested that simpler avenues can still be utilised to notify members who may not be in touch with technology.

3.3 Bro Cecil 'Pa' Jack suggested that extra-ordinary meetings be scheduled to deal with the Peter's Hope project regarding the revision of the road construction, and an in-depth discussion on the new IFRS regulations.

3.4 Referring to the Financial Services Authority's (FSA) guidelines for electing members on BOD and Committees, Bro Philbert John stated that they were not referenced anywhere in the reports, however, the conditions for eligibility eliminated almost 80% of the membership.

3.4.1 He further expressed his concern that the credit union movement was not discussing the conditions stipulated within the guidelines and proposed that the guidelines be discussed with members for their input. With the involvement of external entities such as the FSA in St Vincent as a regulatory body, ordinary members run the risk of not being able to make any significant contribution to the financial services sector. He urged the Board and management to pay attention to these issues.

3.4.1.1 The Chairman noted Bro John's concerns and pointed out that the Board had considered the issues raised and deliberated that some of the new regulations/ guidelines have merit while others needed to be challenged. However, GECCU must recognise that the FSA was the regulator by which all of the credit unions must abide. He continued that for change to take place, it must be proposed in an orderly and effective manner.

3.4.12 The Chairman further referenced the International Credit Union Alliance's (ICUA) guidelines which gave directions on how to implement co-operative principles. He stated that under '*Education*', the peculiarity of certain institutions calls for individuals with certain qualifications to manage these institutions. The credit union was in the practice of member inclusion and it must be recognised, without discrimination, the need for certain skill sets, experience and qualification in management, to keep up to date with its technological advancement.

3.4.2 The CEO added that GECCU held discussions at the Board level with the FSA and the Eastern Caribbean Central Bank (ECCB), both of whom have recognised the risks to members' funds. However, the FSA has been engaging the credit union on behalf of the membership and Governor Antoine of ECCB has put the credit union at the centre of risk management and correspondent banking. He added that it was always difficult to fight for privileges for the credit unions especially with all of the restriction from the banks regarding foreign wire transactions and exchange. Despite all of the challenges, he assured members that the credit union's principles will remain the same. He highlighted that GECCU has always stayed committed to (1) protecting its brand – promise and deliver and (2) satisfying customers' digital needs efficiently and effectively, as the society has become more technologically advanced.

3.5 Bro. Renato Gumbs suggested that the credit union consider electronic voting in the future.

3.6 The members unanimously agreed that the new venue was more accommodating than the last. However, it was noted that the toilet facilities were not monitored or maintained and that it should be discussed with the management of Russell's Auditorium before housing another meeting. The CEO agreed to do so.

4 Adjournment

There being no other business the meeting ended at 8:34 p.m. on a motion moved by Sis Marcelle Burgin, seconded by Sis Lauramay Pope.

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

…….
Chairman

……
Secretary

BOARD OF DIRECTORS' REPORT
To the 54th Annual General Meeting

1.0 INTRODUCTION

Fellow Co-operators,

GECCU continues to touch in very profound ways the social and economic lives of our members, and indeed the wider community. We pride ourselves in seeing the future through the eyes of our members, anticipating their priorities, wishes and needs. Our planning sessions at all levels of the organization continue to have a long range focus, as we develop and execute strategies which link the knowledge and expertise of our people, with the appropriate technology to provide creative solutions to meet the changing and diverse needs of our membership.

Our advantage lies not only in the products and customer service offered, but in the ideas from our Staff, Volunteers and General Membership. The co-operation and support of government, the Financial Services Authority, the SVG Co-operative League, other Co-operatives, overseas partners, other stakeholders and the general public have also contributed to our success and stability. We are therefore proud to present the Board of Directors report, under the theme, "**Meeting Our Challenges with Our Philosophy"** for the year ended 31st December, 2019.

During the period under review, the Credit Union continued its journey of development to improve the quality of life for its members amidst great uncertainty in the economic and financial environment. Most economies in the OECS continue to be characterized by; weakened economic activity relative to 2018, limited fiscal space to pursue meaningful counter cyclical programmes and respond to unplanned shocks, an under-performing private sector, as well as weak and dependent civil societies.

During the year there was consistent review of strategies, tasks and operations to keep pace with the changes taking place in the environment. Such monitoring of the issues enabled GECCU to maintain its competitive advantage and quality of services throughout the year. This was done without compromising the core philosophy and principles of being a financial institution with a human face and heart.

2.0 BOARD OF DIRECTORS

At the 53rd Annual General Meeting, four new members, Brothers, Linus Goodluck, Clarence Harry, Aubrey Burgin and Sister Kimberley Cambridge were elected to the Board. .

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

The full Board of Directors comprises the following:

- Bro. Harold Lewis - President
- Bro. Brian Alexander - Vice President
- Bro. Hugh Colin Sam - Secretary
- Sis. Cecelia J Williams - Treasurer
- Bro. Gary Matthias - Director
- Bro. Linus Goodluck - Director
- Bro. Clarence Harry - Director
- Sis. Kimberley Cambridge - Director
- Bro. Aubrey Burgin - Director

3.0 MEETINGS AND ATTENDANCE

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

Table 1: Summary of Attendance of Board of Directors

NAMES	REGULAR TOTAL (10)	SPECIAL TOTAL (15)	GRAND TOTAL(25)
Bro. Harold Lewis	10	15	25
Bro. Brian Alexander	10	15	25
Bro. Hugh Colin Sam	9	15	24
Sis. Cecelia J Williams	10	15	25
Bro. Gary Matthias	10	14	24
Bro. Linus Goodluck	9	15	24
Sis. Kimberley Cambridge	9	14	23
Bro. Clarence Harry	10	15	25
Bro. Aubrey Burgin	9	15	24

4.0 OVERALL PERFORMANCE REVIEW

Despite the economic and social challenges on the local, regional and international markets, GECCU continues to perform well with significant growth in most areas of its operations. The use of historical data and environmental scanning to establish clear objectives, work plans, goals and the identification of development opportunities, allowed for and resulted in creditable performances over the years. This year was no exception.

4.1 PERFORMANCE RELATED PRIORITY AREAS

The Board of Directors established nine (9) priority areas to be addressed during the year. The management team and staff then developed a detailed implementation work plan (with clear targets and time frames) as well as a budget to address the critical issues. This work plan and budget were approved by the Board.

The Board of Directors is pleased to report on its accomplishments with respect to the priority strategic areas for the period under review.

4.1.1 PRIORITY 1: CORPORATE GOVERNANCE

During the year, the Board continued its recognition, acceptance and focus on governance as a strategic priority. GECCU continues to pursue a strong culture of compliance through education, training and a sound recruitment policy. GECCU also endeavours to ensure that every worker and volunteer in the Credit Union understands his/her individual compliance responsibility. The Credit Union is also guided by the WOCCU's governance charter and continues to operate in accordance with the Co-operative Societies Act No 12 of 2012 as well as the Credit Union By-laws.

In this regard, transparency, compliance and public accountability, the enhancement of our internal processes to reflect best practices and the insistence on personal integrity, competence and commitment, continue to receive the highest attention of the Board and Management.

All Committees (Standing or Board appointed) met regularly and reported to the Board. The Supervisory and Compliance Committee, Audit Committee and Internal Audit Department all had an unrelenting focus on GECCU's regulatory and compliance imperatives.

4.1.2 PRIORITY 2: REGISTRATION OF NEW MEMBERS

During the period under review 2,170 new members/depositors were registered. The targeted number for this period was 2,500.

The tightened conditions for registering negatively impacted our members but we are working closely with the Financial Intelligent Unit (FIU) in this regard. In particular, the forms for onboarding of potential members, especially for our Junior Savers Programme, were upgraded. This was necessary to be in compliance with new guidelines issued by the FIU.

However, overall registration of members/depositors is however still very significant in the context of our population. Total membership/depositors of the credit union now stands at 46,721. The recruitment of youth continued and we are pleased to report that 60 percent of our new members/ depositors are under the age of 30. This clearly demonstrates that marketing to our youth continues to be successful and that we remain an attractive alternative to young people.

Table 2: Breakdown of New Membership/Depositors by Age

AGE	Number of Persons	Percentage
Junior Savers	**593**	27
16-30	**694**	32
31-40	**346**	16
41-50	**284**	13
51-60	**175**	8
60+	**78**	4
TOTAL	**2,170**	**100**

Strategies implemented to grow membership included:

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

4.1.3 PRIORITY 3: HUMAN RESOURCE CAPACITY BUILDING

GECCU continued to invest in the development of its human resources at all levels of the organization. These initiatives impacted positively on our efforts to deliver on our strategic objectives and on our mission of enhancing the quality of life of all members.

GECCU maintains that recruiting and developing top talent is a priority. We implemented incentives to keep employees and volunteers engaged, motivated and productive. With this in mind, GECCU continues to develop training programmes and assist with education programmes targeting staff, volunteers and the general membership.

During the period under review, work continued with the consulting firm HRC Associates regarding the job evaluation and performance management exercise. This project is scheduled to be completed by the end of 2020.

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

Table 4: Staff Training - Workshops and Seminars 2019

Ex-House

Seminar Title	Participants	Location	Date	Resourced by
CPR and First Aid	Members of Staff	Red Cross Headquarters	February 13, 2019	SVG Red Cross
Supervisory Management	Cecile Fraser-Gibson Keon Findlay Tonyah Williams	UWI Open Campus	February 18 (13 weeks)	UWI Open Campus
CPR and First Aid	Members of Staff	Red Cross Headquarters	February 19, 2019	SVG Red Cross
Advanced Finance Modelling and Dashboards with Excel	Maxine Johnney	St. Lucia	February 26 – 28, 2019	International Business and Economic Forum
Basic Principles of Insurance	Kimesha Browne	Sentry Conference Room	March 4 – 15, 2019	Association of Insurance Institutes of the Caribbean
Caribbean Regional Cluster Development Training	Junelto James	Hotel Alexandrina	March 4 – 8, 2019	Compete Caribbean & Centre for Enterprise Development Inc.
IFRS 9 Practicum	Rhonda Thompson Kenneth Thomas	Trinidad	March 13-15	Co-operative Credit Union League of Trinidad and Tobago
CPR and First Aid	Members of Staff	Red Cross Headquarters	March 13, 2019	SVG Red Cross
Anti-Money Laundering/Counter Financing of Terrorism	Maxine Johnney Cornelia Moses	Foreign Affairs Conference Room	March 19, 2019	Financial Intelligence Unit
Resilient Urban Development of the Modern City and Kingstown	Julian Joslyn	NIS Conference Room	March 20 – 21, 2019	Economic Planning and Sustainable Development Division
Caribbean Regional Cluster Development Training	Junelto James	Hotel Alexandrina	April 8 – 12, 2019	Compete Caribbean & Centre for Enterprise Development Inc.
Mortgage Lending for Residential Housing	Junelto James	St. Kitts and Nevis	May 6-10, 2019	Eastern Caribbean Home Mortgage Bank & Real Estate Institute of Canada
Caribbean Regional Cluster Development Training	Junelto James	Hotel Alexandrina	May 20 – 24, 2019	Compete Caribbean & Centre for Enterprise Development Inc.
Credit Risk and Credit Recoveries Management	Select members of Staff & Volunteers	League's Conference Room	May 20 & 21, 2019	SVG Co-operative League
Supervisory and Compliance Officers Training Course: The Internal Audit Function	Select members of Staff & Volunteers	League's Conference Room	June 13, 2019	SVG Co-operative League
Fortigue Firewalls	Elias Francis Anton Jardine Tehani Cato	Blue Lagoon Hotel	September 5th, 2019	Fortinet Caribbean
Governance and Leadership	Members of the Board of Directors	SVG Co-operative League Conference Room	September 16th, 2019	SVG Co-operative League
CPR and First Aid Training	Fay-Ann Baptiste	Red Cross Headquarters	September 18th, 2019	SVG Red Cross Association
The Tools for Writing Effective Board and Committee Meeting Minutes Training Course	Selected members of Staff and Volunteers	SVG Co-operative League Conference Room	September 19th, 2019	SVG Co-operative League
CPR and First Aid Training	Keldon Walters	Red Cross Headquarters	September 24th, 2019	SVG Red Cross Association
Rethinking and Repositioning for Financial Success	Julian Joslyn	Sunset Shores Hotel	November 7, 2019	Association of Insurance Institutes of the Caribbean
Caribbean Development Education	Hugh Colin Sam	Barbados	November 17-23, 2019	Caribbean Development Education Programme
Mortgage Lending for Residential Housing	Junelto James	St. Lucia	November 25-29	Eastern Caribbean Home Mortgage Bank & Real Estate Institute of Canada

In House - 2019

Seminar Title	Participants	Date	Facilitator
Telephone Etiquette	All Staff	January 23, 2019	Ms. Camille Crichton, Professional Secretarial Services Inc.
Fundamentals of Marketing	Colita Mitchell	February 15, 2019	Ms. Danny-Lee Francis, Senior Marketing Officer, GECCU
From Work to Retirement – Preparing for a smooth transition	Members of Staff	March 20 , 2019	Dr. Mineva Glasgow, HR Consultant
Risks associated with Mortgage and other lending	Loans Department & Select Staff Credit Committee	April 25, 2019	Mr. Cerlian Russell, Senior Manager Business and Operations - BOSVG
Job Documentation	Management & Select Staff	June 27, 2019	HRC Associates
Job Evaluation	Management & Select Staff	August 19 – 23, 2019	HRC Associates
Sharetec – Training of Trainers	Select Staff	October 14-18, 2019	Ms. Heidi Herr and Mr. Tom Harding – Bradford Scott

Consultations:

Title	Participant	Date	Venue	Hosted by
ECCB Polymer Migration Project	Maxine Johnney Rhonda Thompson Leslie Joseph	January 10, 2019	ECCB Agency Office, Frenches	Eastern Caribbean Central Bank
Heads of Sub-Committee Meeting - NEMO	Cornelia Moses Baldwin Johnney	March 6, 2019	NEMO Conference Room	National Emergency Management Organisation
Digital EC Currency (CXCD)	Leslie Joseph Kenneth Thomas Rhonda Thompson	October 10, 2019	ECCB Agency Office, Frenches	Eastern Caribbean Central Bank
Electronic Conveyancing System Project	J-Lany Williams	October 16, 2019	Frenches House	SVG Co-operative League Limited

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

For many years GECCU accepted that one of the main requirements of our members is the satisfaction of their housing needs. In this regard, the Credit Committee and Management worked tirelessly and the results of the efforts are clearly shown in the report of the Credit Committee.

During the period under review GECCU pursued this objective in the following ways.

