



GECCU LTD

General Employees' Co-operative Credit Union Limited

REPORTS & ACCOUNTS 2021

3:00 p.m.

Thursday June 30th, 2022

Russell's Auditorium

56TH ANNUAL GENERAL — MEETING —

THEME: IMPROVISE, ADAPT, OVERCOME

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
**56th ANNUAL GENERAL MEETING
GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)**

NOTICE/AGENDA OF THE 56th ANNUAL GENERAL MEETING

Dear Member,

Notice is hereby given that the 56th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Thursday 30th June, 2022 at the Russells Auditorium, Stoney Grounds commencing at 3:00 p.m. The meeting will also be held virtual via the Zoom platform.

AGENDA

OPENING SESSION

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

CLOSED SESSION

Ascertainment of Quorum

Minutes of the 55th Annual General Meeting

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. Linus Goodluck
Secretary
Board of Directors



Standing Orders

of the
56th ANNUAL GENERAL MEETING
of the
**GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)**

STANDING ORDERS

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



Corporate Profile
to the
56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)

CORPORATE PROFILE

55TH BOARD OF DIRECTORS



MICHAEL SAYERS
VICE PRESIDENT

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



CECELIA J WILLIAMS
PRESIDENT

FCCA, MAAT
Certificate in BA



H. COLIN SAM
TREASURER

B.Ed.,
MSc.in Educational Sciences



GARY MATTHIAS
DIRECTOR

FCCA, CPA, ICFA, MBA, ICUDE



Linus Goodluck
SECRETARY

Dip.in Management Studies



F. Clarence Harry
DIRECTOR

MSc in Economics
BSc. in Business Administration



JEROLD JACKSON
DIRECTOR
ACCA



PHIMLORE ISAACS
DIRECTOR

MSc. Technology of Crop Production
BSc. Botany & Geography



MERIAH SAMUEL
DIRECTOR

BSc. Management Studies
(Minor Economics)

Post Grad Diploma in
Secondary Education

CORPORATE PROFILE

CREDIT COMMITTEE

Dougal Allen	BSc. in Information Technology
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
Dimitri Allen	Bsc. in Architecture

SUPERVISORY & COMPLIANCE COMMITTEE

Yolande Barbour	BSc in Accounting ACCA
Gatlin Roberts	BSc Accounting Certificate in Official Statistics
Louisa James	MSc. Management Studies
Joleen Doyle	MSc Global Tourism and Management, BSc in Accounting
Marcelle Burgin	Graduate Teacher

MANAGEMENT

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



President's Message
to the
56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED (GECCU)

PRESIDENT'S MESSAGE

To the 56th Annual General Meeting



Cecelia J. Williams
PRESIDENT

Brothers and sisters of the GECCU family, fellow co-operators, and other stakeholders, it is indeed an honour for me as president of this noble organisation to address you at this our 56th AGM. Truly, we must thank Almighty God for his continued guidance and protection upon us during these trying times.

Whilst 2021 persisted with challenges and extraordinary issues brought on by the Covid-19 pandemic, the eruptions at La Soufriere and the passage of hurricane Elsa, we learned many valuable lessons about the importance to GECCU in the life of our members from resolving issues associated with these shocks. The theme for this 56th AGM: **“Improvise, Adapt, Overcome”** speaks to the resilience of our institution in responding to the many challenges posed over the past. It also highlights the monumental effort by all involved (Board of Directors (management, staff and volunteers) in running the organisation, to ensure we emerged as a financially sound Credit Union with a solid foundation to engage the future.

Our people and our service reside in the heart of GECCU. People helping people is truly our mission. With every interaction you have at GECCU, we want you to experience the trusted advisor relationship and realize the benefits of being part of a member-owned, member-led organisation. GECCU is the strategic partner that our members see as an asset to achieve their goal.

We accomplished a great deal over the review period, as will be shown in the various reports that will be presented later. I want to highlight some of those that I considered to be key ones:

- Our River 14 Recreational facility was completed and is now open to all Vincentians and visitors to SVG;
- We have completed our 5-year strategic plan (2021 - 2025) which will guide our activities;
- We continued to ease the burden with the loan moratorium to members;
- GECCU sponsored the Ladder Foundation Spelling B Inaugural Competition for primary schools;
- The Peter's Hope project is a work in progress;
- GECCU collaborated with the ECCB in the implementation of the D-Cash Pilot Project in St. Vincent and the Grenadines;
- Our scholarship holders continued to achieve academic excellence and one student was awarded one of Island Scholarships for 2021.
- We executed a project to rehabilitate the Old Bounty building to address structural issues.
- We spent over \$200,000 in various financial and social initiatives to assist our members who were negatively impacted by the shocks mentioned above.

We bade farewell to an outstanding member of staff in 2021. Sis. Gertrude Jacobs retired after 22 years of dedicated service. The BOD, management, and staff wish her good health and prosperity throughout the years ahead. She has been replaced by Bro. Julian Ivo Joslyn as head of the Loans Department. Sis. Karen Mulraine now heads the Internal Audit Department.

I am pleased to report the following financial achievements that were realized as at December 31, 2021:

- Gross Loans totaling \$17.8 million
- Net Surplus of \$3.1 million
- Assets totaling \$351.0 million
- Cash Reserves totaling \$82.9 million
- Member Equity Share Capital \$53.8 million

Amidst the rapid changes throughout the spheres of our lives, GECCU is committed to consistently deliver exceptional value and service to our members. In our operations, we continue to prudently manage risk across the business. Our management team demonstrates strong leadership and staff is committed to serve with distinction, as our volunteers share their experience and freely give their invaluable time.

I am delighted to mention that the recent Customer Service Survey indicates improvement in GECCU's customer service.

Today, Bro. Clarence Harry retires as a member of BODs after serving for 6 years, while Bro. Linus Goodluck completes his first 3-year term. Sis. Kimberley Cambridge proceeded on study leave overseas having served 2 years. In accordance with the mandate of the Financial Services Authority, Bro. Meriah Samuel was elected to serve one year to complete Sis. Kimberley Cambridge's terms. Like Bro Goodluck, he is also eligible for re-election at this AGM. We thank Bro. Harry and Sis. Cambridge for their sterling contributions to GECCU during the years they served as directors. Many thanks also to Bros. Goodluck and Samuel for their valued contributions during their first term.

In closing, I wish as President, to sincerely thank the Board of Directors , staff, volunteers and members of GECCU for the confidence you have placed in me. The experience gained will go a very long way, as we work together to make a meaningful contribution to the financial and economic development of our blessed land. In charting this sustainable and secure coast of GECCU, we will endeavour to do so in honour of the legacy of our founding fathers.

May we have a very successful 56th AGM and may Almighty God continue to bless our beloved Credit Union and St. Vincent and The Grenadines. I thank you.



Cecelia J. Williams - President



Minutes

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

MINUTES OF THE 55th ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU) HELD VIRTUALLY VIA ZOOM ON THURSDAY 14TH OCTOBER 2021 AT 3:00 PM

OPENING SESSION

PRESENT:	Sis. Cecelia J. Williams	-	President
	Bro. Brian Alexander	-	Vice President
	Bro. F. Clarence Harry	-	Treasurer
	Bro. H. Colin Sam	-	Secretary
	Bro. Linus Goodluck	-	Director
	Sis. Kimberley Cambridge	-	Director
	Bro. Michael Sayers	-	Director
	Bro. Jerold Jackson	-	Director
	Bro. Gary Matthias	-	Director
	Bro. Rohan J. Stowe	-	Chief Executive Officer

1. CALL TO ORDER

The President, Sis Cecelia J. Williams, called the meeting to order at 3:26 p.m.

2. PRAYERS

Prayers were said by Bro. Michael Sayers. He also recited the credit union's prayer.

3. NATIONAL ANTHEM

An instrumental for the National Anthem was played, followed by the credit union's song.

4. SILENT TRIBUTE

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

5. APOLOGIES FOR ABSENCE

Apologies for absence were received from Bro. Lyndon George and Hon. Dr. Orlando Brewster, Minister of National Mobilisation, Social Development, Family, Gender Affairs, Youth, Housing and Informal Human Settlement.