1. Assisted with funding and advice regarding housing for our members.
2. Assisted members who did not have title for the land they occupied, to obtain these titles. The staff worked closely with Housing and Land Development Corporation with respect to the low and middle income housing programme for members and also with lawyers to to address issues associated with Possessory Titles Act.
3. Mortgage products were in high demand and much attention was given to providing first time homeowners with the relevant counselling and advice. Frequent field visits to projects and proposed purchases were undertaken by our hardworking staff and Credit Committee.

4. There were no further developments regarding the joint project with the NIS to develop 57 acres (GECCU 30 acres and NIS 27 acres) of lands at Peters Hope. As reported at the last AGM, the second phase of project is still on hold.

4.1.5 PRIORITY 5: ACCESS TO GECCU SERVICES

GECCU recognizes that one of its key roles in the financial sector is the provision of increased and enhanced access to financial services, especially to the unserved and underserved. This improved access continues to have a positive impact on economic growth and poverty alleviation.

GECCU also realizes that 80 percent of our population live in the rural areas and the Grenadines, where the main income activities are focused on agriculture, fishing, tourism and construction. We continue to make sound financial services available to these communities, thereby promoting savings and loans products which assist with enhancing the quality of housing, improve employment opportunities and the welfare of our members.

Much attention was paid to enhancing the technology platforms which connects all our offices to each other in real time, thereby improving the efficient and effective communication between members and our six (6) sub-offices.

In an effort to enhance the administration and operations of our sub-offices, regular visits were conducted by the Marketing Department, Education and Supervisory and Compliance Committees, as well as Management and the Internal Audit Department.

During the period under review work continued on the renovation of our GECCU Building (formerly Centrex Building) to house our operations, as an interim step, while plans were being developed for the construction of new headquarters at our current location. This renovation is now scheduled to be completed by 30th June, 2020.

Table 3: Performance of the Sub-Offices

	New Members		Collection		Disbursement	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Union Is.	35	52	**$4,581,144.75**	$4,040,557.17	**$601,392.15**	$2,181,075.03
Canouan	83	98	**$3,477,808.69**	$2,953,443.98	**$210,927.00**	$228,776.00
Bequia	145	117	**$5,306,166.97**	$2,981,964.44	**$2,072,195.76**	$1,173,743.63
Georgetown	412	442	**$9,938,269.37**	$9,441,633.18	**$13,874,939.89**	$15,377,324.63
South Rivers	158	143	**$2,800,633.18**	$2,202,208.62	**$3,215,793.54**	$1,726,484.47
TOTAL	**833**	852	**$26,104,022.96**	$21,619,807.39	**$19,975,248.34**	$20,687,403.76

4.1.6 PRIORITY 6: TO STRENGTHEN OUR PROGRESS, EFFICIENCY AND EFFECTIVENESS

During the period under review, GECCU maintained its focus on constant review of our internal operational processes which included; documentation flow, workflow, segregation of duties, communication channels and reporting. To this end the following were undertaken:

1. **New Operations Software**: A detailed workplan regarding the implementation of our new operational software SHARETEC was prepared and is about 90 percent complete. The workplan was heavily skewed toward the active involvement of all staff. An understanding of the features, benefits, and advantages of SHARETEC was critical to the success of the conversation and operation of the software. The new operations software which aims to enhance our data analytics, communication, data collection and reporting as well as FINTECH capabilities, is expected to be operationalized during the first quarter of 2020.
2. **Job Evaluation and Performance Management exercise**: Extensive and Comprehensive staff and volunteer involvement in this project began with the consultant HRC Associates. This project is scheduled to be completed by the end of 2020.

4.1.7 PRIORITY 7: TO STRENGTHEN THE MOVEMENT NATIONALLY AND REGIONALLY

During the period under review our Credit Union provided active support to the SVG Credit Union League, the Financial Services Authority, the Co-operative Department and the Caribbean Confederation of Credit Unions (CCCU. GECCU worked with the Financial Services Authority towards the establishment and operationalization of a Stabilization Fund for credit unions in St. Vincent and the Grenadines.

GECCU was represented at the OECS Summit in St. Lucia and the CCCU/WOCCU Convention in the Bahamas. Bro. Lennox Bowman continues to serve in the position of Treasurer of the Caribbean Confederation of Credit Unions (CCCU).

Bros. Jerold Jackson and Harold Lewis currently sit on the Board of Directors of the St. Vincent Co-operative League and Bro. Brian Alexander is a member of the Supervisory and Compliance Committee.

4.1.8 PRIORITY 8: CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is a core principle which defines GECCU as a people-centered organization. It remains an integral part of GECCU's philosophy and goes beyond donations, sponsorships and volunteerism for worthy causes.

In striving to be a leader in Corporate Social Responsibility, GECCU focuses on developing business practices, products and services that serve its members well, while contributing to the social, educational well-being of members and preservation of the environment for our communities.

The Credit Union continues to play a leading role in many national activities and celebrations such as National Heritage Month, Emancipation Day, Labour Day, Vincy Mas, Independence, Gospel Festival, Easterval and Nine Mornings, to name a few. In addition, individual needy causes were also supported. There is also a report elsewhere in the booklet on the Social Development Fund which details the activities undertaken during the review period.

4.1.9 PRIORITY 9: FINANCIAL SUSTAINABILITY AND PROFITABILITY

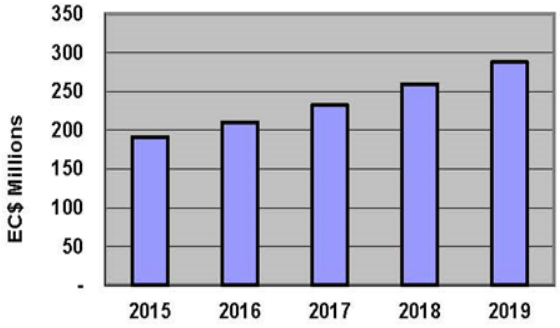
The year 2019 was one of intense competition in the financial services sector characterized by sluggish performance of the economy and introduction of new products and services by other providers. GECCU's emphasis on quality growth, cost containment, improved asset quality, liquidity management and capital enhancement. Notwithstanding the many challenges of the local, regional and international markets, GECCU achieved positive growth in most key performance areas: During the period under review:

- Measures to protect our asset base are adequate and the institution remains solvent. Our loans loss provisioning is very strong with the ratio of delinquency loans twelve months and more two times the indicative target.
- The financial structure remains adequate and robust. It continues to support growth and our earning capacity. Assets grew by 11 per cent while the loans portfolio grew by 9 percent, during the review period. In addition, a net profit of $3,205,952 was realized for 2019.
- Asset quality improved slightly with an overall delinquency ratio of 5.66 per cent recorded.
- GECCU's liquidity position remains very strong and there were good signs of growth. .

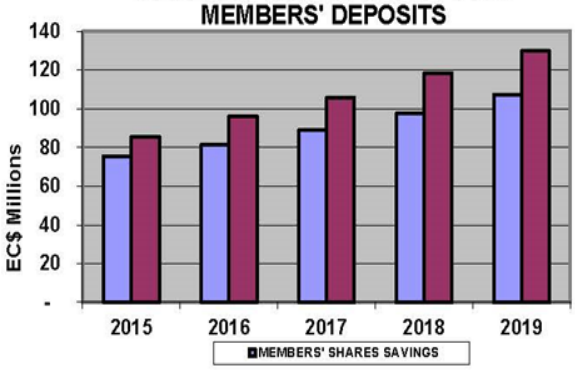
A detailed analysis is included in the Treasurer's Report; the following table shows the performance highlights for the year under review.

GECCU PERFORMANCE HIGHLIGHTS					
	2019 EC$	**2018 EC$**	**2017 EC$**	**2016 EC$**	**2015 EC$**
Loans-Net	164,111,376	150,013,425	137,816,907	123,416,638	108,827,524
Cash Resource	41,198,774	35,626,122	31,782,884	30,844,713	26,112,130
Inventory	6,971,489	6,793,043	6,660,283	6,657,966	6,573,290
Fixed Assets	13,587,104	12,017,716	12,101,360	9,799,610	8,491,778
Investment Securities	52,498,400	46,738,996	36,446,955	30,608,505	30,501,789
Other Assets	1,772,476	637,229	220,824	282,724	357,526
Investment properties	7,344,049	6,999,992	6,885,734	8,769,000	9,991,000
Total Assets	**287,483,668**	**258,826,523**	**231,914,947**	**210,379,156**	**190,855,037**
Members' Shares Savings	107,225,783	97,434,046	88,825,864	81,219,786	75,414,806
Members Deposits	129,703,651	117,394,557	104,906,915	95,545,786	86,227,317
Total Savings	**236,929,434**	**214,828,603**	**193,732,779**	**176,765,572**	**161,642,123**
INCOME					
Loan Interest	13,938,959	13,036,752	11,588,526	10,659,222	9,752,199
Investment Income	2,184,860	1,675,381	1,639,522	1,561,637	1,528,716
Non-Interest Income	2,679,398	1,867,725	2,008,524	1,357,199	1,147,546
Total Income	**18,803,217**	**16,579,858**	**15,236,572**	**13,578,058**	**12,428,461**
Marketing, General Admin & other Expense	9,478,112	8,085,758	7,679,982	8,888,924	10,380,865
Interest Expense	4,797,572	4,150,669	3,999,811	3,270,542	3,555,564
Allowances for credit losses - Loans	749,054	-	678,930	305,274	179,409
Allowances for credit losses - Investment	572,527	65,698	-	-	-
Total Expense	**15,597,265**	**12,302,125**	**12,358,723**	**12,464,740**	**14,115,838**
Surplus	3,205,952	4,277,733	2,877,849	1,113,318	(1,687,377)
Other Reserve	**12,133,362**	**9,151,620**	**7,034,555**	**4,729,154**	**4,047,842**
Equity Shares	**30,777,723**	**28,319,542**	**25,663,931**	**23,634,241**	**21,810,012**
MEMBERSHIP	**46,721**	**44,551**	**42,643**	**39,486**	**37,083**

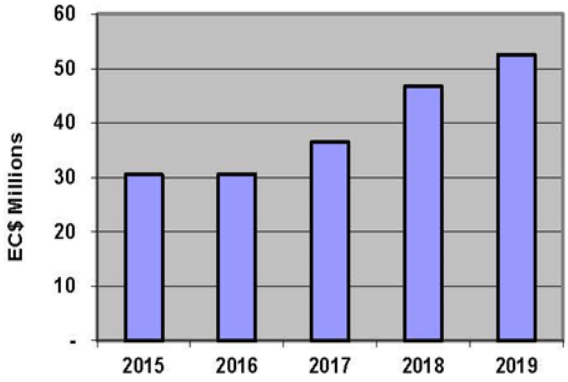
TOTAL ASSETS



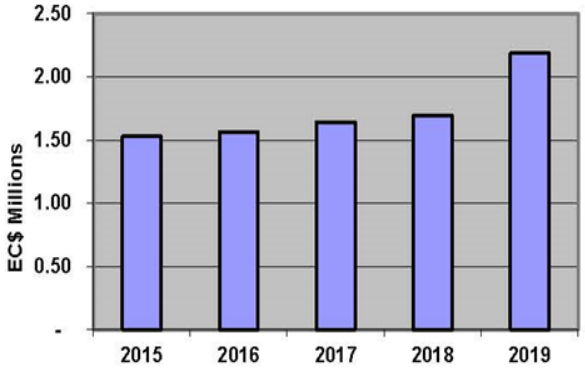
MEMBERS SHARES SAVINGS and MEMBERS' DEPOSITS



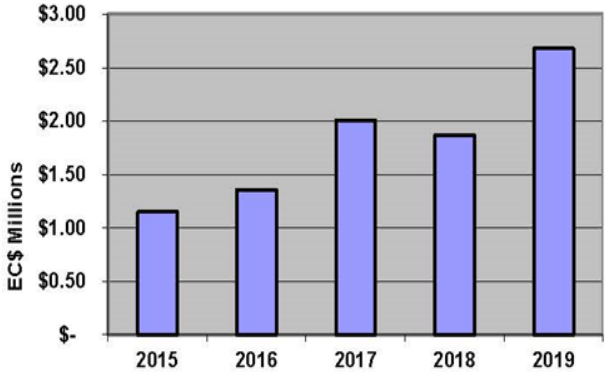
INVESTMENT SECURITIES



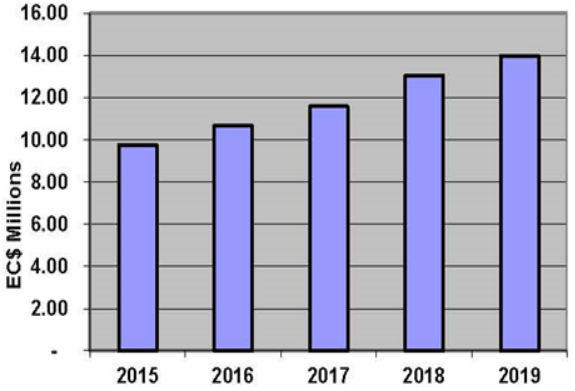
INVESTMENT INCOME



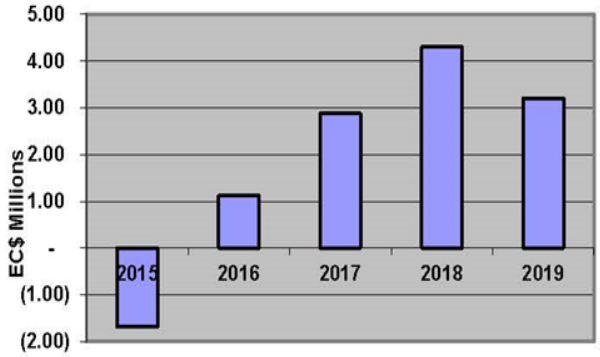
NON INTEREST INCOME



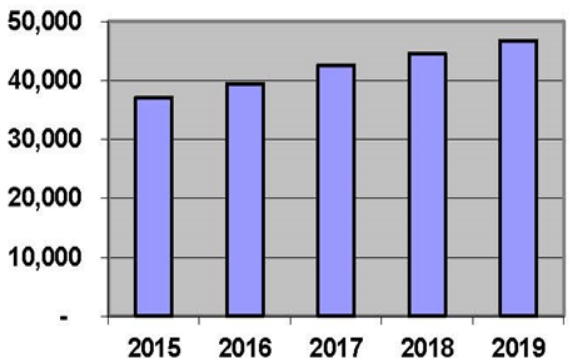
LOAN INTEREST INCOME



NET SURPLUS



MEMBERSHIP



THE PEARLS-M MONITORING STANDARD

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

PEARLS Ratios	Goals	31st Dec 2018	31st Dec 2019
P – Protection			
Loan Loss Allowances / Delinquency >12mths *This measures the adequacy of the provision for loans delinquent over 12 months*	100%	250.15%	243.17%
Solvency *The degree of protection for members' shares & deposits in the event of liquidation.*	Min 110%	104.84%	105.66%
E – Effective Financial Structure			
Net Loans / Total Assets *Measures the percentage of total assets invested in Loans.*	Between 70 to 80%	57.96%	57.09%
Financial Investments / Total Assets *Measures the percentage of long-term Investment in Total Assets*	Max 10%	4.09%	5.04%
External Credit / Total Credit *Measures the percentage of Total Assets financed by external borrowings*	Max 5%	0%	0%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio *Measures the percentage of delinquency in the Loan Portfolio.*	Less than 5%	5.78%	5.66%
Non-Earning Assets / Total Assets *This measures the percentage of total assets not producing income.*	Less than 5%	11.63%	9.80%
R – Rates of Return and Cost			
Net Loan Income / Average Net Loan Portfolio *Measures the percentage yield on the Loan Portfolio*	Between 9 to 12%	9.12%	8.92%
Operating Expenses / Average Assets *Measures the cost associated with the management of the C.U assets.*	Less than 5%	3.32%	3.47%
L – Liquidity			
Liquid Investment + Liquid Assets – ST Payables / Total Deposits *Measures the adequacy of liquid cash management to respond to Members' short-term requirements.*	Min 15%	32.52%	31.52%
Non-Earning Liquid Assets / Total Assets *Measures the percentage of cash invested in Non-earning Assets*	Less than 1%	6.74%	4.46%
S – Signs of Growth			
Net Loans *Measures the percentage growth in Loan Portfolio*	More than 10%	8.85%	9.40%
Total Assets *To measure the percentage growth in Total Assets.*	More than 10%	11.60%	11.07%
Membership *Measures the percentage growth in Membership*	Min 5%	4.47%	4.43%

INTEREST & DIVIDEND

The interest paid on members' Shares Savings is **2.0 percent**. The Board of Directors proposes to pay a dividend of **3.0 percent** on Equity Shares.

5.0 SOCIAL DEVELOPMENT FUND

The Social Development Fund was established by resolution passed at the 38th Annual General Meeting of the General Employees Co-operative Credit Union Ltd held on 13th, May 2004. Its purpose is to provide assistance to members who lack the financial resources to recover from an emergency such as storm damage, fire, earthquake, serious illness etc. The fund is managed by a Social Development Committee which was appointed by the Board of Directors in accordance with the resolution. The under mentioned members were appointed to serve by the BOD for the year 2019:

- Bro. Brian Alexander
- Sis. Jacintha Payne
- Bro. Douglas Rose
- Sis. Gemma Mc Cree
- Sis Laurette Kelly
- Sis. Jonquil Cadougan
- Bro. Michael Da Silva
- Sis. Shineco Sutherland
- Sis Sandra Augustus
- Bro. Colin Sam
- Sis. Cecelia J. Williams
- Bro. Devonté Peters
- Sis. Cecile Gibson (Staff)

At the first meeting of the committee, Bro. Michael Da Silva and Sis. Gemma Mc Cree were elected unopposed as Chairman and Secretary respectively.

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

The year 2019 was not an eventful one for the Social Development Committee as far as housing and property damage were concerned, but a number of our members were faced with medical challenges which the Social Development Fund aided in addressing. There were sixty-three (63) requests for assistance during 2019. Of these forty-four (44) were approved, nine (9) were denied and ten (10)) are pending. A high percentage, 74.2 percent of the cases that came to the committee was for 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 2019.

The table below gives a breakdown of the applications that were received and processed in 2018.

Category	Applications			
	Amount	Approved	Denied	Pending
Medical	47	37	3	7
Housing	3	-	1	2
Fire	**4**	**3**	**1**	**-**
Storm Damage	**4**	**3**	**-**	**1**
Vision	**3**	**1**	**2**	**-**
Other	**2**	**-**	**2**	**-**
TOTAL	**63**		**9**	**10**

FINANCIAL STATUS OF THE SOCIAL DEVELOPMENT FUND

Table 1.2 Financial Statement of the Social Development Fund at 31st December, 2019.

1st January 2019	**Balance Brought Forward**	**$1,581,298.03**
Add	Members Contribution	$536,885.00
Less	Assistance to Members	$240,809.90
31st December 2019	**Closing Balance**	**$1,877,373.13**

5.1 GECCUMED

GECCUMED is performing well with claims are being honored on a timely basis. However, there is need to increase the number of members who are not part of the plan since it has implications for the long term viability and the level of premiums paid.

5.2 OTHER OUTREACH

The Social Development Committee embarked on a drive to show GECCU's appreciation to it s members by presenting them with Gift Baskets. The drive targeted our senior members, past volunteers and those who are shut in.

The Social Development Committee wishes to thank the Board of Directors for providing its members with this opportunity to serve.

6. ANNUAL SCHOLARSHIPS TO SECONDARY SCHOOLS

During the period under review, thirteen (13) scholarships were awarded to students who were successful in the 2019 Caribbean Primary Exit Assessment (CPEA). This total included a tie in the male category for the second position.

The 2019 scholarship recipients were:-

Girls:	Seanté Marshall	- Kingstown Preparatory
	Jada Durrant	- Kingstown Preparatory
	Shemoya Samuel	- Bequia Anglican High School
	Shéya Weekes	- Spring Village Methodist
	Phillesia May	- Sandy Bay Government
Boys:	Lazaro Lynch	- Kingstown Preparatory
	Taj Cain	- Kingstown Preparatory
	Christian Joseph	- Kingstown Preparatory
	Rian Veira	- Kingstown Preparatory
	Seth Byron	- St. Mary's Roman Catholic
	Tye Lowman	- Georgetown Government

Grenadines Scholarship:

Northern Grenadines: Somya Adams – Paget Farm Government
Southern Grenadines: Teri-Ann Bynoe – Canouan Government

A "Minor Scholarship" was awarded to Christopher Francis of the Leeward Seventh Day Adventist Primary School. The scholarship was awarded in keeping with the Collective Agreement between GECCU and the Commercial Technical and Allied Workers' Union (CTAWU), the union representing employees. Christopher is the child of an employee of GECCU. The recipients of scholarships were presented with certificates of academic excellence at a ceremony held on Tuesday 23rd, July 2019 at the Methodist Church Hall, Kingstown. One hundred and thirty-five (135) other successful students received monetary awards of $150.00 each.

7.1 University Bursaries

In keeping with activities to mark GECCU's 55th Anniversary celebrations, eleven (11) members were awarded university bursaries valued at $5,000.00 to pursue their studies.

The successful recipients were:

Sis. Chionsio Baptiste
Bro. Jimmy Black
Sis. Shelly Chewitt
Bro. Ronnick Douglas
Sis. Hannah Hamilton
Sis. Niasha Lynch
Bro. Dale Ollivierre
Sis. Paula Paul-Hackshaw
Sis. Noreen Pierre-Ferguson
Sis. Roxanne Richards
Sis. Akeila Wyllie

Scholarships and bursaries amounted to $210,629.00 as at 31st December, 2019.

7.2 Congratulations

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

Congratulations were also extended to our scholars who performed well in the 2019 Caribbean Secondary Education Certificate (CSEC) and the Caribbean Advanced Proficiency Examinations (CAPE).

Special congratulations to the following scholars on their exceptional performance at the 2019 Caribbean Advanced Proficiency Examinations (CAPE):

Ianá Ferguson, Shane Cadougan, Devron Blugh and Aranique Jackson

These scholars are recipients of the Government of St. Vincent and the Grenadines National Scholarships of 2019.

7.3 Review of Reports

The school reports for scholarship holders were reviewed. Discussions were held with scholarship holders whose performance did not meet the required standard as set out in GECCU's scholarship guidelines.

7.4 Youth Leadership Symposium

The Scholarship Committee collaborated with the Education Committee and Marketing Department to host the seventh (7th) annual Youth Leadership Symposium on August 27th & 28th 2019 at the Anglican Pastoral Centre, New Montrose. The theme of the symposium was "**Live purposefully, embrace creativity**". Past GECCU scholar, Ms. Odini Sutherland was the featured speaker at the opening session.

The participants debated on the topic – *The dangers of social media influencers*". They were also engaged in team building activities.

Staff Awards 2019

Employee of the Year



Bro. Julian Joslyn
Loans Dept.

Years of Service



Bro. Julian Joslyn
10 Years
2009 - 2019



Sis. Grace Alison Guy
15 Years
2004 - 2019



Bro. Leslie Joseph
20 Years
2000 - 2020

Volunteer Awards



Sis. Janice King



Sis. Marva Cato-Robinson



Bro. H. Colin Sam



Bro. Kelvin Pompey



Sis. Gemma McCree-Clarke

Most Oustanding Performer

*Missing: **Romani Hull** (Accounts Dept.)*



Bro. Julian Joslyn
Loans Dept.



Sis. Alicia Ashton-Doyle
Administration Dept.



Sis. Sharlene Charles
Member Service Section.



Sis. Treanna Sargeant
Sub-Office



Sis. Ketora Browne
Loans Dept.

CEO Awards

*Missing: **Tehani Cato** (Marketing Dept.)*



Bro. Anton Jardine



Bro. Kenneth Thomas



Bro. Keldon Walters

Academic Achievement



Sis. Adinga Findley
MSc. Mgmt Studies
(Distinction)



Sis. Treanna Sargeant
BSc. Accounting



Bro. Newbornne Joseph



Sis. Ketora Browne



Sis. Melissa Mill[illegible]on



Sis. Winstonique Knights

STAFF PROFILE

Bro. Lennox Bowman– Chief Executive Officer
Sis. Alicia Ashton-Doyle– CEO's Secretary

Accounts Department

Sis. Maxine Johnney	Accountant
Bro. Kenneth Thomas	Assistant Accountant
Bro. Leslie Joseph	Senior Accounts Officer
Sis. Adinga Findlay	Disbursement Officer
Sis. Kathlyn Parsons	Accounts Clerk
Bro. Ricardo Springer	Junior Clerk/ Cashier
Bro. Ashley Ashton	Junior Clerk/Cashier
Bro. Romani Hull	Junior Clerk/Cashier
Bro. Enrico Morris	Junior Clerk/Cashier
Sis. Winstonique Knights	Junior Clerk/Cashier
Sis. Kaliyah Lewis	Junior Clerk/Cashier
Sis. Trevonette Johnson	Junior Clerk/Cashier
Bro. Javal Samuel	Junior Clerk/Cashier
Bro. Newbornne Joseph	Driver/Office Assistant
Sis. Cecile Fraser-Gibson	Insurance Clerk

Administration Department

Sis. Cornelia Moses	Operations Officer
Sis. Sharlene Charles	Operations Assistant
Sis. Melissa Millington	Member Service Rep
Sis. Bernadette John	Member Service Rep
Sis. Keisha Johnson	Member Service Rep
Sis. Andreka Samuel	Member Service Rep
Sis. Melene Nanton	Member Service Rep
Sis. Grace Guy	Receptionist
Sis. Lydia Cain	Office Attendant

Internal Audit Department

Sis. Damoris Alexander	Internal Auditor
Sis. Alana Karen Mulraine	Assistant Internal Auditor

Marketing Department

Sis. Danny-lee Francis	Senior Marketing Officer
Bro. Tehani Cato	Junior Marketing Officer

Loans Department

Sis. Gertrude Jacob	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. Ketora Browne	Loans Clerk
Sis. Kimesha Browne	Junior Securities Clerk
Sis. Theresa Douglas	Loans Receptionist
Sis. Alanis Preddie	Loans Filing Clerk

Loans Department: Recoveries Section

Bro. Keon Findlay	Recoveries Officer
Bro. Osbert Cunningham Jr.	Assistant Recoveries Officer

Legal Department

Bro. J-Lany Williams	Legal & Compliance Officer

I. T Department

Bro. Elias Francis	Data Systems Administrator
Bro. Anton Jardine	Assistant Data Systems Administrator

Georgetown Office

Bro. Baldwin Johnney	Administrative Officer
Sis. Charissa Pitt	Junior Clerk
Bro. Keldon Walters	Junior Clerk
Sis. Mehaila Williams	Junior Clerk
Sis. Jewel Butler	Junior Clerk
Bro. Imron Greaves	Junior Clerk
Sis. Annisha Rodgers	Junior Clerk
Sis. Fay-Ann Baptiste	Office Attendant

Bequia office

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

Canouan Office

Sis. Colita Mitchell	Administrative Clerk

Union Island Office

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

South Rivers Office:

Sis. Tonyah Williams	Junior Clerk
Sis. Norecia Seymour	Junior Clerk

Facilities Section

Bro. Anthony Bowman	Facilities Officer



55th Anniversary Church Service



55th Anniversary Fun Day



55th Anniversary Essay Competition



55th Anniversary Fun Walk

2019 Highlights



55th Anniversary University Bursaries Awards



Miss SVG GECCU Empowerment Campaign



Bro. Calvin Aberdeen

At GECCU's 53rd Annual General Meeting held on July 17th 2019, Bro. Calvin Aberdeen was selected as the lucky recipient of an all-expense-paid trip to attend the 2020 OECS Credit Union Summit. The summit, which was scheduled for August 2020 in Grenada, included return airfare, registration, ground transportation, accommodation, meals and allowance. Unfortunately, due to the Covid-19 pandemic, the OECS summit was rescheduled to a future date to be announced.



National School Co-op Winners
Georgetown Gov't School



55th Anniversary Dinner

8.0 FUTURE DIRECTIONS AND STRATEGIES

The economy of St. Vincent and the Grenadines continues to be affected by the global slowdown in economic activities as well rising trade and geopolitical tensions. Notwithstanding the challenging macro-economic and financial environment, GECCU continues to consolidate its gains, celebrate its successes, rally the public to the co-operative way of doing business and strive to achieve the best policy and legislative setting for co-operative development and expansion.

The economic recovery of St. Vincent and the Grenadines and indeed the entire Caribbean which had just begun to show positive signs, has now suffered a severe set back by the debilitating COVID-19 Pandemic. This pandemic has occasioned challenges for our Credit Union, our staff and general membership. It is currently difficult to quantify the impact of COVID-19 Pandemic on the economies of the region but suffice it to say the region will suffer from falling tourism, higher unemployment and reduced remittance inflows. This will further threaten the sustainability of our economy which is already at risk to the negative economic and financial consequences of climate change and national disasters.

However, consistent with its vision, mission and values, GECCU will embrace strategic thinking across the organization to confront these challenges while identifying and pursuing the opportunities which will arise. Equally important in navigating the future is the imminent transitioning to the new CEO when the current CEO leaves in 2020. The Board has addressed the succession plan for the replacement of GECCU's head of operations and is confident that a capable replacement will be recruited.