6. WELCOME

The President and Chair, Sis Cecelia J. Williams, welcomed members to the 55th Annual General Meeting, which was held virtually owing to the COVID 19 restrictions for indoor mass gathering.

In her message, ***Making More Possible as We Navigate These Challenging Times***, Sis. Cecelia J. Williams commended GECCU for its resilience and flexibility in adapting to the necessary changes, especially regarding the protection of members, staff welfare and opportunities, and community engagement.

She highlighted the following achievements during the Year 2020:

- i. Relocated operations to more spacious, new headquarters on Halifax Street;
- ii. Completed Job Evaluation and Performance exercise;
- iii. Completed upgrade of operating software from Emortelle to Sharetec software;
- iv. Commenced the final phase of River 14 Recreational Project;
- v. Commenced the first phase of the Peter's Hope Project;
- vi. Retirement of two (2) long standing employees in the persons of Bro. Lennox Bowman, former CEO and Sis. Damoris Alexander, Internal Auditor;

- vii. Appointment of Bro Rohan J. Stowe as CEO and Sis. Shanet Small as Assistant Internal Auditor;
- viii. Implementation of the Loan Moratorium Programme to assist members whose loan obligations were affected by the pandemic.

The President also indicated that the credit union reviewed its policies to align with the changes resulting from the Covid-19 pandemic.

The following financial achievements were highlighted:

- i. Net Surplus of \$1.6 million;
- ii. Cash reserves totalled \$59.7 million;
- iii. Assets totalled \$314.8 million;
- iv. Members' Equity Share Capital of \$33.1 million;
- v. Loans disbursed to members totalled \$164.1 million.

She commended the hardworking staff and volunteers for their continued commitment and dedication to GECCU and for their flexibility in adjusting to the changing business environment resulting from the pandemic. She also expressed gratitude to Bro. Brian Alexander for his six years of service as a member of the Board of Directors and wished him the best on his retirement.

7. REMARKS – MINISTER OF CO-OPERATIVES

Ms. Catherine De Freitas, Permanent Secretary in the Ministry of National Mobilisation, Social Development, Gender Affairs, Family, Persons with Disabilities, Youth Affairs, Housing and Informal Settlement, delivered remarks on behalf of Hon. Dr. Orando Brewster, Minister with responsibilities for Co-operatives.

She congratulated GECCU on its continued growth and commendable performance in the 2020 financial year despite the economic challenges resulting from the Covid-19 pandemic. She noted that such a performance demonstrated a testimony to wise leadership, strong governance and focussed vision on membership satisfaction, with a membership of almost 50,000. The Permanent Secretary further noted that net profit and assets which totalled nearly \$315 million was a significant portion of the country's financial sector market share.

She added that GECCU provided accommodation facilities which housed the operations of her Ministry and its divisions over the past year. She indicated that the Ministry was pleased to boast of its over 13,500 school thrift membership with approximately \$3.4 million corresponding savings. She appealed to GECCU to continue to harness the potentials of the very fertile School Co-operative thrift program and to enhance collaborations with the Ministry where possible.

Ms. De Freitas stated that the Government of St. Vincent and the Grenadines will continue to foster a supportive and enabling environment for credit unions and co-operatives in general, so that lives in St. Vincent and the Grenadines can continue to flourish and transform.

8. GREETINGS

Fraternal greetings were received from the following:

- St Vincent and the Grenadines Teachers' Co-operative Credit Union Limited;
- St. Vincent Co-operative League Limited;
- Kingstown Co-operative Credit Union Limited;
- St Vincent Automotive Co-operative Society Limited;
- Financial Services Authority (FSA);
- Baptiste and Co. Law Firm.

CLOSED SESSION

Corrections were made to the numbering of items on the Agenda.

On a motion moved by Sis Alicia Ashton-Doyle, seconded by Sis Samantha Robertson, the Agenda was adopted with the amendments.

9. ASCERTAINMENT OF QUORUM

The quorum was ascertained, with 226 members present.

Standing Orders

The Chairman drew attention to the Standing Orders listed on page 4 of the meeting procedure. In light of the virtual AGM, a new set of Standing Orders was prepared. The Chairman guided the meeting as follows:

- i. All members' microphones will be automatically muted upon entry into the meeting.
- ii. Members are encouraged to turn on their cameras for the meeting duration, especially when making contributions.
- iii. Members are encouraged to be in a quiet environment with little or no distractions or background noises.
- iv. Members must be appropriately attired with suitable backgrounds.
- v. All members shall use the 'Raise Hand' feature on the Zoom platform to ask questions. When the Chairman acknowledges, a request to unmute your microphone will be made.
- vi. Hands will remain raised until the Chairman acknowledges you, except for when a seconder is required, in which case all raised hands will be taken down so that the seconder can easily be identified.
- vii. Questions relating to the meeting's agenda will not be acknowledged from the chat box.
- viii. Members will use the chat box to highlight any issues they may have so that the technical team can troubleshoot during the sessions with minimal interruptions.
- ix. A poll may be launched to ascertain all in favour, all against and abstentions when a motion is moved.
- x. Members are reminded to conduct themselves professionally. Please refrain from sharing any explicit, violent or inappropriate content.

The virtual Standing Orders were adopted on a motion moved by Sis. Annver Spencer-Graham, seconded by Sis Camille Crichton.

1. MINUTES OF THE 54TH ANNUAL GENERAL MEETING, HELD ON DECEMBER 3, 2020

The minutes, having been previously circulated, were taken as read on a motion moved by Bro. Meriah Samuel, seconded by Sis. Yolande Barbour.

Amendment and Confirmation

There was no amendment to the minutes. On a motion moved by Bro. Ronnie Daniel, seconded by Bro. Conroy Jack, the minutes were confirmed and carried.

2. MATTERS ARISING

- 2.1. Referring to items 3.4 and 3.4.1 on page 15, Sis. Marcelle Burgin requested an update on the revision of the Bye-laws. She expressed dissatisfaction with the length of time it has taken for the review to be completed. The Chairman responded that the Board was awaiting further guidance from the FSA.
- 2.2. Mrs. Nyasha Browne, representative of the FSA explained that the regulations were provided to the credit union sector, giving commentary on the rules. Some of the comments required amendments to the primary legislation of the Co-operative Societies Act. She stated that when the FSA edits the Co-operative Societies Act, the necessary adjustments would be made to the regulations. She said that the legislation was circulated in March 2021 and a meeting was scheduled for Friday 15th October 2021 to address the comments received from the sector.
 - 2.2.1. Bro Meriah Samuel noted that the Net Surplus for the 2019 financial year decreased by 50%. He referred to item 4.2.15 on page 19, and questioned whether members will receive a dividend payout or if the surplus will be put towards another development in the organisation. The Chairman responded that although the Net Surplus was reduced significantly, members will still receive a dividend. The amount to be paid was noted in the Treasurer's Report.
 - 2.2.2. In response to the question “Why did BDO present the financial statements and not KPMG, the auditing firm which was voted as external auditors at the last AGM”, the Chairman explained that KPMG was contacted to perform the 2020 audit; however, the auditing firm indicated that they were moving out of the Caribbean, the proposed fees were abnormally high, and it was the decision of the firm to discontinue the 2020 audit. The appointment of BDO, as the external auditors for 2020 was approved by the FSA.
 - 2.2.3. Sis Brennetta Dublin requested a comparison of the auditing fee for KPMG and BDO. In response, the Chairman stated that KPMG's fees increased from \$73,080 to over \$125,000 while BDO's fees were \$82,940.

On a motion moved by Sis. Mineva Glasgow, seconded by Sis Ruth Reddock, the Minutes of the 54th AGM were accepted with 96% in favour and 4% abstention.