As the Credit Union evaluates the needs of members and all stakeholders it will pay particular attention to the following key strategic areas in the future:

1. Enhance GECCU's Risk management in all areas of its operations.
2. Maintain and enhance a financially sound and secure institution.
3. Increase the awareness of our co-operative Credit Union as a value-based business model for development through improved education and advocacy.
4. Keep GECCU relevant to all demographics, with increased focus on the elderly and the youth.
5. Enhance the capacity of GECCU at all levels of the organization through education, training, as well as employee and volunteers' engagement.
6. Pursue consistent service excellence across our network of six offices throughout St. Vincent and the Grenadines.
7. Preserve and enhance GECCU's brand.
8. Focus unrelentingly on our digital customer experience, providing every opportunity for in-person contact service for our members who still desire this interaction.
9. Promote GECCU as an agent of socio-economic development for our members and communities through community engagement activities.

To achieve the foregoing, the Board, Committees and Management will continue to keep our planning at all levels focused on the strategic issues, make the recruitment and development of top talent a priority and make member education our trump card, while continuing to embrace good governance as a strategic priority.

9.0 CONDOLENCES

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

10.0 ACKNOWLEDGEMENT

The Board wishes to express its gratitude and appreciation to Management and Staff who continue to demonstrate their support, loyalty and commitment to the Credit Union.

Deepest appreciation and heartfelt thanks to the members of the Education, Supervisory and Compliance, Credit and other Committees for the valuable work they have rendered to the development of the Credit Union.

Special thanks to the Financial Services Authority, the Co-operative Department, the SVG Co-operative League, Sister Credit Unions, the solicitors Baptiste and Company and Lyndon George, the Auditors KPMG and other stakeholders for their support.

Most of all, the Board wishes to express sincere thanks to all valued members for continuing to support the Credit Union and for affording us the opportunity to serve you during the year.



Bro. Harold Lewis
President

Appendix 1

List of members who passed on during the year:

Jahn Wright
Nyanga Sam
Andrae Caine
Thersa Mc Kie
Andrew Barzie
Evelin Da sousa
Lucine Edwards
Grace London
Allison Gabriel
Phillip Lee
Joan Duncan
Omega Ottley
Herlena Da Silva
Marva Swift
Danell Peters
Salma Edwards
Andrew Mc donald
Lionel Ashton
Rachel Lewis
Keiron Williams
Emmett Doyle
Ithemar Byron
Emmanuel Myers
Errol Morris
Patricia Mc Donald
Esaphina alexander
Joanne Ballantyne
Louise Burgin
Mirabel Isaacs
Selwyn Swift
Orsnell Bentick
Rawlson George
Kenlyn Jones
Carmena George
Totsy John
Leon Mayers
Andre Mc Lean

Robert Stapleton
Elsa Mc Kie
Gesline Ells
Silma Duncan
Wesley Joslyn
Gena Baynes
Nixon Lewis
Rudolph Philips
Eustace Francois
Almida Doyle
Melvina La Borde
Jacqueline Springer-Jack
Kyron King
Veronica Archibald
Andres Scott
Ashaki Harry
Debra Delpleshe
Claude John
Joyce Stephens
Con Hoyte
Charles Andrews
Cecil Moore
Theodore Ballah
Geva Grant
Shirley Quashie
Arthur Moses
Olive Hooper-John
Barbara Selby
Hoskin Williams
Gloria Ballantyne
Patricia Johnson
Larique Dennie
Calbert Straker
Antonio Alexander
Anetta Williams
Vibert Matthews
Perry Joseph
Sylvester Mc Intosh

Donna Lockhart
Joyce Byron cox
Alex Bradshaw
Earl Delpesche
Kent Morgan
Adolphus Alexander
Vetoreen Dasouza
Andre Homer
Celena John
Gean Dopwell
Lennox Alexander
Clyton Solomon
Douglas Conliffe
Woodley Robinson
Monica Stowe
Stephen Tannis
Norris Gerald
Castian Matthews
William Coldeira
Marilyn Ferdinand
Maureen Stephens
Jeffery Sam
Kenrick Peters
Vandah Glynn
Fayon Ambris
Vincent Collins
Guenette King
Winnifred Gurley
Anella Cato-Sealey
Rudolph Mc Kenzie
St. Clair Scott
Charles Norwell
Wayne Bonadie
Agnes Wilkenson
Wilfred Vanloo
Eriene Cruickshank
Deidre Nicholls

TREASURER'S REPORT
To the 54th Annual General Meeting

1.0 INTRODUCTION

Brothers and sisters, I am pleased to present to you an overview of GECCU's financial results which highlight the financial performance of the General Employees Co-operative Credit Union Ltd for the year ended December 31, 2019.

The 2019 financial year was another successful year for GECCU. We achieved growth in key areas of our operations, notwithstanding the marginal economic growth of 0.07 percent recorded for 2019 and the limited investment opportunities within our risks appetite.

2.0 FINANCIAL PERFORMANCE

The following is a synopsis of performance for the financial year ended December 31, 2019, with comparison to the 2018 financial year.

2.1 Assets

During the year, total assets grew by 11.0 percent relative to 2018. The movement in total assets was influenced by the following:

1. Loans portfolio

The portfolio grew by 9.0 percent ($14.1million). The growth was in several loan categories, notably mortgages and consumer loans.

- The mortgage portfolio grew by 14.0 percent ($9.67million).
- Consumer loans increased by 5.0 percent ($3.97 million).

2. Investment securities

The portfolio reflected an increase of 12.0 percent ($5.76 million). The following were the main investment activities undertaken during the year:

- The purchase of additional sovereign bonds ($5 million).
- The placement of fixed deposits with ARIZA Credit Union ($3 million) and the reinvestment of interest and principal of fixed deposits on maturity.

3. Cash resources

The cash resources increased by 16.0 percent ($5.57) million over the 2018 financial year.

- Net cash of $24.53 million was received from members' contribution to regular shares, deposits, and equity shares.

4. Investment properties

Investment properties rose by 5.0 percent ($344K) compared to 2018. The increase was primarily due to the works done on the South Rivers "River 14" development project.

5. Property Plant and Equipment

Fixed Assets moved upwards by 13.0 percent or $1.57 million relative to 2018. The increase was mainly due to the construction of the new headquarters and the purchase of equipment to support the new core operating software, Sharetec.

Table 1: Key Performance Indicators

	2019 $	2018 $	Increase/ (Decrease) $	Increase (Decrease) %-age 2019 over 2018	Increase (Decrease) %-age 2018 over 2017
Total Assets	287,483,668	258,826,523	28,657,145	11%	12%
Loans	164,111,376	150,013,425	14,097,951	9%	9%
Investment Securities	52,498,400	46,738,996	5,759,404	12%	28%
Cash Resources	41,198,774	35,626,122	5,572,652	16%	12%
Investment property	7,344,049	6,999,992	344,057	5%	2%
Property plant and Equipment	13,587,104	12,017,716	1,569,388	13%	(1%)

2.2 Share Capital & Members' Deposits

The table 2 shows the movement in the different categories of deposits and share capital. The term deposit increased by 5.0 percent or $2.68 million, whilst the ordinary deposit increased by 17 percent or $9.59 million. The consistent growth in these accounts is indicative of the confidence that the members have maintained in the credit union.

Table 2: Component of Share Capital and Members' Deposits

	2019 $	2018 $	Increase/ (Decrease) $	Increase/ (Decrease) 2019 over 2018 (% age)	Increase/ (Decrease) 2018 over 2017 (% age)
Share capital	30,777,723	28,319,542	2,458,181	9%	10%
Members'	107,225,783	97,434,046	9,791,737	10%	10%
Term deposits	61,016,909	58,334,472	2,682,437	5%	4%
Ordinary	67,757,161	58,160,553	9,596,608	17%	21%

2.3 Income

Total income increased by 13.0 percent or $2.22 million along with the following main highlights:

- Loan interest income represented 77.0 percent of total revenue and increased by 7.0 percent ($902K) relative to 2018.
- The growth in investment income was mainly due to interest earned from the additional fixed deposits and bond investments. The credit union is still being challenged with a consistent reduction in the rate of interest on its financial instruments.
- The upward movement in other income resulted primarily from the internal processing of documents of title (bills of sale and mortgages) and funds recovered from written-off investments with British American Insurance Company ($696K).

Table 3: Main Income Categories

	2019 $	2018 $	Increase/ (Decrease)	Increase/ (Decrease) 2019 over 2018 (% age)	Increase/ (Decrease) 2018 over 2017 (% age)
Total income	18,803,217	16,579,857	2,223,360	13%	8%
Loan interest income	13,938,959	13,036,752	902,207	7%	12%
Investment income	2,184,860	1,675,381	509,479	30%	3%
Rental income	145,962	145,962	0	0	(8%)
Death benefit contributions	995,590	981,010	14,580	1%	2%
Other income	1,537,846	740,752	797,094	108%	(32%)

2.4 Expenses

Total expense increased by 27.0 percent or $3.29million. The following key development were also noted:

- The change in interest expense resulted from the growth in members' deposits and the increase in the rate of interest paid on members' share savings account, from 1.75% in 2018 to 2% in 2019.
- The increase in staff cost was due to expenditure relating to the growth in the staffing composition and CTAWU increases in benefits.
- The rise in other operating expenses was mainly due to cost incurred during the activities of 55th Anniversary Celebration, professional services for the job evaluation exercise, IFRS 9 gap analysis and assessment of the implementation of the new software.
- The upward movement in allowances for credit losses in loans and investments was in keeping with the IFRS 9 accounting standards' requirements. The measurement of the expected credit loss includes incorporating forward-looking information and assessing the significance of the increase in credit risk..

Table 4: Main Expenditure Categories

	2019 $	**2018 $**	**Increase/ (Decrease) $**	**Increase/ (Decrease) 2019 over 2018 (% age)**	**Increase/ (Decrease) 2018 over 2017 (% age)**
Total expenses	15,597,265	12,302,125	3,295,140	27%	(2%)
Interest expenses	4,797,572	4,150,669	646,903	16%	4%
Staff costs	3,819,191	3,209,173	610,018	19%	14%
CUNA insurance	1,128,460	992,988	135,472	14%	8%
Other operating expenses	3,831,050	3,297,362	533,688	16%	5%
Death benefit payments	699,411	586,235	113,176	19%	9%
Allowances for credit losses - Loans	749,054	-	749,054	-	
Allowances for credit losses - Investment	572,527	65,698	506,829	771%	0%

2.5 Net Profit

A net profit of $3.2 million was realized for 2019; this represents a decrease of 25.0 percent relative to the profit of $4.28 million in 2018.

3.0 CONCLUSION

We look forward to the future with optimism and focus, as we continue to deliver quality products and services to our GECCU family and to the rest of SVG while managing costs and improving efficiencies.

Finally, I take this opportunity to thank the general membership, committee volunteers, the management and staff and of course the Board of Directors for their support in 2019. I am confident that we can achieve most of our targets for 2020 despite the Covid-19 pandemic challenge.



Sis. Cecelia J Williams
Treasurer

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative figures for the year ended December 31, 2018)

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of General Employees' Co-operative Credit Union Limited ("the Credit Union"), which comprise the statement of financial position as at December 31, 2019, the statements of profit or loss and other comprehensive income, changes in members' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

KPMG in Barbados and Eastern Caribbean, registered in Barbados, Antigua and Barbuda, Saint Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Independent Auditors' Report (Cont'd)

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Independent Auditors' Report (Cont'd)

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

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

- 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.

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

KPMG

KPMG
Kingstown, St. Vincent and the Grenadines
November 18, 2020

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

Statement of Financial Position

As at December 31, 2019
With comparative figures as at December 31, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes	2019 $	2018 $
Assets			
Cash resources	6	41,198,774	35,626,122
Inventories	7	6,971,489	6,793,043
Investment securities:			
Amortised cost	8	51,470,654	46,147,929
FVTPL		1,027,746	591,067
Loans to members	9	164,111,376	150,013,425
Right of use asset	10	410,974	-
Other assets	11	1,361,502	637,229
Investment properties	12	7,344,049	6,999,992
Property, plant and equipment	13	13,587,104	12,017,716
Total assets		287,483,668	258,826,523
Liabilities			
Other payables	14	3,320,778	2,209,123
Deferred liability		202,490	202,490
Staff pension fund deposit	15	971,786	869,246
Lease liabilities	16	447,941	-
Members' deposit	17	129,703,651	117,394,557
Members' ordinary savings	18	107,225,783	97,434,046
Total liabilities		241,872,429	218,109,462
Members' equity			
Share capital	19	30,777,723	28,319,542
Statutory reserve	20	7,198,743	5,538,695
Social development fund	21	1,877,374	1,581,298
Statutory development fund	22	30,000	30,000
Accumulated other comprehensive income		1,634,601	1,634,601
Retained earnings		4,092,798	3,612,925
Total members equity		45,611,239	40,717,061
Total liabilities and members' equity		287,483,668	258,826,523

See accompanying notes to the financial statements.

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 18/11/2020 AND SIGNED ON ITS BEHALF BY:

Harold Lewis — **President**

Cecelia J. Williams — **Treasurer**

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2019
With comparative figures for the year ended December 31, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes	2019 $	2018 $
Income			
Loan interest		13,938,959	13,036,752
Investment – net	23	2,184,860	1,675,381
		16,123,819	14,712,133
Interest expense		(4,797,572)	(4,150,669)
Net interest income		11,326,247	10,561,464
Expected credit losses	24	(617,535)	71,177
General and administrative expense	25	(4,944,553)	(4,281,476)
Staff costs	26	(3,819,191)	(3,209,173)
Other operating income	27	1,275,941	1,144,614
Operating profit		3,220,909	4,286,606
Net unrealized loss on FVTPL investments		(14,957)	(8,874)
Profit for the year, being total comprehensive income for the year		3,205,952	4,277,732

See accompanying notes to the financial statements.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

Statement of Changes in Members' Equity

For the year ended December 31, 2019
With comparative figures for the year ended December 31, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes	Share capital $	Statutory reserve $	Social development fund $	Statutory development fund $	Accumulated other comprehensive income $	Retained earnings $	Total $
Balance as at December 31, 2017		25,663,931	4,246,318	1,267,092	30,000	1,634,601	1,845,956	34,687,898
Net profit for the year		-	-	-	-	-	4,277,732	4,277,732
Net increase in qualifying shares	19	190,295	-	-	-	-	-	190,295
Net increase in equity shares	19	2,465,316	-	-	-	-	-	2,465,316
Social development fund, net	21	-	-	314,206	-	-	-	314,206
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	1,290,620	-	-	-	(1,290,620)	-
Entrance fees	20	-	1,757	-	-	-	-	1,757
Dividends paid		-	-	-	-	-	(1,190,143)	(1,190,143)
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
Opening balance		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
Social development fund, net	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

See accompanying notes to the financial statements.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

Statement of Cash Flows

For the year ended December 31, 2019
With comparative figures for the year ended December 31, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes	2019 $	2018 $
Cash flows from operating activities			
Profit for the year		3,205,952	4,277,732
Adjustments for:			
Depreciation	13	454,280	426,951
Depreciation right of use asset		164,420	-
Loss/(Gain) on disposal of property and equipment		3,715	(8,867)
Loss on revaluation of investment property		7,760	-
Net unrealized loss on FVTPL investments		14,957	8,874
Loss on termination of project		10,987	-
Impairment of investment		572,527	65,698
Impairment of loans, less recoveries		45,008	(136,875)
Interest income		(16,123,819)	(14,712,133)
Lease interest		8,104	-
Interest expense		4,797,572	4,150,669
		(6,838,537)	(5,927,951)
Changes in:			
Loans to members		(14,080,359)	(12,309,802)
Other assets		(735,260)	(416,405)
Members' deposits		12,279,045	12,445,676
Deferred income		-	202,490
Staff pension fund deposit		102,540	106,170
Inventories		(178,446)	(132,760)
Other payables		1,111,655	420,210
Members' ordinary savings		9,791,737	8,608,182
		1,452,375	2,995,810
Interest received		16,061,219	14,470,139
Lease interest paid		(8,104)	-
Interest paid		(4,767,523)	(4,108,704)
Net cash generated from operating activities		12,737,967	13,357,245
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(2,027,383)	(450,047)
Proceeds from sale of property, plant and equipment		-	9,850
Addition to investment properties	12	(351,817)	(8,500)
Change in investment securities		(6,346,888)	(10,816,741)
Net cash used in investing activities		(8,726,088)	(11,265,438)
Cash flows from financing activities			
Net increase in social development fund		296,076	314,206
Statutory development fund paid		(30,000)	(30,000)
Increase in share capital		2,458,181	2,655,611
Net increase in lease liability		(127,453)	-
Entrance fees		1,599	1,757
Dividends paid		(1,037,630)	(1,190,143)
Net cash generated from financing activities		1,560,773	1,751,431
Increase in cash and cash equivalents		5,572,652	3,843,238
Cash and cash equivalents – Beginning of year		35,626,122	31,782,884
Cash and cash equivalents – end of year		41,198,774	35,626,122

See accompanying notes to the 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 November 18, 2020.

(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, 2019 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

The Credit Union has initially adopted IFRS 16 from 1st January 2019.

A number of other new standards are also effective from January 2019 but they did not have a material effect on the Credit Union's financial statements.

Except for the changes below, the Credit Union has consistently applied the accounting policies as set out in Note 4 to all periods presented in the financial statements.

IFRS 16 *Leases* - Effective January 1, 2019

The Credit Union applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings as at 1st January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

I. Definition of a lease

Previously, the Credit Union determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Credit Union now assesses whether a contract contains a lease based on the definition of a lease.

On transition to IFRS 16, the Credit Union elected to apply the practical expedient to grandfather the assessment of which transaction are leases. The Credit Union applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as a lease under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16.

II. Definition of a lease – As a lessee

As a Lessee, the Credit Union leases several office premises. The Credit Union previously classified these leases as operating leases under IAS 17 based on its assessment of whether the lease transferred substantially all of the risk and reward incidental to ownership of the underlying assets to the Credit Union. Under IFRS 16, the Credit Union recognized right-of-use assets and lease liabilities for leases and office premises – i.e. these are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Credit Union allocated the consideration in the contract to each lease component on the basis for its relative stand-alone prices.

However, for leases of office premises the Credit Union has elected not to separate non-lease components and account for the lease and associated non-lease component as a single lease component.

On transition, for leases, lease liabilities were measured as the present value of the remaining lease payments, discounted at the Credit Union's weighted average cost of capital as at 1st January 2019 (see noted 3(B)(IV)).

3. New standards, amendments and interpretations mandatory for the first time for the financial year (cont'd)

IFRS 16 *Leases* - Effective January 1, 2019 (cont'd)

II. Definition of a lease – As a lessee (cont'd)

Right-of-use assets are measured at their carrying amounts as if IFRS 16 had been applied since the commencement date, discounted using the Credit Union's weighted average cost of capital as at date of initial application.

The Credit Union used a number of practical expedients when applying IFRS 16 to leases previously classified as operating lease under IAS 17. In particular, the Credit Union:

- Relied on its assessment of whether leases are onerous under IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
- Did not recognize the right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of the initial application.
- Did not recognize right-of-use of assets and liabilities for leases of low valued assets.
- Excluded initial direct cost from measuring the right-of-use assets at the date of initial application; and
- Used hindsight when determining the lease term.

III. Definition of a lease – As a lessor

The Credit Union leases out certain property. The Credit Union had classified these leases as follows:

- Finance lease of property and equipment
- Operating leases of investment property

The Credit Union has applied IFRS 15 Revenue form Contracts with customers to allocate consideration in the contract to each lease and non-lease component.

IV. Impact of financial statement

Impact on Transition

On transition to IFRS 16, the Credit Union applied a limited retrospective application where differences in right-of use assets and additional lease liabilities were recognized in the current profits . Accordingly, the comparative information presented for 2018 is not restated. The impact on transition is summarized below.

3. New standards, amendments and interpretations mandatory for the first time for the financial year (cont'd)

IFRS 16 *Leases* - Effective January 1, 2019 (cont'd)

IV. Impact of financial statement (cont'd)

	1st January 2019
Right-of-use assets	53,744
Lease liabilities	48,825
Lease Expense	4,919

When measuring lease liabilities for leases that were classified as operating leases, the Credit Union discounted lease [payments using its weighted average cost of capital at a rate at 1st January 2019. The Weighted average rate applied is 2.3%.

Operating lease commitments at 31st December 2018 as disclosed under IAS 17 in the Credit Union's financial	50,088
Discount using weighted average cost of capital	1,263
Lease liabilities recognised at 1st January 2019	48,825

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.

4. Significant accounting policies (cont'd)

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.

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. Depreciation of other assets is calculated using a straight line method, at rates which are expected to write-off the cost or valuation of the assets over their estimated useful lives at the following annual rates:

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

Gains or losses on disposal of property 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.

4. Significant accounting policies (cont'd)

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.

f. IFRS 9 Financial Assets

Measurement categories of financial assets

From 1 January 2019, 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 (Policy applicable from 1 January 2019)

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.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial Assets

Equity Instruments

Equity instruments under IFRS 9 are always reported at fair value since they fail the SPPI test. Under IAS 39 the Credit Union's equity instrument fell under the AFS classification. 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.

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 SSPI 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).

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Business model assessment (cont'd)

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.

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.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

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.

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

Policy applicable from 1 January 2019

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 forborne 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 forborne 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

The Credit Union has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under the IAS 17 and IFRIC 4. The details of accounting policies under the IAS 17 and IFRIC 4 are disclosed separately.

At inception of contact, the Credit Union assesses whether a contact is, or contains, a lease. A contact 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.

This policy is applied to contracts entered into (or changed) on or after 1 January 2019.

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.

For contracts entered into before 1 January 2019, the Credit Union determined whether the arrangement was or contained a lease based on the assessment of whether:

i) Fulfilment of arrangement was dependent on the use of a specific asset or assets; and

ii) The arrangement had conveyed a right to use the asset.

As a lessee

The Credit Union did not have any finance leases under IAS 17.

Assets held under other leases were classified as operating leases and were not recognized in the Credit Union's statement of financial position. Payments made under operating leases were recognised in profit or loss on s straight-line basis over the term of the lease. Lease incentive received were recognised as an integral part of the total lease expense, over the term of the lease.

As a lessor

When the Credit Union acted as a lessor, it determined at lease inception whether each was a finance lease or an operating lease.

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

4. Significant accounting policies (cont'd)

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.

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

4. Significant accounting policies (cont'd)

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.

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

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.

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 in the diagram below:

Change in Credit Quality Since Initial Recognition



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

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

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.

Impairment losses and investment valuation (IAS 39)

Under IAS 39, financial assets were determined to be impaired when the carrying value was greater than the recoverable amount and there was objective evidence of impairment. The recoverable amount was the present value of the future cash flows.

It has been the Credit Union's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Impairment losses and investment valuation (IAS 39)

Collective impairment on advances

Inherent provisions on advances are calculated on an estimate of impairment incurred but not existing in assets as at the statement of financial position date. Estimated impairment incurred is determined by applying against performing loan balances, the average loan default rates and adjusting this balance for current economic factors that affect loan performance. An anticipated recovery rate (determined from historical average) is then applied to determine the value that is recoverable. This calculation is computed by product type.

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Impairment losses and investment valuation (IAS 39) (cont'd)

Valuation of investment

The Credit Union has applied IAS 39 in its classification of investment securities which requires measurement of securities as fair value. For unlisted securities, fair values are estimated using price/earnings of price/cash flow ratios which have been refined to accommodate the specific circumstances of the issuer.

The following summarises the maximum credit risk:

	2019 $	2018 $
Deposit with commercial banks	39,350,056	33,969,460
Investment securities	52,498,400	46,738,996
Loans to members	164,111,376	150,013,425
Other assets	1,361,502	637,229
	257,321,334	231,359,110

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, 2019 and 2018 without taking account of any collateral held or other credit enhancements attached.

Loans and advances to members are summarised as follows:

	2019				
	Consumer $	Computer $	Mortgage $	Student $	Total $
Gross loans	83,584,990	60,054	78,366,707	4,621,414	166,633,165
Less: ECL allowance	(2,179,338)	(853)	(1,178,493)	(126,551)	(3,485,235)
	81,405,652	59,201	77,188,214	4,494,863	163,147,930
Add: interest receivable	555,812	114	344,740	62,780	963,446
	81,961,464	59,315	77,532,954	4,557,643	164,111,376

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Impairment losses and investment valuation (IAS 39) (cont'd)

	2018				
	Consumer $	Computer $	Mortgage $	Student $	Total $
Gross loans	79,402,117	78,924	68,856,282	4,191,835	152,529,157
Less: ECL allowance	(1,881,927)	(763)	(1,353,203)	(180,687)	(3,416,580)
	77,520,190	78,161	67,503,079	4,011,148	149,112,577
Add: interest receivable	474,667	130	354,646	71,405	900,848
	77,994,857	78,291	67,857,725	4,082,553	150,013,425

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.

	2019 $	2018 $
Stage 1		
Consumer loans	78,074,354	75,373,900
Computer loans	57,823	76,298
Mortgage loans	75,637,505	68,555,514
Student loans	4,123,545	3,885,643
Total	157,893,227	147,891,355

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 - 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

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 - 2018				
	Consumer loans $	Computer loans $	Mortgage loans $	Student loans $	Total $
Secured - Past due under 90 days	9,147	-	-	-	9,147
Unsecured - Past due 30 to 59 days	702,931	-	-	-	702,931
Unsecured - Past due 60 to 89 days	618,902	-	96,157	137,615	852,674
Total	1,330,980	-	96,157	137,615	1,564,752

Loans and advances to customers individually impaired (Stage 3)

	2019 $	2018 $
Stage 3		
Consumer loans	3,970,451	2,697,236
Computer loans	50	2,626
Mortgage loans	1,905,333	204,611
Student loans	497,869	168,577
Total	6,373,703	3,073,050

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

	2019 $	2018 $
Loan commitments and other related obligations	5,435,686	3,427,094

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, 2019 and 2018, based on Moody's ratings or equivalent:

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Loans and advances to customers individually impaired (Stage 3) (cont'd)

	Cash resources $	Investment securities $	Loans to members $	Other assets $	Total $
At December 31, 2019					
Lower the A-	-	14,500,000	-	-	14,500,000
Unrated	39,350,056	37,998,400	164,111,376	1,361,502	242,821,334
	39,350,056	52,498,400	164,111,376	1,361,502	257,321,334

	Cash resources $	Investment securities $	Loans to members $	Other assets $	Total $
At December 31, 2018					
Lower the A-	-	10,000,000	-	-	10,000,000
Unrated	33,969,460	36,738,996	150,013,425	637,229	221,359,110
	33,969,460	46,738,996	150,013,425	637,229	231,359,110

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.

	0 – 3 Months $	3 – 12 Months $	1 – 5 Years $	Over 5 Years $	Total $
At December 31, 2019					
Financial Assets					
Cash in hand	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)

	0 – 3 Months $	3 – 12 Months $	1 – 5 Years $	Over 5 Years $	Total $
At December 31, 2018					
Financial Assets					
Cash in hand	35,626,122	-	-	-	35,626,122
Investment securities	14,818,699	23,227,901	7,640,791	1,051,605	46,738,996
Loans to members	5,545,128	19,803,151	59,894,142	64,771,004	150,013,425
Other assets	637,229	-	-	-	637,229
	56,627,178	43,031,052	67,534,933	65,822,609	233,015,772
Financial Liabilities					
Other payables	2,209,123	-	-	-	2,209,123
Staff pension fund deposit	869,246	-	-	-	869,246
Members' deposits	117,394,557	-	-	-	117,394,557
Members' ordinary savings	97,434,046	-	-	-	97,434,046
	217,906,972	-	-	-	217,906,972

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:

	2019 $	2018 $
Loan commitments and other related obligations	2,980,426	3,427,094

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.

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, 2019					
Financial Assets					
Cash resources	39,350,056	-	-	1,848,718	41,198,774
Investment securities	42,761,905	5,160,384	4,576,111	-	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	76,765,078	3,210,220	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	76,765,078	(110,558)	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)

	Up to One year $	Between 1 – 5 years $	Over 5 years $	Non-Interest bearing $	Total $
At December 31, 2018					
Financial Assets					
Cash resources	33,969,460	-	-	1,656,662	35,626,122
Investment securities	38,046,600	7,640,791	1,051,605	-	46,738,996
Loans to members	25,348,279	59,894,142	64,771,004	-	150,013,425
Other assets	-	-	-	637,229	637,229
Total financial assets	97,364,339	67,534,933	65,822,609	2,293,891	233,015,772
Financial liabilities					
Other payables	-	-	-	2,209,123	2,209,123
Staff pension fund deposit	869,246	-	-	-	869,246
Members' deposits	117,394,557	-	-	-	117,394,557
Members' ordinary savings	97,434,046	-	-	-	97,434,046
Total financial liabilities	215,697,849	-	-	2,209,123	217,906,972
Total interest re-pricing gap	(118,333,510)	67,534,933	65,822,609	84,768	15,108,800

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, 2019, 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 (2018: $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.

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.