3. REPORTS AND ELECTIONS

(a) Board of Directors

(i) Report of the Board of Directors

- 3.1. The report, having been previously circulated, was taken as read. The Chairman guided the meeting through the report and highlighted the following:

- 3.1.1 GECCU, the largest credit union in St. Vincent and the Grenadines, exemplified sound financial Management and gained the trust and loyalty of its members through hard work and dedication geared towards enhancing the quality of life of its members while contributing to nation-building, community and individual advancement.
- 3.1.2 The Board of Directors' report for 2020 was prepared under the theme "***Making More Possible as We Navigate These Challenging Times***". The theme was deemed most appropriate considering the public health, economic and financial challenges of the outbreak of the Covid-19 pandemic.
- 3.1.3 Despite the ongoing effects caused by the pandemic, GECCU was able to address the immediate short terms issue that negatively impacted financial performance. Additionally, the Board and Management still managed to meet the credit union's long-term strategic goals.
- 3.1.4 The goals successfully achieved and the key benefits for GECCU included the following:
 - i. Improved capability to provide more diverse, modern digital products and services;
 - ii. Improvement in operational efficiencies;
 - iii. Preservation of business continuity; and
 - iv. Increased confidence by members in the strategic thrust of GECCU.
- 3.1.5 The achievements would not have been possible without the support of the valued members, staff and volunteers. The President expressed gratitude to all who contributed to helping GECCU navigate through the challenges of 2020.

Overall Performance

- 3.1.6 According to the IMF, the global economy contracted by 3.2% in 2020 which was worse than the 2008 -09 financial crisis.
- 3.1.7 Despite the challenges, GECCU was still able to realise a Net Profit of \$1.6 million, albeit a 50% decrease from the 2019 financial year.

Performance Related to Priority Areas

- 3.1.8 At the beginning of the year, the BOD established eight (8) priority areas. The strategic priority areas were used to develop departments' work plans and the budget for 2020.

3.1.9 Priority 1: Corporate Governance

- 3.1.9.1 Corporate Governance was sound and in good standing. There were no significant reported infractions of the underlying statutory rules and regulations. Public trust and confidence in the operations of GECCU continued to be strong.
- 3.1.9.2 During the period under review, the Board developed and executed plans to recruit and appoint a new CEO. The Board engaged the services of Dr. Janelle Allen, Human Resource Consultant to facilitate the process. Bro. Rohan J. Stowe was selected as the successful candidate. He joined the team on September 1, 2020 and officially assumed the duties of CEO on October 1, 2020.

3.1.10 Priority 2: Registration of new members

- 3.1.10.1 1,844 new members were registered in 2020. Females accounted for 53.1%, while males were 46.8% of the total.

3.1.11 Priority 3: Human Resource Capacity Building and Operational Efficiency

3.1.11.1 Numerous workshops and seminars throughout the year. These were held locally and regionally and targeted staff and volunteers.

3.1.12 Priority 4: To Assist Members in Fulfilling Their Housing Needs

3.1.12.1 GECCU continued to be a leader in providing loans to help members fulfil their housing needs. A total of \$171,562,777 was disbursed in loans. Land loans accounted for 7.07% of that total, Mortgage 50.4% and Land & Mortgage 57.48%.

3.1.12.2 The Peter's Hope project was expected to commence in the last quarter of 2021.

3.1.13 Priority 5: Access to GECCU Services

3.1.13.1 GECCU's services were built around two main strategic pillars: (1) Improving the physical infrastructure and (2) Upgrading the technological infrastructure.

3.1.13.2 The sub-offices in Union Island, Canouan, Bequia, Georgetown and South Rivers registered totalled 639 new members for 2020. Over \$27.6 million was collected in loan payments, and more than \$25.8 million disbursed - both figures representing an increase from 2019.

3.1.14 Priority 6: To Strengthen the Movement Nationally and Regionally

3.1.14.1 GECCU worked closely with national, regional and international stakeholders in the credit union fraternity to advance the causes of the sector and to strengthen the credit union's systems, strategic and operational capabilities.

3.1.15 Priority 7: Corporate Social Responsibility

3.1.15.1 In fulfilling the strategic goal of community development, GECCU was guided by fundamental principles.

3.1.15.2 GECCU also continued work on the completion of the River 14 project.

3.1.16 Priority 8: Financial Sustainability and Profitability

3.1.16.1 Asset quality deteriorated with a rise in delinquency to 10.45%. There was an increase in non-performing loans and a significant increase in provision for credit losses on loans.

3.1.16.2 There was sluggish growth in the loans portfolio, which increased by 2% and posed a challenge to the credit union meeting its prudential benchmark of 70-80% for loans to total assets.

Outlook and Future Strategies

3.1.17 The world, particularly the financial services industry, was already changing before the pandemic struck. Global trends impact how financial institutions conduct business, how consumers view their financial institutions, and how employees work.

3.1.18 A strategic plan under the theme "*Imagining the Future...Making GECCU Better Fit for Purpose*" for the period 2021-2025 was developed. The plan identifies seven (7) CORE strategic goals.

3.1.19 The enabling business strategies would allow for the achievement of some broad core goals:

1. Investment in Business Processing Redesign;
2. Product and service development targeting expansion of digital offerings;
3. Improvement in the integrated multi-channel delivery of services focusing on operations of the sub-offices;
4. Realigning Risk and Compliance framework;
5. Reducing cost and improving operational efficiencies through automation of more processes;
6. Development of a modern marketing/branding strategy.

3.1.20 In closing, the Chairman expressed gratitude to the CEO, Management, staff and volunteers who worked diligently to produce a comprehensive and high-quality report.

3.2 Update on Peter's Hope and River 14 Projects

3.2.1 Bro. Anthony Bowman, Facilities Manager, presented the updates. He stated that GECCU's intention for these projects was to develop turn-key properties that would improve the quality of life for its members by offering affordable housing and recreation sites respectively in the communities.

3.2.2 Peter's Hope

3.2.2.1 The project will be a phased process over the next two years. The project's team will comprise of the following:

- Team Leader, Architectural Services, Quantity Surveying, Land Surveying, Legal Services, Finance Specialist (Accounting, Mortgage preparation), Marketing team, Clerical Support Staff

3.2.2.2 Phase 1

Implementation:

- Plan and implement a phased housing development project and provide contract management services for clients;
- Build at least 20 houses within the first 12 months and sell a minimum of 5 acres of land;
- Provide advisory and construction management/consultancy services for clients.

Sales:

- Pre-sell properties/lots;
- Offer attractive mortgages;
- Construction managing for clients;
- Consultancy and advisory services.

Marketing:

- Present project at AGM;
- Display brochures and video clips at all corporate offices;
- Create different packages for different categories of clients catering for low, middle and high-income earners;
- Maximise promotion on GECCU's website and social media;
- Construct at least two model houses on site.

Pricing:

- Lot sizes range from 5,000 - 10,000 sq. ft; lands would be sold at \$9.50 - \$12.50 per sq. ft.;
- GECCU would subsidise legal and architectural fees. However, if a member chooses to migrate his/her mortgage to another financial institution, he/she would be made to repay these costs as an additional penalty along with other terms and conditions. The intention was to ensure sustainability.

Models:

- Two-bedroom units (680-900 sq. ft.) at \$150,000 - \$220,000
- Three bedroom units (880-1200 sq. ft.) at \$210,000 - \$280,000
- Two story units - to be developed
- The models presented were basic and can be modified according to the client's wishes

Way Forward:

- Hope for a stabilised economic climate
- Willingness to change and adapt to new policies and programs
- Willingness to challenge the prevailing social and civic environment

3.2.2.3 It was hoped that young professionals would take advantage of the opportunity.

3.2.2.4 Plans were in place to construct walking tracks, corridors along the road, recreational gardens and other aesthetically pleasing amenities to present a comfortable and inviting neighbourhood.

3.2.3 River 14

3.2.3.1 The River 14 project was in its final stages.

3.2.3.2 The river defence mechanisms sustained the impacts of the flooding caused by the La Soufriere eruption. There was no run-over onto the property. However, the exit area created a passage for water to flow.

3.2.3.3 The original intention was to have a "soft parking" area. However, the rains kept eroding the soil. A decision to concrete the parking area to prevent further erosion would be made before the end of 2021.

3.2.3.4 The site was operational. The buildings were ready for occupancy; construction signs were removed, and the gates were erected.

3.3 Discussion

3.3.1 Bro. Ronnie Daniel congratulated the Board and management team on the progress made on the Peter's Hope and River 14 projects. He asked if any new considerations were made to implement further mitigation measures at River 14 to combat climate change since a large portion of the area was deforested for construction.

3.3.2 Bro. Anthony Bowman confirmed that trees were removed for construction but works has begun to replant ornamental trees. He stated that some fruit trees were left on site; however, they posed the risk of insect infestation when the fruits were in season. The aim was to prune those trees regularly to avoid the risk. Vandalism from persons using the site was a potential risk.