5. Financial risk management (cont'd)

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

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	
	2019 $	2018 $	2019 $	2018 $
Financial Assets				
Cash resources	41,198,774	35,626,122	41,198,774	35,626,122
Investment securities	52,498,400	46,738,966	52,498,400	46,738,966
Loans to members	164,111,376	150,013,425	164,111,376	150,013,425
Other assets	1,361,502	637,229	1,361,502	637,229
	259,170,052	233,015,742	259,170,052	233,015,742

	Carrying value		Fair value	
	2019 $	2018 $	2019 $	2018 $
Financial Liabilities				
Other payables	3,320,778	2,209,123	3,320,778	2,209,123
Staff pension fund deposit	971,786	869,246	971,786	869,246
Members' deposit	129,703,651	117,394,557	129,703,651	117,394,557
Members' ordinary shares	107,225,783	97,434,046	107,225,783	97,434,046
	241,221,998	217,906,972	241,221,998	217,906,972

Off-balance sheet instruments

	Carrying value		Fair value	
	2019 $	2018 $	2019 $	2018 $
Loan commitments and other related obligations	-	-	5,435,686	3,427,094

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.

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.

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 following table presents the credit union's financial assets and value.

	Level 1 $	Level 2 $	Level 3 $	Total $
At December 31, 2019				
Available-for-sale investment securities				
- equity securities	379,834	-	647,912	1,027,746
Total financial assets	379,834	-	647,912	1,027,746

	Level 1 $	Level 2 $	Level 3 $	Total $
At December 31, 2018				
Available-for-sale investment securities				
- equity securities	320,841	-	270,226	591,067
Total financial assets	320,841	-	270,226	591,067

	Level 1 $	Level 2 $	Level 3 $	Total $
At December 31, 2018	394,791	-	196,276	591,067
Acquisition		-	451,636	451,636
Gain/(Loss) on Revaluation	(14,957)	-	-	(14,957)
Total financial assets	379,834	-	647,912	1,027,746

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

Fair value measurement of non-financial assets

	2019 $	2018 $
At December 31, 2019		
Investment properties	7,344,049	6,999,992
Property, plant and equipment	11,158,468	11,288,614
Total financial assets	18,502,517	18,288,606

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)

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

	2019 $	2018 $
Cash on hand	1,848,718	1,656,662
Current account	10,968,816	15,794,869
Special savings	28,381,240	18,174,591
	41,198,774	35,626,122

The effective interest rate on special savings is 2% (2018: 2%)

7. Inventories

	2019 $	2018 $
Balance - beginning of year	6,793,043	6,660,282
Development costs	178,446	132,761
Balance - end of year	6,971,489	6,793,043

Inventories comprise land at Peter's Hope held for real estate development.

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 the lands for residential and commercial purposes with the intention of sale in the ordinary course of business.

8. Investment securities

Investment securities comprise:

	2019 $	2018 $
Debt securities		
Amortized cost	51,868,389	46,040,599
Interest receivable	675,157	607,695
Gross debt securities	52,543,546	46,648,294
Less: expected credit loss allowance	(1,072,892)	(500,365)
Total debt securities	51,470,654	46,147,929
Equities securities		
FVTPL – Corporate equity	1,027,746	591,067
	52,498,400	46,738,996

During the year ended December 31, 2019, interest rates varied from 1% to 7.25% per annum (2018 – 1% to 7.25% per annum).

Investments include treasury bills and notes of $7,435,460 (2018 - $8,411,389).

The movement in expected credit loss allowance is as follows:

	2019 $	2018 $
Balance at beginning of year	500,365	-
Impact of IFRS 9	-	434,667
Balance at beginning of year	500,365	434,667
Expected credit loss on investments	572,527	65,698
Balance at end of year	1,072,892	500,365

$449,141, 383,460 and $240,290 of the expected credit loss allowance at December 31, 2019 relate to debt securities classified as stage 1, stage 2 and stage 3 respectively.

9. Loans to members

Loans to members are comprised of the following:

	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
Less: provision for impairment	(2,179,338)	(853)	(1,178,493)	(126,551)	(3,485,235)
Add: interest receivable	555,812	114	344,740	62,780	963,446
	81,961,464	59,315	77,532,954	4,557,643	164,111,376

	2018				
	Consumer $	**Computer $**	**Mortgage $**	**Student $**	**Total $**
Performing loans	75,373,900	76,298	68,555,514	3,885,643	147,891,355
Non-performing loans	4,028,216	2,626	300.768	306,192	4,637,802
Gross loans	79,402,116	78,924	68,856,282	4,191,835	152,529,157
Less: provision for impairment	(1,881,927)	(763)	(1,353,203)	(180,687)	(3,416,580)
Add: interest receivable	474,667	130	354,646	71,405	900,848
	77,994,856	78,291	67,857,725	4,082,553	150,013,425

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 8.4% (2018 – 8.7%).

The Credit Union's loans portfolio as at December 31, 2019 are in the following staging categories.

9. Loan to members (cont'd)

	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
Less: ECL allowance	(1,587,806)	(98,894)	(1,798,535)	(3,485,235)
Add: Interest receivable	607,507	26,160	329,779	963,446
	156,912,928	2,293,501	4,904,947	164,111,376

	2018			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Consumer	75,373,900	1,330,980	2,697,236	79,402,116
Computer	76,298	-	2,626	78,924
Mortgage	68,555,514	96,157	204,611	68,856,282
Student	3,885,643	137,615	168,577	4,191,835
Gross loans	147,891,355	1,564,752	3,073,050	152,529,157
Less: ECL allowance	(1,703,111)	(457,473)	(1,255,996)	(3,416,580)
Add: Interest receivable	680,023	32,495	188,330	900,848
	146,868,267	1,139,774	2,005,384	150,013,425

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

	2019				
	Consumer $	Computer $	Mortgage $	Student $	Total $
Balance, beginning of year	1,881,925	764	1,353,204	180,687	3,416,580
Amounts charged/write off	480,416	463	199,521	-	680,400
Expected credit losses	(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

9. Loan to members (cont'd)

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

	2018				
	Consumer $	Computer $	Mortgage $	Student $	Total $
Balance, beginning of year	2,776,814	120	92,675	40,693	2,910,302
Loan impairment expense	(893,553)	644	1,260,529	139,994	507,614
Amount charged/write off	(1,336)	-	-	-	(1,336)
Balance, end of year	1,881,925	764	1,353,204	180,687	3,416,580

10. Right-of-Use Asset

	2019 $	2018 $
Balance as at December 31, 2018	-	-
Impact of IFRS 16	53,744	-
Balance as at January 1, 2018	53,744	-
Additions	521,650	-
	575,394	-
Less Accumulated Depreciation	(164,420)	-
Balance as at December 31, 2019	410,974	-

11. Other assets

	2019 $	2018 $
ATM receivable	93,833	8,904
Rent receivable	20,362	6,253
Prepaid expenses	56,352	63,072
Staff receivables - net	3,241	1,540
Western Union receivable	75,432	34,825
Other	1,112,282	522,635
	1,361,502	637,229

12. Investment properties

	2019 $	2018 $
Carrying value at beginning of year	6,999,992	6,885,734
Addition	351,817	114,258
Gain/(loss) on revaluation	(7,760)	-
Carrying value at end of year	7,344,049	6,999,992

Investment properties comprise property held for rental. Rental income from investment properties amounted to $145,962 (2018: $145,962) and direct operating expenses amounted to $3,804 (2018: $ 848). Fair value loss of $7,760 (2018: $0) has been recognised in other operating (expense) income.

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

The fair value measurement for all of the investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

13. Property, Plant and Equipment

	Land $	Building $	Furniture & Equipment $	Motor Vehicle $	WIP $	Total $
Cost or valuation						
Balance as at January 1, 2018	6,371,681	5,219,884	2,457,202	207,171	-	14,255,938
Additions	-	80,994	134,498	159,507	75,048	450,047
Reclassification from investment property	(105,758)	-	-	-	-	(105,758)
Disposals	-	-	(10,441)	(40,000)	-	(50,441)
Balance as at December 31, 2018	6,265,923	5,300,878	2,581,259	326,678	75,048	14,549,786
Balance as at January 1, 2019						
Cost of valuation	6,265,923	5,300,878	2,581,259	326,678	75,048	14,549,786
Additions	-	2,832	445,446	-	1,579,105	2,027,383
Disposals	-	-	(21,135)	-	-	(21,135)
Balance as at December 31, 2019	6,265,923	5,303,710	3,005,570	326,678	1,654,153	16,556,034
Accumulated depreciation						
Balance as at January 1, 2018	-	145,778	1,901,933	106,867	-	2,154,578
Depreciation for the year	-	132,409	229,206	65,336	-	426,951
Disposals	-	-	(9,460)	(39,999)	-	(49,459)
Balance as at December 31, 2018	-	278,187	2,121,679	132,204	-	2,532,070
Balance as at January 1, 2019	-	278,187	2,121,679	132,204	-	2,532,070
Depreciation for the year	-	132,978	255,966	65,336	-	454,280
Disposals	-	-	(17,420)	-	-	(17,420)
Balance as at December 31, 2019	-	411,165	2,360,225	197,540	-	2,968,930
Net book value						
As at December 31, 2018	6,265,923	5,022,691	459,580	194,474	75,048	12,017,716
As at December 31, 2019	6,265,923	4,892,545	645,345	129,138	1,654,153	13,587,104

14. Other Payables

	2019 $	2018 $
Accrued expenses	408,826	479,730
ATM payable	1,005,844	179,514
Due to COMFI	282,201	282,201
Vacation payable	112,037	-
Pension payable	452,590	232,902
Member's Insurance deposit payable	594,383	668,245
Trade and other payables	464,897	366,531
Sub total	3,320,778	2,209,123

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 $ 971,786 (2018: $869,246). The deposit earns interest at the rate of 2% per annum.

16. Lease Liability

	2019 $	2018 $
Balance as at December 31, 2018	-	-
Impact of IFRS 16	48,825	-
Balance as at January 1, 2018	48,825	-
Additions	521,650	-
	570,475	-
Less Lease Liability Payment	(122,534)	-
Balance as at December 31, 2019	447,941	-

	2019 $	2018 $
Non-Current	145,908	-
Current	302,033	-
	447,941	-

17. Members' deposits

	2019 $	2018 $
Term deposits	61,016,909	58,334,472
Saving deposits	67,757,161	58,160,553
	128,774,070	116,495,025
Interest payable on term deposits	929,581	899,532
	129,703,651	117,394,557

18. Members' ordinary savings

	2019 $	2018 $
Members' ordinary shares	105,276,893	95,882,236
Interest payable on member share savings	1,948,890	1,551,810
	107,225,783	97,434,046

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

19. Share capital

	2019 $	2018 $
Qualifying shares		
Authorised number of shares of $1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance – beginning of year	3,717,415	3,527,120
Issued during the year	201,440	259,100
Repurchased during the year	(23,855)	(68,805)
	3,895,000	3,717,415

	2019 $	2018 $
Equity shares		
Authorised number of shares of $1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance – beginning of year	24,602,127	22,136,881
Issued during the year	2,810,883	2,955,588
Repurchased during the year	(530,287)	(490,272)
Balance – end of year	26,882,723	24,602,127
Total Share Capital	30,773,723	28,319,542

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.

20. Statutory reserve (cont'd)

	2019 $	2018 $
Balance – beginning of year	5,538,695	4,246,318
Entrance fees received in current year	1,599	1,757
Appropriation of statutory reserve	1,658,449	1,290,620
Balance – end of year	7,198,743	5,538,695

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.

	2019 $	2018 $
Balance – beginning of year	1,581,298	1,267,092
Contribution received	531,260	510,820
Benefits paid	(235,184)	(196,614)
Balance – end of year	1,877,374	1,581,298

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.

	2019 $	2018 $
Balance – beginning of year	30,000	60,000
Payment to National League	(30,000)	(60,000)
Annual transfer of profits	30,000	30,000
Balance – end of year	30,000	30,000

23. Investment income

	2019 $	2018 $
Interest on savings account	476,287	370,837
Interest on investments	1,684,297	1,262,237
Dividend income	24,276	42,307
	2,184,860	1,675,381

24. Expected credit losses

	2019 $	2018 $
Loans and advances and undrawn loan commitments	(749,054)	-
Financial investments	(572,527)	(65,698)
Recoveries	704,046	136,875
	(617,535)	71,177

25. Operating expenses

	2019 $	2018 $
Advertising	250,622	178,843
ATM card embossing cost	7,013	3,755
Audit fee	73,080	73,080
Bank charges	126,238	67,130
Board and committee expenses	168,295	161,826
Credit Union week	14,075	12,950
Cleaning expenses	43,560	11,755
Depreciation	454,280	426,951
Depreciation - Right -of -use assets	164,420	-
Donations	54,046	69,637
Education and promotion	44,496	34,423
Electricity	141,386	136,062
General insurance	125,610	120,275
Georgetown branch expenses	90,185	93,822
Grenadines branches expenses	181,748	204,224
Heritage month expenses	650	850
Honorarium	9,600	9,600
Insurance on members' shares and loans	1,128,460	992,988
League dues	152,861	146,024
Lease interest	8,104	-
Licensing fees	117,745	85,186
Meeting expenses	92,457	86,979
Miscellaneous expenses	16,144	9,551
Motor vehicle expense	23,794	27,972
Office expenses	93,818	95,447
Professional fees	162,351	35,695
Property tax	21,940	14,292
Rent	27,000	162,057
Repairs and maintenance	153,246	134,664
Security	145,501	146,902
Social events	117,729	75,227
Social assistance expense	3,350	3,500
School co-operative expense	17,235	7,004
Scholarships	210,644	156,462
South Rivers branch expense	63,198	61,796
Stationery, postage and office supplies	97,020	99,907
Subscriptions and membership dues	9,904	7,204
Telephone and Internet	168,582	168,001
Water and sewerage	24,104	28,348
Convention and summit	140,062	131,087
	4,944,553	4,281,476

26. Staff costs

	2019 $	2018 $
Education assistance	1,944	972
Group medical insurance	122,374	97,522
Holiday grant	10,000	-
Housing allowance	4,800	4,800
Pension	335,366	308,303
National Insurance contributions	113,969	101,065
Salaries, wages and bonus	2,954,020	2,517,647
Staff training	118,645	52,594
Travel and entertainment allowances	111,857	81,978
Uniforms	46,216	44,292
	3,819,191	3,209,173
Number of employees as of reporting date	66	59

27. Other operating income/(expenses)

	2019 $	2018 $
Commission income	57,472	56,393
Gain/(Loss) on disposal of property	(14,702)	8,867
Income on death benefit plan – net (Note 28)	296,179	394,775
Rental income	145,962	145,962
Gain/(loss) on revaluation of investment properties (Note 12)	(7,760)	-
Loan processing fee	509,995	478,451
Security processing fees	219,786	-
Other income	69,009	60,166
	1,275,941	1,144,614

28. Income on death benefit plan – net

	2019 $	2018 $
Members' death benefit contributions during the year	995,590	981,010
Death benefit claims paid during the year	(699,411)	(586,235)
	296,179	394,775

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).

	2019 $	2018 $
Loans		
Directors and volunteers	4,119,687	3,541,702
Staff	7,763,390	7,259,829
	11,883,077	10,801,531

	2019 $	2018 $
Deposits		
Directors and volunteers	1,331,996	1,025,923
Staff	1,816,343	1,134,749
	3,148,339	2,160,672

b. Key management compensation

	2019 $	2018 $
Salaries	726,915	704,982
National Insurance Services	20,082	17,159
Board honorarium	9,600	9,600
Board and committee allowance	168,295	161,826
	924,892	893,567

31. Commitments

a. Capital commitments

As of reporting date, the Credit Union is committed to capital expenditure contacts amounting to approximately $1,229,067 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
	983,450

b. Loan commitments

Loan commitments in respect of undisclosed loans as at December 31, 2019 amounted to $2,980,426 (2018: $3,427,094)

32. Events after balance sheet date

Since 31 December 2019, the spread of COVID-19 has severely affected many members and local economies. In many countries, businesses are being forced to limit operations for extended or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services, have triggered significant disruptions to businesses resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant weakening.

As of August 2020, the Credit Union has experienced a reduction in monthly loan requests, new membership, and revenue. Subsequent to 31 December 2019, there was an increase in member's delinquency to 14.12% as of August 2020. We also took on some additional costs to maintain COVID19 social distancing efforts, sanitization protocols, and other transmission prevention measures. The Credit Union, under the guidance of the FSA, combatted the negative impact the pandemic on member's ability to service loans via the introduction of a "Loan Payment Moratorium." Under this facility, affected members were encouraged to apply for deferral loan payment for a three to six month period. The value of loans approved for the moratorium, up to August 2020, valued $22.7 million.

The Credit Union carried out scenario-based stress testing on its liquidity, and have managed to maintain a strong liquidity position (33-35%) up to August 2020. Although there was a short period of reduced opening hours and employment of a shift system, the Credit Union has maintained its workforce position and has subsequently re-established regular operational hours. As of August 2020, the Credit Union did not experience any default or evidence of a significant increase in the risk of default of any money market security held.

The duration and impact of the COVID-19 pandemic and the effectiveness of government, regulators, and internal responses remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company. The Credit Union has determined that these events are non-adjusting subsequent events and do not present a significant doubt about the Credit Union's ability to continue as a going concern. Accordingly, the financial position and results of operations and the year ended 31 December 2019 have not been adjusted to reflect their impact.

THE CREDIT COMMITTEE'S REPORT
To the 54th Annual General Meeting

1. INTRODUCTION

It is the privilege of the Credit Committee to present the report for the financial year ended December, 2019.

1.1 Bro. Renato Gumbs, Sis. Janice King and Sis. Gemma Mc Cree continued to serve on the Credit Committee for the year 2019. At the 53rd Annual General Meeting, Bro. Cecil Jackson and Sis. Velda Gumbs were elected to serve for a three-year term. However, Sis. Velda Gumbs was deemed, not eligible to serve by the Financial Services Authority because she had a sibling on the same committee. The next member who obtained the most votes was Bro. Lukeano King who was also deemed not eligible also because of a sibling serving on the Board of Directors. As a result, Sis. Vestricia Llewellyn Richards was the next nominee most deemed eligible to serve for a three-year term. The composition of the 2019/2020 Credit Committee is as follows:

- Bro. Renato Gumbs - Chairman
- Sis. Janice King - Vice Chairman
- Sis. Gemma Mc Cree - Secretary
- Sis. Vestricia Llewellyn-Richards - Member
- Bro. Cecil Jackson - Member

2. MEETINGS AND ATTENDANCE

2.1 For the calendar year 2019, a total of fifty-seven (57) regular meetings were convened.

2.2 The committee's attendance record was as follows:

		2019
Bro. Michael Sayers	Jan-Jul	29
Bro. Linus Goodluck	Jan-Jul	31
Bro. Renato Gumbs	Jan-Dec	53
Sis. Janice King	Jan-Dec	53
Sis. Gemma Mc Cree	Jan-Dec	55
Sis. Vestricia Llewellyn-Richards	Sept-Dec	16
Bro. Cecil Jackson	Jul-Dec	22

2.3 A total of eighty-three (83) interviews were conducted for loans applications, forty-six (46) of which included the members' contractors.

2.4 Members of the Credit Committee as well as in-house staff, conducted forty (40) site visits to three hundred and ninety (390) properties for which loan applications were submitted for purchase, or offered as security in order to assess suitability. Site visits were also made to ongoing projects.

3. 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;
- Participate in relevant training sessions and meetings;
- Conduct site visits;
- Conduct interviews where necessary;

4. LOAN REVIEW AND DISBURSEMENT

4.1 GECCU continues to offer innovative loan products such as the Credit Repair Loan in an effort to aid members in increasing their disposable income. The committee also provides financial counselling, and assists members in the restructuring of loans.

4.2 Compared to the year 2018, both the number and value of loans processed decreased by 1.8% and 5.3% respectively as summarized in the table below.

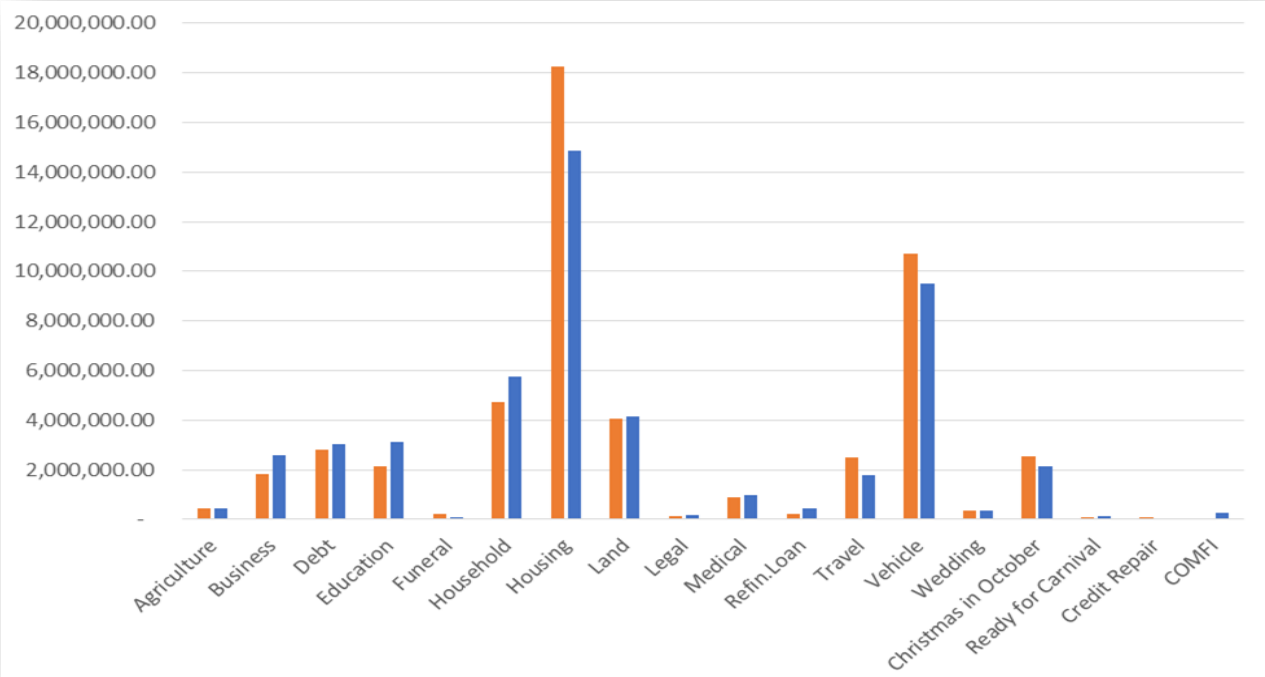
	2019				2018	
Particulars	No.	Value ($)	No.	**Value ($)**	**No.**	**Value**
Total loan applications processed	8196	61,347,405	8344	64,771,683	-1.8	-5.3
Total loan applications approved	8167	55,827,368	8307	56,887,543	-1.7	-1.9
Total loan applications deferred	17	3,249,479	23	5,209,679	-26.1	-37.6
Total loan applications not approved	12	2,270,558	14	2,674,461	-14.29	-15.1
Total loans disbursed	8131	51,984,262	8261	49,926,221	-1.6	4.1
Total loans approved but not yet disbursed	36	3,843,106	46	6,930,322	-21.7	-44.5

4.3

	JAN-DEC 2019			JAN-DEC 2018			% change (Value)
Type	No. of Loans	**Amount ($)**	% of Total Loan Value	No. of Loans	**Amount ($)**	% of Total Loan Value	
Agriculture	136	438,892.00	0.84	139	463,030.00	0.93	-5
Business	290	1,806,021.00	3.47	251	2,598,875.00	5.21	-31
Debt	694	2,805,309.00	5.40	682	3,050,221.00	6.11	-8
Education	574	2,154,647.00	4.14	693	3,141,953.00	6.29	-31
Funeral	48	231,004.00	0.44	41	85,275.00	0.17	171
Household	2487	4,717,808.00	9.08	2786	5,763,639.00	11.54	-18
Housing	917	18,250,291.00	35.11	938	14,862,360.00	29.77	23
Land	65	4,072,386.00	7.83	73	4,130,714.00	8.27	-1
Legal	43	136,308.00	0.26	67	194,140.00	0.39	-30
Medical	442	909,258.00	1.75	399	984,356.00	1.97	-8
Refin.Loan	23	204,582.00	0.39	42	425,091.00	0.85	-52
Travel	580	2,473,670.00	4.76	410	1,775,228.00	3.56	39
Vehicle	989	10,729,088.00	20.64	978	9,521,968.00	19.07	13
Wedding	65	358,669.00	0.69	74	368,887.00	0.74	-3
Christmas in October	747	2,521,530.00	4.85	593	2,117,545.00	4.24	19
Ready for Carnival	26	68,150.00	0.13	51	130,947.00	0.26	-48
Credit Repair	5	106,649.00	0.21	5	34,532.00	0.07	209
COMFI			0.00	39	277,460.00		
Total	**8131**	**51,984,262.00**	**100**	**8261**	**49,926,221.00**	**100**	

4.3.1 Overall, while the number of loans disbursed decreased, the value of the loans increased by approximately $2 million representing a 5.6% increase. This, once more exceeds the committee's target of $50 million. It is noteworthy that value of loans disbursed for housing increased by approximately $4 million, which is as a result of the increase in the request for loans for construction by members.

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



5.0. MORTGAGE FINANCING PROGRAM (MFP)

5.1 The total value of the mortgage (housing) portfolio stood at $81,505,019 as at 31st December 2019, representing 48.9% of the total loan portfolio of the organization.

5.2 For the period under review, a total of 61 mortgages were approved, which amounted to $14,375,152.00. This represents a 17.9 percent decrease in monetary value. Loans for housing purposes accounted for 35 percent of approved loans by value.

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

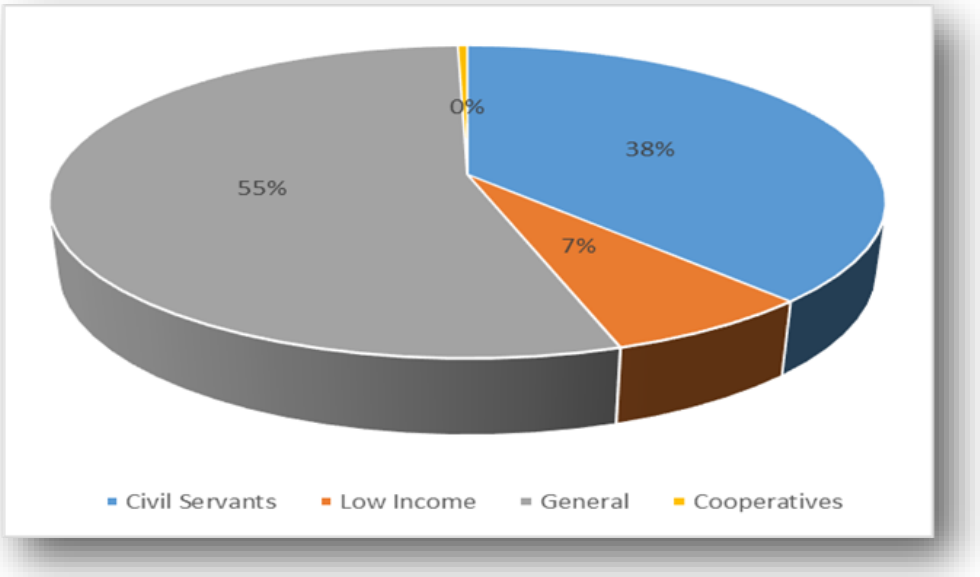
5.4 The table below shows the number and the value of the mortgage portfolio for the year 2019 in comparison to the year 2018.

Table 3: Mortgage portfolio by Category

	2019			2018		
Category	**No. of Loans**	**Value ($)**	**% of Total Loan Value**	**No. of Loans**	**Value ($)**	**% of Total Loan Value**
Civil Servants	174	28,097,270	34%	175	26,861,065	37%
Low Income	31	2,189,824	3%	32	2,487,581	3%
General	293	48,079,613	59%	251	39,508,687	54%
Cooperatives	2	3,138,312	4%	2	3,843,584	5%
Total	**500**	**81,505,019**	**100**	**460**	**72,700,917**	**100**

5.4.1 The distribution of the mortgage portfolio for the fiscal year 2019 is presented in the pie chart below.

Graph 2: Mortgage portfolio by Category



6. 0 Delinquency Status

The delinquency rate continues to decline. In 2019 the delinquency rate decreased by 0.12% from 5.78% to 5.66% which is a testament to the continued hard work and collaboration of the Loans department and the Recoveries and Credit Committees.

7.0 Conclusion

The members continue to display confidence in the ability of the Credit Union to meet their diverse needs. This is evident by the performance of the organization in 2019. Despite the challenging times the delinquency rate has been reasonably managed resulting in a slight decrease compared to the previous year. For this, volunteers and the members must be commended.

The Credit Union has once again exceeded its budgeted target regarding loan disbursements which is testimony to the confidence the membership continues to have in the organization. The committee is however cognizant of the growing competiveness of the market and would continues to seek new ways of assisting members while ensuring that the loan portfolio remains within acceptable standards.

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-Clarke
Secretary

SUPERVISORY & COMPLIANCE COMMITTEE'S REPORT
To the 54th Annual General Meeting

1.0 INTRODUCTION

1.1 The Supervisory and Compliance Committee is pleased to present its annual report for the year ended December 31st 2019.

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, Bye-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 53rd Annual General Meeting, Sis Gatlin Roberts and Bro Devonte Peters were elected to serve a period of three (3) years each. However, Bro. Devonte Peters was deemed, not eligible to serve by the Financial Services Authority because his father is serving on the Board of Directors. As a result, Sis. Yolande Barbour was the next nominee most deemed to serve for the three-year term.