3.3.3 Bro. Meriah Samuel commended the Board and management team for the comprehensive and engaging presentation, especially on the Peter's Hope project. He said that he appreciated the modern designs and the category of units and believed that the units would attract the younger population in addition to allowing all income earners to capitalise on the opportunity.

3.3.4 Bro. Cecil Ryan inquired about the overall project cost of the River 14 project. Bro. Anthony Bowman responded that the information would be disclosed in the financial statements.

3.3.4.1 In response to Bro. Cecil Ryan's inquiry about the management model and the estimated running cost, Bro. Anthony Bowman explained that the Project Steering Committee established a sub-committee which comprised of Bro. Philmore Isaacs, Bro. Andrew Lockhart, and Bro. Anthony Bowman. The Committee would be responsible for developing a management model which will be presented to the Board of Directors for ratification.

- 3.3.4.2 Bro. Cecil Ryan questioned whether GECCU would be responsible for any maintenance cost, and if so, what percentage of the amounts. Bro. Anthony Bowman explained that those details were being worked out. It was proposed that user fees for individuals, groups, and events to access the facility would help to sustain operation and maintenance costs.
- 3.3.4.3 Bro. Cecil Ryan requested an explanation on the proposed "basic model" for the housing units. Bro. Anthony Bowman responded that the basic model referred to a unit that is ready for use by a family which can be modified/expanded, if desired. The client can architecturally adjust the model before construction. Any additional cost incurred by the modification will be added to the price of the basic model.
- 3.3.4.4 Bro. Rohan Mc Donald inquired if the project was designed to make a profit despite the global economic challenges. The Chief Executive Officer responded that the aim is not to benefit directly from the properties. The properties will be priced at a minimum to recover construction costs. However, it is expected that the member would obtain his/her mortgage from GECCU to purchase the property.
- 3.3.5 Bro. Callistus Thompson questioned whether a person could buy one of the houses with cash. The CEO responded in the affirmative.
- 3.3.5.1 Sis. Camille Crichton suggested that a cash purchase should involve a clause to prevent the buyer from selling the property at a higher rate.
- 3.3.5.2 Bro. Callistus Thompson inquired if there were any policies to assist members whose loans may have become delinquent due to the economic impact of the pandemic and the volcanic eruption. The CEO responded that delinquent loans for the Year 2020 totalled approximately \$17.9 million compared to \$8.7 million in the Year 2019. The vast increase was consistent with expectations from the global economic depression. The CEO stated that various options were available to members. Those options included part-payment of the principal; payment of the interest only and deferring the entire loan repayment to a certain period. A loan moratorium programme to help economically challenged members to defer payments was in place. It was indicated that in order to access the loan moratorium programme, members must apply and prove that they are affected by the pandemic or natural disaster. In addition to the loan moratorium, GECCU is working on a loan package that would further assist economically challenged members.
- 3.3.5.3 Bro. Ivo Providence highlighted that the Peters' Hope project started a long time ago and inquired about the current expenditure. The Accountant, Sis Maxine Johnney, responded that the project went through two phases since 2016 and incurred approximately \$1.6 million.
- 3.3.6 Bro. Meriah Samuel asked if there were plans to construct a branch of the credit union on Leeward side of St. Vincent. He noted that the Windward side has two branches and three of the main Grenadine islands have branched. He mentioned that there are approximately 17.1 thousand persons residing between Layou and Chateaubelair, compared to 17.1 thousand persons residing between Georgetown and Colonaire. He added that with the development of the Peter's Hope project, it was even more imperative for persons on the Leeward side to have access to GECCU services.
- 3.3.6.1 The Chairman explained that GECCU tried to purchase lands at Troumaca, but failed due to family challenges surrounding the ownership of the lands. The credit union could not purchase. Notwithstanding, the credit union is still trying to locate lands, and as soon as an appropriate site was found, plans would be put in place to establish a branch on the Leeward side of the island.
- 3.3.7 Bro. Cecil Ryan referred to the Social Development Fund and highlighted the \$265,859 payout for the Year 2020. He cautioned the Board to be prudent with disbursements considering the impact of the Covid-19 pandemic on the health sector. He urged members to become vaccinated so that the medical payout for ailments that can be avoided would not significantly impact the SDF. He commended the Social Development Committee for its outreach work in reaching out to 50 elderly and physically

challenged members and presenting them with a \$300 gift voucher. He noted that the outreach demonstrated GECCU's concern for its elderly members.

3.3.8 With regard to the new headquarters, Bro. Cecil Ryan advised that the Board and marketing team refrain from referring to the new headquarters as the "Centrex" or "Reliance building". He suggested naming the building.

3.3.9 Bro Philbert John questioned if there was a mandate for vaccination against COVID 19. The Chairman responded in the negative. Bro John's concern was noted for consideration.

On a motion moved by Bro. Cecil Ryan, seconded by Bro. Ronnie Daniel, the Board of Directors' Report was accepted with 208 members in favour, 0 against and 8 abstentions.

(ii) Treasurer's Report

3.4 Bro. F. Clarence Harry guided the meeting through the Treasurer's Report. He stated that the general slow-down in economic activities in the Year 2020 posed some expected challenges to the credit union's performance. However, despite the adverse performance in some critical areas of operation, the credit union still recorded growth in members' deposits and maintained liquidity levels above the required prudential benchmark.

3.4.1 Assets

3.4.1.1 Total assets amounted to \$314.8 million, a 10% increase from 2019. Asset growth was mainly due to:

- Loans portfolio - marginal net growth of \$3.6 million (2%) compared to \$14.1 million (9%) in 2019
- Investments securities - \$53.5 million, a \$1 million (2%) increase from 2019
- Investment properties - \$11.96 million compared to \$7.3 million in 2019, The increase was due to the transfer of the former headquarters from Property, Plant and Equipment to Investment Properties and ongoing development of the River 14 recreational project.
- Property Plant and Equipment - \$13.97 million compared to \$13.59 million in 2019 mainly due to the reclassification of the headquarters (\$3.03 million), completion of the new headquarters (\$2.31 million) and purchase of furniture and equipment (\$1.1 million)

3.4.2 Share Capital and Members' Deposits

3.4.2.1 Term Deposit increased by \$2 million (3%), while Ordinary Deposit increased by \$12.61 million (19%).

3.4.2.2 Share Capital and Members' Shares savings increased by 8% and 7%, respectively.

3.4.3 Income

3.4.3.1 Total Income increased by 2% from \$18.8 million in 2019 to \$19.2 million in 2020. Growth was driven mainly by rental income (99% increase) and investment income (16% increase).

3.4.3.2 Loan interest income, death benefit income and other income saw a 1% decrease from 2019 to 2020.

3.4.4 Expenses

3.4.4.1 Total expenditure amounted to \$17.5 million, increased by \$1.9 million (12%) from 2019.

3.4.5 Net Profit

3.4.5.1 Net profit of \$1.6 million realised in 2020 compared to \$3.2 million in 2019.

- 3.4.6 The Treasurer encouraged Management and staff to remain focused, resilient, and innovative in meeting members' needs while managing costs and improving efficiencies.

(iii) Auditors' Report

- 3.5 Mr. Reuben John, Partner - BDO Eastern Caribbean, presented the Auditors' Report and guided the meeting through the Report.

- 3.5.1 He indicated that the financial statements which detailed the position of GECCU for the year ended 31st December 2020 were presented fairly in all material respects. GECCU's financial performance and cash flows for the year then ended were noted to be in keeping with International Financial Reporting Standards (IFRS).

- 3.5.2 Mr. Reuben John stated that the financial Statements for GECCU was audited by another firm whose opinions were in tandem with the opinions expressed in the Auditors' Report.

3.6 Discussions

- 3.6.1 Bro. Cecil Ryan questioned whether BDO received any assistance from external auditors in formulating the report.

- 3.6.1.1 Mr. Reuben John responded that the credit union's staff prepared the financial statements, the staff consulted with the Auditors on technical issues and the Auditors reviewed to ensure compliance.

- 3.6.2 Bro. Cecil Ryan further sought clarification on the phrase "unmodified opinion", as stated in the opening statements of the Auditors' Report.