2.2 The other members of the Committee were:

- Sis Ena Walters
- Sis Timora Peters
- Bro Micah Cumberbatch

2.3 At the first meeting after the AGM, Sis Ena Walters 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 each month as obtained previously.

2.4 Attendance at meetings held during the year were as follows:

	2019	
•Sis Anika Stapleton	Jan-Jul	8
•Sis Ena Walters	Jan-Dec	17
•Sis Timora Peters	Jan-Dec	19
•Bro Micah Cumberbatch	Jan-Dec	15
•Sis Gatlin Roberts	Jan-Dec	17
•Bro Yolande Barbour	Jul-Dec	10

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

3.0 SCOPE OF WORK

3.1 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 are as follows:

- Peruse contractual documents including leases, licenses and insurance policies;
- Monitor the effectiveness of safeguards to protect members' investments;
- Perform tests on VAT, NIS and PAYE remittances;
- Review of Death Benefits, GECCU MED and CUNA;
- Examination of disbursements/expenditure;
- Review status of projects;
- Bank Reconciliation;
- Accounting Report and PEARLS Ratio;
- New Loan Product;
- Sub Office visits;
- Review of minutes of the Board of Directors and other Committees;
- Review of Management Letter.

4.0 SUB OFFICE OPERATIONS

4.1 Visits were made to various branches of GECCU's Sub Offices to ensure adherence to the policies, that the working conditions were conducive and that controls were in place. With the exception of Union Island where there were some concerns which were subsequently addressed by management, the committee found that they were compliant with the policies and procedures.

5.0 REPORTING REQUIREMENTS/GOVERNANCE

5.1 The Committee continued its review of the minutes and reports of the Board of Directors, committees and departments in ensuring that all parties were in compliance with their reporting obligations. It was found that a number of the minutes and reports were not on file. This was drawn to the attention of the defaulting committees with workable solutions.

6.0 LOANS & DELINQUENCY

6.1 The Committee continues to be concerned that the delinquency rate is in excess of the stipulated 5%, bench mark. However, the efforts of the Credit Union must be applauded in reducing the same over the reporting period in spite of the many challenges.

7.0 SCHOLARSHIPS AND BURSARIES

7.1 The Committee reviewed the criteria and applications for the award 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

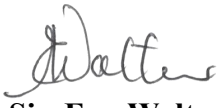
8.1 Since highlighting this area of concern at the AGM in 2017, the committee is pleased to report that efforts to address the situation has moved from drills and disaster training for staff and volunteers to having a comprehensive disaster plan**.**

9.0 COMMENDATIONS

9.1 The management and staff of GECCU must be commended for awarding an increased number of university scholarships in 2019 as part of the 55th anniversary celebrations. During the year, the staffing capacity was enhanced which not only increased staffing, but added to the skill set of the organization. Special mention must be made of the engagement of an in-house lawyer which would result in the reduction of legal costs to members while at the same time expedite cases.

10.0 ACKNOWLEDGEMENT

10.1 The Supervisory and Compliance Committee is 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. We would also like to thank the Board of Directors, Committees and Staff for their continued cooperation which allowed us to carry out our task with relative ease.



Sis. Ena Walters
Chairperson



Sis. Gatlin Roberts
Secretary

EDUCATION COMMITTEE'S REPORT
To the 54th Annual General Meeting

1. INTRODUCTION

1.1 The Education Committee continues to work closely with the Marketing Department to achieve GECCU's objectives. The following volunteers and staff of that department comprised the membership of the committee for the period under review:

- 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
- Sis. Kimberley Cambridge
- Sis. Jo-ann Providence-Harris
- Bro. Keith O'Neil
- Sis. Danny-Lee Francis - Staff
- Bro. Tehani Cato - Staff

1.2 The committee's first meeting was convened on August 9, 2019 and the following persons were elected to the named positions:

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

2. MEETINGS

2.1 The regular meeting day of the committee is the second Monday in each month. Additional meetings are convened whenever the need arises.

3. STRATEGIC OBJECTIVES

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

- To maintain and heighten our quality of service delivery
- To enhance the brand and marketing function of GECCU
- To strengthen the movement nationally, regionally and internationally.
- To expand the range of services, provide new ones and improve access to GECCU services
- To enhance our community engagement.
- To coordinate all activities to commemorate GECCU's 55th Anniversary

4. ACCOMPLISHMENTS

4.1 To maintain and heighten our quality of service delivery

- A training session was conducted for staff at the Canouan sub-office on the topic 'Fundamentals of Marketing'. Areas of emphasis included the capitalization of marketing opportunities on Canouan and the use and benefits of social media in marketing.

4.2 To enhance the brand and marketing function of GECCU

- Visits were made to thirty (30) GECCU-sponsored school cooperatives across St. Vincent and the Grenadines during the month of January 2019.

- Meetings were held with Teacher Guides and principals of GECCU-sponsored schools in January 2019 to discuss issues germane to the school cooperative programme and to devise strategies for the programme's continued success.

- GECCU part-sponsored a concert hosted by the internationally acclaimed 'The Melisizwe Brothers' on February 2, 2019 at the Russell's Auditorium. The trio's meet and greet sessions, which were held on January 23 and 26, 2019, respectively at Pembroke Vines and Backyard Adventures, were attended by two (2) Education Committee members.

- The GECCU-sponsored sign at the Botanical Gardens was refurbished to coincide with the March 20, 2019 Royal Visit of Prince Charles and Lady Camilla Parker-Bowles.

- GECCU sponsored the Empowerment Campaign of the 2019 Miss SVG Pageant. The theme of the campaign was 'No Excuse for Child Sexual Abuse'. As the sponsor of the campaign, GECCU was accorded the privilege of having the pageant's contestants promote the institution. Additionally, GECCU was featured on all 'Vincy Mas' and Miss SVG promotional material.

- GECCU was again a major sponsor of the STEM (Science, Technology, Engineering and Mathematics) summer programme. The programme ran for five (5) weeks and culminated on August 9, 2019 with a closing ceremony at the Methodist Church Hall.

- The annual GECCU Youth Leadership Symposium was held on August 27 and 28, 2019 at the Anglican Pastoral Centre. The theme for the symposium was 'Live Purposefully, Embrace Creativity'. Miss Odini Sutherland, a former GECCU scholarship awardee, delivered the feature address. The highlights of the symposium were a debate on the topic 'Social Media Influencers' and a discussion on 'The Legal Repercussions of Slander by Online Users'.

- GECCU partnered with the Eastern Caribbean Central Bank in the hosting of the bank's annual mentorship programme. Grades 4 and 5 students of the CW Prescod Primary School were educated about money and the importance of money management. Topics covered in the programme included money and its definition, the identification of the various forms of money and the ways in which money can be attained.

- GECCU was represented at the Schools' Cooperative Awards Ceremony which was held on November 6, 2019 at the Russell's Auditorium. The 40th anniversary of the formation of schools' cooperatives was highlighted at the ceremony. For the fourth consecutive year, Georgetown Government School, a GECCU-sponsored institution, was adjudged the top school cooperative.

4.3 To strengthen the movement nationally, regionally and internationally

- A presentation on 'The Benefits of Joining a Credit Union' was delivered at the North Union Learning Resource Centre to forty-four (44) employees of the Forestry Division March 5th 2019.

- A presentation on the 'The Benefits of Joining a Credit Union' was delivered to staff at the Modern Medical Diagnostic Complex at Georgetown on April 25th 2019.

- Twenty-three (23) persons participated in the annual volunteerism training which was held at the GECCU Boardroom on April 25, 2019. Topics covered included the principles of credit unionism, the benefits of becoming a volunteer and the requirements for becoming a volunteer.

- A training session was conducted for Liaison Officers at the GECCU Board room on June 13, 2019.

- At the request of the Ministry of National Mobilization, a training session on 'Budgeting, Finance and Savings' was hosted for young mothers on November 27, 2019 at the Fisheries Conference Room.

- GECCU continued its collaboration with the Eastern Caribbean Central Bank's local agency to celebrate Financial Information Month. The focus was on insurance and planning for uncertainty. The theme for the month was 'Plan for uncertainty, Make Insurance a Priority'.

- To celebrate the 40th anniversary of the Schools' Cooperative Programme, the Marketing Department, along with representatives from the Cooperative Department, visited three (3) schools which have thriving agri-businesses – New Adelphi Secondary School, West St. George Secondary School and the Stubbs Government School.

- The Bequia Education Sub-committee, with assistance from the Education Committee, was reactivated on December 5th, 2019 after being dormant for ten (10) years.

- The ongoing development works at the South Rivers River 14 Project were documented.

- The annual Schools' Co-operative Christmas Party was hosted at the Georgetown Government School on December 12th, 2019.

4.4 To enhance our community engagement

- The joint sport meet of the St. Vincent Girls' igh high School was High School and the St. Vincent Grammar School, which was held on February 13th, 2019 at the Arnos Vale Sporting Complex, was sponsored by GECCU for the sixth consecutive year.

- GECCU sponsored the Playaz Basketball Youth Academy's summer programme which was held during the month of August 2019. Forty (40) children between the ages of six (6) and seventeen (17) years participated in the programme.

- For a second time, GECCU sponsored the Owia Sports and Cultural Organisation's (OSCO) annual T-20 cricket tournament. The competition, which ran for six (6) weeks, officially opened on March 31st, 2019 and culminated on September 29th 2019.

- A community consultation was hosted in collaboration with the steering committee of the River 14 Project on November 7th, 2019 at South Rivers. The objective of the consultation was to inform residents of the community about the opportunities for employment which would become available upon completion of the project.

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

- GECCU continues to maximize the use of its online marketing platform – Facebook, Twitter and Instagram. Through these channels, the online audience is able to receive up-to-date information on products and services.

- Facebook continues to be a very effective platform for reaching members. With an increase in the use of Facebook advertising, GECCU has expanded its influence to persons on that social media platform. As a result, views, engagements and clicks have all increased, in comparison to the same period in 2018. GECCU's reach for 2019 stood at 1.9 million persons.

	FACEBOOK 2018	FACEBOOK 2019
REACH	**589.5K**	**1.9M**
VIEWS	**3,505**	**7,287**
ENGAGED	**13,405**	**38,900**
CLICKS	**15,001**	**34,360**
LIKES	**804**	**708**

INSTAGRAM 2019	
PHOTOS	47
FOLLOWERS	1280
FOLLOWING	725

- Statistics show that there has been an increase in the total number of visits to GECCU's website, when compared to the same period in 2018. The website is the most utilized platform for our members and the general public and as such, efforts are made to ensure that its content is updated in a timely manner.

WEBSITE REPORT		
	2018	2019
Unique Visitors	29,657	34,584
No of Visits	55,827	71,388
Pages	176,161	198,582

4.6 To coordinate all activities to commemorate GECCU's 55th Anniversary

- The Education Committee was entrusted with the responsibility of organising the 55th Anniversary commemorative activities of GECCU. The following activities were executed:
- A fun walk was held on National Heroes' Day, March 14th. The walk commenced at 5:30 a.m. and took the route of Heritage Square to Fort Charlotte and back to Heritage Square.

- A schools' essay competition, which accepted entries from the beginning of February to March 29th, 2019, was held for students of primary and secondary schools throughout St. Vincent and the Grenadines. The topic selected for the primary competition was: 'What can be done to make the Schools' Cooperative Programme more appealing to students?'. The topic for the secondary competition was: 'As GECCU celebrates its 55th anniversary, it is believed that credit unions have lost their relevance to youth in the 21st century. Discuss'. The following are the names of the students who emerged as winners in their respective categories:

PRIMARY CATEGORY			SECONDARY CATEGORY		
Position	Name	Institution	Position	Name	Institution
1st	Jadon A. X. Fraser	Kingstown Preparatory School	1st	Johnolia John	St. Vincent Girls' High School
2nd	Raheim R. John	Brighton Methodist School	2nd	Rondell Davis	St. Martin's Secondary School
3rd	Kate-Lynn Bobb	Stubbs Gov-ernment School	3rd	Michael Bess	Thomas Saunders Secondary School

- A 55th Anniversary Dinner and Awards Ceremony was held at the Spring Garden Resort at Spring Estate on June 29th, 2019 under the theme 'Emerald Sparkle'. Twenty-nine awards were distributed to staff and ten (10) special awards were given to volunteers who made contributions to the cooperative movement over the years.

- A 55th Anniversary Commemorative Magazine was produced by the Anniversary Committee. Featured in the mini magazine were remarks from members of the Board of Directors of GECCU and the chairman of the Education Committee/55th Anniversary Committee.

- A prize giving ceremony was hosted at the National Insurance Services on October 2nd, 2019 to award prizes to winners in the 55th anniversary primary and secondary school essay competition as well as the eleven (11) recipients of GECCU's 55th Anniversary bursaries. Each bursary was valued at $5,000.00.

- A Members' Appreciation Day was hosted at all GECCU branches on October 17th, 2019. Members and the general public were treated to free blood pressure checks and sugar testing. Paraphernalia and snacks were also distributed.

- A 2020 desktop calendar which featured GECCU's 55 year history, including current projects and initiatives being undertaken by the institution, was produced by the Education Committee/55th Anniversary Committee.

5. CONCLUSION

The Education Committee would like to extend its appreciation to the Board of Directors for giving us the opportunity to serve the institution of first choice in St. Vincent and the Grenadines. We would like to extend our gratitude to the staff of the Marketing Department for their continued support. We look forward to working with you as we continue to 'put our members first'.

Bro. Clarence Harry
Chairperson

Sis. Velda Gumbs
Secretary

SERVING OFFICERS 2019/2020

BOARD OF DIRECTORS

*Bro. Harold Lewis	-	President
Bro. Brian Alexander	-	Vice President
Bro. Hugh Colin Sam	-	Secretary
Sis. Cecelia J. Williams	-	Treasurer
Sis. Kimberley Cambridge	-	Director
*Bro. Aubrey Burgin	-	Director
*Bro. Gary Matthias	-	Director
Bro. Clarence Harry	-	Director

CREDIT COMMITTEE

Bro. Renato Gumbs	-	Chairperson
*Sis. Janice King	-	Member
Sis. Gemma Mc Cree-Clarke	-	Member
Bro. Cecil Jackson	-	Member
Sis. Vestricia Llewellyn-Richards	-	Member

SUPERVISORY & COMPLIANCE COMMITTEE

*Sis. Ena Walters	-	Chairperson
Sis. Gatlin Roberts	-	Secretary
Sis. Yolanda Barbour	-	Member
Sis. Timora Peters	-	Member
Bro. Micah Cumberbatch	-	Member

(*) Indicates members due to retire at this meeting

NOTES

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info@geccu.com

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Bequia

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Canouan

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Union Island

Clifton
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Keeping Our Promises To You!

VISIT OUR WEBSITE

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