- 3.6.2.1 Mr. Reuben John explained that "unmodified" meant that the opinions expressed by the other auditing firm conformed with the views expressed by BDO. He further explained that had the former Auditors expressed any reservations previously, they would have been indicated and compared in the report.

- 3.6.2.2 Bro. Ivo Providence inquired if there were deficiencies within the credit union. Mr. Reuben John responded in the affirmative. He stated that the weaknesses were identified and communicated to Management in a Management Letter at the end of the audit. The letter detailed the deficiencies recognised, the risks posed to the organisation, recommendations for improvement and provisions for Management to indicate the intention to address the deficiencies.

- 3.6.2.3 Bro. Ivo Providence asked if BDO was pleased with the response from Management about its intentions. Mr. Reuben John responded that discussions on the matter were ongoing and the deficiencies were evaluated.

- 3.6.3 Bro. Philbert John commended the Treasurer and the Auditors for the comprehensive Reports. He was pleased that GECCU performed well despite the challenges for the Year 2020.

3.7 Proposal for Dividend Payment

- 3.7.1 Bro. F Clarence Harry stated that a profit of \$1,617,498 was realised; \$485,249 was allocated to Statutory Reserve and \$30,000 was allocated to the Development Fund, leaving a Net Profit of \$1,102,249 for distribution.

- 3.7.2 1.5% dividend payout valued at \$397,268 was proposed, leaving a Retained Profit of \$704,981.

- 3.7.3 1.25% interest on Regular Shares valued at \$1.6 million was announced.

- 3.7.4 Bro. Philmore Isaacs moved a motion to accept the proposed 1.5% dividend payout. The motion was seconded by Sis Annver Spencer-Grahame.

3.7.4.1 Members in favour - 201 (95%), members against - 5 (2%) and abstentions - 6 (3%).

3.7.4.2 By way of majority vote, a dividend payout of 1.5% was accepted.

On a motion moved by Bro. Philbert John, seconded by Sis Yolande Barbour, the Treasurer's Report was accepted with 197 members in favour, 2 members against, and 11 abstentions.

On a motion moved by Bro. Philbert John, seconded by Sis Yolande Barbour, the Auditors' Report was accepted with 191 members in favour, 1 member against and 9 abstentions.

(iv) Election of Board of Directors

3.8 Ms. Neva Cordice, representative of the FSA conducted the elections. She outlined the voting procedure for the virtual AGM as follows:

- (i) Members will raise their hands for nominations from the floor and state their full name and the nominee's full name. The nominee should turn on the audio and video for identification. The FSA will request a seconder. The seconder will then raise his/her hand, stating the full name, and indicate the nominee seconded. The nominee will then accept or decline the nomination.
- (ii) FSA will request a mover and seconder to close the nominations. Following the nominations, the nominees from the Nominations Committee and the floor will be added to the electronic voting platform.
- (iii) Once nominations are closed, the meeting host will publish the Poll. The list of names would appear on the screen, and each member would cast their vote. The Poll will remain open for five minutes to facilitate voting until the FSA announces when the Poll should be closed.
- (iv) The results will be entered into a spreadsheet to analyse the accuracy of the votes cast. Members should only select a total number of nominees of their choice to fill open spaces for eligible members of the Committee. Any selection of nominees which exceeds the required number of members per Committee will be deemed a spoiled vote, and that vote will not be counted. Spoiled votes will be discarded.
- (v) According to Section 38 (II) of the Corporate Societies Act, should there be a tie, the Chairman had the right to vote and was entitled to a second or casting vote.
- (vi) A summary of the votes per nominee will be projected and the elected members identified. The FSA will announce the elected members.

3.9 Sis. Cecelia J. Williams, Bros. H Colin Sam and Brian Alexander retired from the Board of Directors. Bro Brian Alexander served two consecutive terms and was not eligible for re-election.

3.9.1 The FSA decided to vacate Sis. Kimberley Cambridge's Director position on the Board as she was overseas on study leave. The opinion of the FSA was that such a Director cannot effectively perform her duties as a Board member while overseas.

3.9.1.1 Sis Kimberly Cambridge indicated that she did not resign from her position. She sought clarity as to why the FSA decided to vacate her position on the Board, given that, in the past, other members of the Board of Directors were allowed to serve while on study leave.

3.9.1.2 Section 86 of the Law was cited for the Director to continue serving. The Section made provisions for a Director to join a meeting using a communication device such as a telephone or video call once the Board grants permission.

- 3.9.1.3 The FSA, having reviewed the minutes of the Board of Directors' meetings for the latter part of 2020 and the first part of 2021 noted that no decision taken by the BOD was recorded in the minutes. Hence, the FSA deemed that the protocol was not followed and decided that the Director's position would become vacant at this AGM.
- 3.9.1.4 Ms. Neva Cordice stated that for those members of the Board of Directors who received permission to continue to serve while on study leave, their Presidents notified the FSA in advance of the Director's status and sought approval for them to continue to serve as a Director. In the case of Sis. Kimberley Cambridge, the Board did not seek permission, nor was the FSA formally informed that a Director was overseas on study leave. The FSA representative further stated that the FSA asked Sis. Kimberley Cambridge to resign. However, Sis. Cambridge sought permission directly from the FSA after the fact, but it was not approved.
- 3.9.2 The Nominations Committee nominated Sis. Cecelia J. Williams, Bro. H Colin Sam and Bro. Meriah Samuel.

3.9.3 Nominations from the floor:

- 3.9.3.1 Sis. Camille Crichton nominated Sis. Mineva Glasgow, seconded by Bro. F. Clarence Harry.
- 3.9.3.2 Sis. Allosene George nominated Bro. Philmore Isaacs, seconded by Bro. Gary Matthias.
- 3.9.3.3 Nominations were closed on a motion moved by Bro. Christo Primus, seconded by Sis. Yolande Barbour with 167 members in favour, 38 members against and 18 abstentions.

Results of the Elections:

Sis. Cecelia J. Williams	175
Bro. H Colin Sam	205
Bro. Meriah Samuel	155
Sis. Mineva Glasgow	154
Bro. Philmore Isaacs	183

- 3.9.4 Bro. H Colin Sam, Bro. Philmore Isaacs and Sis. Cecelia J. Williams were elected to serve on the Board of Directors for the next three years. Bro Meriah Samuel was elected to serve for one year.

(vii) Credit Committee

a. Report of the Credit Committee

- 3.10 Bro. Renato Gumbs guided the meeting through the report and highlighted the following:
- 3.10.1 The Committee conducted thirty-one (31) site visits to three hundred and thirty (330) properties. The monthly visits ascertained the quality of the assets offered as collateral and continued the monitoring of projects.
- 3.10.2 The Committee achieved the Work Plan goals.
- 3.10.3 The number and value of loans processed decreased by 18.63% and 15.39%, respectively. The reduction was mainly due to the economic impact of the Covid-19 pandemic.
- 3.10.4 There was a general decrease in the loans disbursed for each category. The significant categories were funeral, wedding and travel. Loans disbursed decreased by 18.58%, and the value decreased by 16.26% (\$8.5 million).
- 3.10.5 The delinquency rate increased from 5.25% to 10.45%.

- 3.10.6 Bro. Renato Gumbs expressed gratitude to the BOD, Management and committee members for their assistance and support during his six-year tenure.

3.11 Discussion

- 3.11.1 Bro. Philbert John commended the Credit Committee for its commitment and dedication to serving the membership. He asked what were the issues identified during site visits which prevented a member from receiving a loan. In his response, Bro. Renato Gumbs stated that the significant issue identified was the challenge to access the lands. He said that while a person may have successfully identified a piece of land to purchase, it may pose some problems if the road was not accessible by a vehicle. He said that discussions would be held with the member on the possibility of constructing a road.
- 3.11.2 Bro. Philbert John sought clarification on the zero figure for funeral loans considering the number of members listed as deceased during the Year 2020. Bro. Renato Gumbs responded that there were no applications for funeral loans.

On a motion moved by Bro. Meriah Samuel, seconded by Sis Tisha Allen-Jack, the report of the Credit Committee report was accepted with 197 members in favour, 1 against and 2 abstentions.

b. Election of Credit Committee

- 3.12 Bro. Renato Gumbs and Sis. Gemma Mc Cree retired from the Credit Committee. Bro. Renato Gumbs served two consecutive terms and was not eligible for re-election.
- 3.13 The Nominations Committee nominated Sis. Gemma Mc Cree and Bro. Dimitri Samuel.

3.14 Nominations from the floor:

- 3.14.1 Bro. F. Clarence Harry nominated Sis Ena Walters, seconded by Bro. Gary Mathias.
- 3.14.2 Sis. Afi Martin nominated Sis Lou Anne Thomas, seconded by Sis. Lauramay Pope.
- 3.14.3 Bro. Renato Gumbs nominated Sis Velda Gumbs, seconded by Bro. Calvin James.
- 3.14.4 Nominations were closed on a motion moved by Bro. Philbert John, seconded by Bro. Dougal Allen with 201 members in favour, 0 against and 6 abstentions.

Results of the Elections

Sis. Gemma Mc Cree	129
Bro. Dimitri Samuel	97
Sis. Ena Walters	48
Sis. Lou Anne Thomas	67
Sis. Velda Gumbs	90

- 3.15 Sis. Gemma Mc Cree and Bro. Dimitri Samuel were elected to serve on the Credit Committee for the next three years.

(viii) Supervisory and Compliance Committee

a. Report of the Supervisory and Compliance Committee

- 3.16 Sis. Yolande Barbour guided the meeting through the report of the Supervisory and Compliance and highlighted the following:
- 3.16.1 The Committee developed a plan to aid in the execution of its tasks.

- 3.16.2 The Committee visited the sub-offices to ensure the credit union's adherence to policies, internal controls and conducive working conditions. The Union Island office had a privacy issue which was resolved. The Bequia office had an issue with inadequate storage which Management was working to resolve.
- 3.16.3 Sis. Yolande Barbour commended the staff of GECCU for ensuring that the transition to the new operating software was a smooth one, as well as for ensuring that there was minimal disruption during the relocation of operations to the new headquarters.
- 3.16.4 She expressed appreciation to retired CEO, Bro. Lennox Bowman for his sterling contribution to the Co-operative Movement in St. Vincent and the Grenadines and by extension, the Caribbean.

3.17 Discussions

- 3.17.1 Bro. Philbert John inquired if the Committee received complaints from members. It was noted that one significant complaint was received and resolved.

On a motion moved by Bro. Philbert John, seconded by Sis. Tisha Allen-Jack, the Supervisory and Compliance Committee report was accepted with 186 members in favour, 0 against and 5 abstentions.

b. Election of Supervisory and Compliance Committee

- 3.18 Sis. Timora Peters and Bro. Micah Cumberbatch retired from the Supervisory and Compliance Committee. Sis Timora Peters served two consecutive terms, and was not eligible for re-election.
- 3.19 The Nominations Committee nominated Sis. Joeleen Doyle and Sis Reisa Daly-Mapp.

3.20 Nominations from the floor:

- 3.20.1 Bro. St Clair Stapleton nominated Sis. Shernell Hadaway, seconded by Sis. Rhonda Thompson-Sheen.
- 3.20.2 Bro. Renato Gumbs nominated Bro. Lerone Isaacs, seconded by Sis. Joan Mayers.
- 3.20.3 Bro. Philbert John nominated Sis Bethlene Ferdinand, seconded by Bro. Bjorn Ferdinand.
- 3.20.4 Sis. Lou Anne Thomas nominated Sis. Marcelle Burgin, seconded by Bro. F. Clarence Harry.
- 3.20.5 Nominations were closed on a motion moved by Sis Kay Martin-Jack, seconded by Sis Yolande Barbour with 175 members in favour, 1 against and 5 abstentions.

Results of the Elections

Sis. Joeleen Doyle	79
Sis. Reisa Daly-Mapp	52
Sis. Shernell Hadaway	53
Bro. Lerone Isaacs	72
Sis. Bethlene Ferdinand	60
Sis. Marcelle Burgin	78

- 3.21 Sis. Joeleen Doyle and Sis. Marcelle Burgin were elected to serve on the Supervisory and Compliance Committee for the next three years.

(ix) Education Committee

a. Report of the Education Committee

- 3.22 On a motion moved by Sis. Camille Crichton, seconded by Bro. Philbert John, the report of the Education Committee was taken as read.

3.23 Discussion

- 3.23.1 Bro. Philbert John commended the Committee for its impressive work throughout the year. He noted that the report did not include any information about the social media traffic. He sought an explanation for the graph on page 133.
- 3.23.2 Bro. F Clarence Harry, Chairman of the Education Committee, agreed that the information on social media traffic was lacking in the report. He stated that the Committee would ensure that the information is captured in the next AGM's Report.
- 3.23.3 With regard to the graph, the Chairman explained that the chart showed a "snapshot" of some of the accomplishments using GECCU's website.
- 3.23.4 In response to why the Education Committee did not produce an attendance report, it was explained that the Committee is appointed by the Board; therefore, an attendance record was not compulsory.
- 3.23.5 Sis. Kay Martin-Jack's suggestion that the report of the Education Committee should be a sub-section of the report of the Board of Directors was acknowledged.

On a motion moved by Sis. Camille Crichton, seconded by Bro. Philbert John, the report of the Education Committee was accepted with 148 members in favour, 1 against and 8 abstentions.

4. ELECTION OF AUDITORS

- 4.1. Bro. Gary Mathias nominated BDO as Auditors, seconded by Bro. Linus Goodluck.
- 4.2. Nomination was closed on a motion moved by Sis Yolande Barbour, seconded by Bro. F. Clarence Harry.
- 4.3. BDO was appointed Auditors by majority vote with 173 members voting in favour, 7 against and 12 abstentions.

5. NEW BUSINESS

- 5.1. The CEO, Bro. Rohan Stowe, updated the meeting on the GECCU MED programme. He stated that the credit union was negotiating new arrangements with a new provider and that the negotiations were almost finalised. A virtual meeting of the membership to discuss the new arrangements will be convened
- 5.2. Mr. Paul Garnes, Manager of ITFX Digital Solutions provided live streaming service for the virtual AGM and was recognized by the CEO. Bro. Rohan Stowe noted that Mr. Garnes is a local small business owner who demonstrated a high degree of professionalism with his trade.
- 5.2.1. Bro. Rohan Stowe stated that one of his missions as CEO is to improve the products and services which GECCU offers to members who are small business owners. He informed the meeting that GECCU was working with an external funding agency from Germany to strengthen the credit union's capacity to expand and extend its products and services to small businesses.

It was hoped that the project would be completed by the first quarter of 2022 and would have the capacity to serve members engaged in small businesses.

- 5.3. As regards plans to establish and operate a sub-office on the Leeward side of the island, the CEO stated that although GECCU was moving towards the digital sphere, it must maintain the "brick and mortar" services that some members value. Therefore, it was hoped that the new Board of Directors would prioritise this project in the coming year.
- 5.4. The CEO expressed gratitude to members of Staff for their dedication and hard work in planning the virtual AGM and making it a success. He singled out Bro. Anton Jardine, Sisters Cornelia Moses, Alicia Ashton-Doyle, Karen Mulraine, Danny-Lee Francis, and Sis. Sharlene Charles, who worked collectively to ensure that the meeting was a success.
- 5.5. Five members received prizes for their participation in the business of the meeting:
- The member who asked the first question – Bro. Meriah Samuel
 - Members who asked the most questions:
 - 1st place – Bro. Meriah Samuel
 - 2nd place – Bro. Cecil Ryan
 - 3rd place - Sis Brenetta Dublin and Bro. Philbert John
- 5.6. The Chairman indicated that a directive was received from the FSA to discontinue the mandatory \$50.00 contribution for Equity Shares as required by members at the end of each year. She also stated that a special general meeting will be convened by October 31, 2022 to discuss the matter.
- 5.6.1. Bro. Ivo Providence sought clarification as to the reason for the \$50.00 mandatory contribution. The Chairman explained that after the collapse of CLICO/BAICO in 2008, most financial institutions in the Caribbean, including GECCU, suffered a significant loss. In 2014, FSA instructed credit unions to make a \$50 deduction from each member's account annually to rebuild equity shares. However, FSA examined the financial records and deemed it safe to discontinue the deductions.
- 5.6.2. Bro. Lennox Bowman sought clarity on the nature of FSA's directive and inquired whether or not a resolution would be made at a general meeting. He explained that the \$50 deduction did not come about because of the CLICO/BAICO collapse but was due to a change in the legal character of Shares moving from Ordinary Shares to Permanent Shares, which immediately resulted in a capital deficiency. He stated that after lengthy discussions with the external auditors, Board and members, the membership decided that the deduction was necessary to boost capital adequacy in a short space of time.
- 5.6.3. Bro. Lennox Bowman continued that St. Vincent and the Grenadines was still in the middle of a global pandemic, and there was no certainty about the future. He noted that the delinquency rate doubled, increasing from 5.25% to 10.45%. There were loans watch listed under the moratorium, and most of the loans will be classified as "non-performing", ending 2021. He said that it was irresponsible for any organisation to give such a directive without considering the impact of the uncertainties. He also suggested that the Board seek clarity from the FSA, and that the possible consequences on the credit union given the doubt of the global economic climate should be discussed with the FSA.

- 5.6.4. Bro. Lennox Bowman made reference to information in the financial reports for the year under review:
- \$2.35 million transferred to Equity Shares, of which almost \$2 million came from the annual equity shares which was collected
 - members receive more dividend on Equity Shares than they receive on interest on deposits
- 5.6.5. The Chairman stated that the Board held discussions with the FSA and asked for a deferral to 2022, but the FSA insisted that the directive be carried out by 31st October 2021.
- 5.6.6. Mrs. Nyasha Browne, representative of the FSA, clarified that the FSA was not against the issuing of Equity Shares by the credit union. She explained that in 2012 when GECCU was undercapitalised, the resolution was brought to the membership so that capital could be augmented. However, GECCU's capital increased; therefore, the FSA mandated that the practice of a mandatory annual deduction should cease and that members, at their own voluntary will, can choose to purchase Equity Shares. She pointed out that the resolution should have had a specific time frame as the mandatory contribution was not supposed to be a perpetual exercise.
- 5.6.7. She continued that no one could be certain if all or a significant majority of the loans on the moratorium programme would become delinquent. It was stated that the FSA provided various advisories on the moratorium to the credit union sector. One of the advisories which the FSA encouraged was to establish a procedure to determine the granting of loan moratoriums.
- 5.6.8. The FSA's representative also stated that a discretionary practice would be adopted should the mandatory deduction be terminated and GECCU becomes undercapitalised. A resolution stating precisely the amount of money needed to become capitalise would have to be put forward to the membership for approval. The resolution would have to be time-bound. Mrs. Browne confirmed that the FSA received a letter from GECCU, but there was no empirical evidence to support the continuation of a mandatory deduction.
- 5.6.9. Bro. Ronnie Daniel thanked Mrs. Nyasha Browne for the clarification.
- 5.6.10. Sis Sylvia Sutherland thanked Bro. Lennox Bowman for explaining the concept of the Equity Shares. She also thanked Mrs. Nyasha Browne for explaining the FSA's position. She agreed that there should be a timeframe for such a resolution and questioned the criteria used to determine whether an organisation was under-capitalised or capitalised enough as capitalisation was relative. She suggested that GECCU communicate its concerns thoroughly with the FSA and come to a mutual understanding before bringing the matter to the membership for discussion and approval.
- 5.6.11. Bro. Lennox Bowman commented that the discussion held at the AGM on the matter was the type of discussion that should have taken place between the Management of GECCU and the FSA. He said that this was not the most appropriate time to issue such a directive and that the FSA did not consider the sustainability of the credit union and its members. He also agreed with Sis. Sylvia Sutherland that capitalisation was relative and regulations should be on circumstance instead of 10% based on generic criteria. It was impractical to put a figure on capitalisation, especially when the organisation required a buffer for unpredicted events like pandemics, global economic collapse and natural disasters. He supported the Board's decision to discuss with its membership first. However, a directive did not leave room for a democratic discussion.

5.6.12. Mrs. Nyasha Browne stated that the FSA did not make any representation that 10% was the capital position of GECCU. She said that the stabilisation plan was proposed to the sector since March 2021 and that the FSA, in conjunction with the ECCB, monitored institution stability. The FSA provided stability information to the ECCB and was mandated by the ECCU. She further stated that the FSA moved towards engaging the sector towards developing a stabilisation fund. Should uncertain events arise, the capital position would be evaluated, and other sustainable measures would be used as buffers for the industry.

5.6.13. The Chairman indicated that GECCU would meet with the FSA to allow for more time to do the necessary analysis before deciding on a way forward.

6. ADJOURNMENT

There being no other business, the meeting ended at 9:44 p.m.

Sis Marcelle Burgin moved the motion for adjournment, seconded by Bro Philbert John with 159 members in favour, 0 against and 5 abstentions.

Meeting ratings: 49% - very good, 43% - good, 8% - fair

Read and sign as an accurate record this day of 20.....

.....

Chairman

.....

Secretary



Board of Directors' Report

to the

56th ANNUAL GENERAL MEETING

of the

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

THE BOARD OF DIRECTORS' REPORT TO THE 56th ANNUAL GENERAL MEETING

1.0. INTRODUCTION

Fellow Co-operators,

- 1.1 The General Employees' Cooperative Credit Union (GECCU) Ltd. is a legally incorporated entity that is registered under the Co-operative Societies Act No:12 of 2012. As a "not-for profit" financial institution, GECCU not only provides a range of financial services to its members at affordable prices, but also use the profits generated to give back to our members and help to develop the communities in which they live.
- 1.2 This report is in pursuance of Article 13 c (iii) of our by-laws. It requires the Board of Directors (BODs) to provide a report to Annual General Meetings of members. This reporting arrangement is a critical part of our sound governance commitments and is meant to give members an account of our stewardship of the institution.
- 1.3 To this end, the report covers work done by both the 54th and 55th BODs. We will discuss the strategic goals and business objectives that laid the foundation for the organization to function properly, meet its obligations to our members and produce credit financial performance for 2021. We will also endeavour to highlight the policies, initiatives and projects that were implemented in furtherance of the achievement of those goals and objectives. The report will also cover regulatory and compliance developments that would have impacted our operations.
- 1.4 We entered 2021 with a healthy dose of skepticism and uncertainty, as the country was still battling with the fallout from the health pandemic, associated with the rapid spread of the coronavirus. This uncertainty was further aggravated by the violent eruption of La Soufriere on the 9th April of, 2021 and the passage of hurricane Elsa in July, 2021. These triple shocks caused massive socio-economic dislocations, put the health system under immense strain and deterred economic activity. There were also international repercussions associated with the pandemic that negatively impacted the economic and financial well-beings of our members. In particular, disruptions to travel and leisure, trade, investments and supply chains, resulted in some segments of our membership losing their jobs and put upward pressures on the cost of living.
- 1.5 It is against this backdrop of elevated challenges and risks, both locally and internationally, that the 2021 Board of Directors' report is being presented to you.
- 1.6 As we reflected on developments during 2021, our core guiding principles and the essence of what GECCU is, were severely tested. Through it all, we remained steadfast in the pursuit of our vision and mission. We worked diligently to address the imminent risks/threats to our business model, whilst living up to the ethos of our social charter, by reaching out and assisting the most vulnerable in our society. During 2021, GECCU continued to support our members and communities affected by the shocks, through various financial initiatives aimed at stabilizing their financial health, as well as, targeted social assistance programmes.
- 1.7 Our ability to effectively cope with the changing circumstances during 2021 and transcend the challenges posed, are aptly captured in the theme for this 56th AGM; **"Improvise, Adapt, Overcome"**. It speaks to the robustness of our planning framework, leadership of the Board of Directors and management team, dedication of our volunteers and solidarity of our staff. The successes that we had during 2021 did not happen by osmosis. It was due to years of investments in the both hard and soft infrastructure which have made GECCU a leader in the financial sector in St. Vincent and the Grenadines, as well as the Organization of Eastern Caribbean State (OECS).

- 1.8 Notwithstanding all the gains we have made and the resilience of the institution to date, there is much work left to be done. If we are to stay on the cusp of the change plane and successfully navigate the dynamic business landscape in which we operate, we must seek to realign our business model to make GECCU an even “better fit for purpose” in the future. This work has already commenced with the implementation of the projects, programmes and initiatives outlined in our **Strategic Plan 2021-2025**.
- 1.9 I will like to take this opportunity on behalf of the Board, to thank the management, staff and all our volunteers for another year of effective and productive work. We accomplished a lot in 2021 through focused leadership and hard work, in spite of the various challenges we had to contend with. This is reflected partly in the healthy financial outturns for the year and the continued strong patronising of GECCU by Vincentians from all strata of life. To our members, we are inspired by your trust and loyalty. I can assure all of you, that GECCU will continue to rise to the occasion with the certainty of our decision making and the devotion to positively change lives.

2.0 BOARD OF DIRECTORS

- 2.1 At the 55th Annual General Meeting, four new members, Brothers Philmore Issacs, Hugh Colin Sam and Meriah Samuel and Sister Cecelia. J. Williams were elected to the Board.
- 2.2 At its first meeting, the Board of Directors elected Sis. Cecelia J. Williams – President; Bro. Michael Sayers- Vice President; Bro. H. Colin Sam – Treasurer; and Bro. Linus Goodluck - Secretary.

The full Board of Directors comprises the following:

Sis. Cecelia J. Williams	-	President
Bro. Michael Sayers	-	Vice President
Bro. Linus Goodluck	-	Secretary
Sis. Hugh Colin Sam	-	Treasurer
Bro. Frank Clarence Harry	-	Director
Bro. Jerold Jackson	-	Director
Bro. Philmore Isaacs	-	Director
Bro. Gary Matthias	-	Director
Bro. Meriah Samuel	-	Director

3.0 MEETINGS AND ATTENDANCE

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

Table 1: Summary of Attendance of Board of Directors

Names	Regular	Special	Grand Total
	TOTAL (7)	TOTAL (10)	TOTAL(17)
Sis. Cecelia J. Williams	7	9	16
Bro. Michael Sayers	7	10	17
Bro. Hugh Colin Sam	7	9	16
Bro. Linus Goodluck	7	10	17
Bro. Gary Matthias	6	10	16
Bro. Jerold Jackson	6	9	15
Bro. Frank Clarence Harry	7	10	17
Bro. Philmore Isaacs	7	9	16
Bro. Meriah Samuel	7	10	17

4.0 OVERALL PERFORMANCE REVIEW

4.1 *Economic Performance*

The lingering effects of the COVID-19 pandemic which was declared by the World Health Organisation in March, 2020, continued to negatively impact both the global and local economy in 2021. Some countries were able to develop better coping and mitigation mechanisms, which allowed them to reap the benefits from a quicker and fuller normalization of activities during the year. The disparity in access to vaccines globally, also created divergence in economic growth and the pace of recovery amongst countries. This inequity in the access to vaccines and its implications for a speedy economic recovery, was seen in the divergence of economic performance between wealthy advance economies and small island economies, such as St. Vincent and the Grenadines.

According to the IMF, global real GDP grew by 6.1 percent in contrast to a 3.1 percent decline in 2020. All our major trading partners registered impressive growth rates. These included the USA (5.7 percent), Canada (4.6 percent), and United Kingdom (7.4 percent). In 2020, all three countries recorded contractions in real GDP growth.

The strong recovery in the global economy including major trading partners, did not translate into improved economic and financial conditions for Saint Vincent and the Grenadines. Overall, economic activity remained depressed during 2021, as real GDP is estimated by the IMF to have contracted by 0.5 percent. This represented a slower rate of contraction when compared with the 5.3 percent decline in 2020. The depressed economic situation was further aggravated by the up take in inflationary pressures globally, with implications for prices locally.

4.2 *GECCU's Response*

The ideal on which the credit union was built of “*each one helping the other*” offered a framework for restoring hope and provided a motivation for action, in spite of the challenging socio-economic conditions. Our call to service to members and communities was fashioned within an environment characterized by:

- ✓ Economic malaise;
- ✓ Rising unemployment;
- ✓ Displacement of thousands from their homes due to the eruption of La Soufriere and hurricane Elsa;
- ✓ Continued enforcement of strict protocols aimed at stemming the spread of the COVID-19 virus; and
- ✓ Increasing angst among our members about future prospects.

In addressing these immediate, medium and long term challenges the Board of Directors along with the management of GECCU, had to develop a flexible plan of action that could provide credible and workable solutions, without compromising our financial position. Naturally, we continued to put the wellbeing of our staff and members at the top of our priority list. Hence, we ensured that protocols in place since last year to protect against the spread of COVID-19, continued to be strictly enforced. I am pleased to say that management, staff and our members responded very well, and as a result we did not suffer any materially impacting disruption to our services. In keeping with our mantra of “*Putting Members First*” and our vision of being a leader in the financial sector, GECCU was the ONLY financial institution in St. Vincent and the Grenadines to be opened on the Tuesday following the weekend of explosive eruptions. In addition to providing our regular services, we also provided valuable support to those who were displaced and seeking assistance during that difficult period.

During 2021, the Board prioritized the development of a comprehensive strategic plan that would guide policymaking over the next five years (2021-2025). I am delighted to announce that the plan was finalised and approved by the Board in early June, 2021. It is now being used to help GECCU navigate and adapt to the dynamic business landscape in which we operate. The next section gives a review of our performance, as it relates to the core strategic goals and business objectives for 2021, as laid out in the plan.

5.0 REVIEW OF PERFORMANCE: CORE STRATEGIC GOALS

- 5.0.1 The Board approved the Strategic Plan 2021-2025 and budget for 2021 early in the second quarter. Our strategic plan was developed under the theme ***“Imagining the Future....Making GECCU Better Fit for Purpose.”*** It embraces a transformational strategy that seeks to drive an evolution of the business model towards a more optimal one; in short, a business model that continues to have at its core a member-centric focus, employs cutting edge technology and innovative fin-tech solutions, to provide a dynamic blend of digital and “in-person” services. It must have the capability to be responsiveness to changing member expectations, personalised interactions, delivering effortless experiences, and proactively predicting what our members want, in a cost- efficient manner.
- 5.0.2 A total of seven (7) core strategic goals, were identified as targets for improving our functioning and adaptability. These are as follows:
1. Improve Corporate Governance;
 2. Strengthen Financial Performance;
 3. Improve Member Experience;
 4. Update Internal Processes;
 5. Retain and Develop of Human Resource
 6. Develop Business Intelligence Function; and
 7. Enhance Social Charter and Community Development.
- 5.0.3 These core goals formed the basis for the development of strategic business objectives and departments’ work plans, as well as the associated budget for 2021.

5.1 CORE GOAL 1: IMPROVE CORPORATE GOVERNANCE

- 5.1.1 One of the key responsibilities of the Board is to ensure that GECCU functions in accordance with sound governance principles. As the leading credit union in St. Vincent and the Grenadines and a systemically important financial institution in the Eastern Caribbean Currency Union (ECCU), GECCU is expected to operate in a transparent manner, comply with regulatory standards and be held accountable to its owners/members.
- 5.1.2 There were a number of specific administrative and procedural commitments which the Board successfully completed in 2021, which positively impacted our good governance arrangements.
- 5.1.3 *Hosting of 55th Annual General Meeting (AGM)*

Significant institutional time was spent planning and executing the **55th AGM**, which was successfully held on **Thursday the 14th of October, 2021**. This AGM was indeed historic and special, since it was the first time in the fifty-seven (57) years of GECCU’s existence that we were hosting a ***“Virtual AGM”***. This decision was taken in response to the strict health protocols in place for fighting the COVID-19 virus, which made it impossible to host our normal “In-Person” AGM. The management and staff and all those involved, including the Digital Service provider, ITFX, should be commended for the excellent effort in bringing the meeting to fruition.

5.1.4 *Audit of Financial Statements for 2020*

The auditing of our financial statements is an important exercise and a statutory requirement which requires full compliance, as part of our good governance practices. It is a process that supports transparency and accountability to our members and other stakeholders.

5.1.5 In order to fulfil this requirement as well ensure a smooth and effective process, the Board had to intervene to change our external auditors for 2020. This became necessary after the incumbent auditor KPMG, indicated that they would not be auditing credit unions in St. Vincent and Grenadines after 2020. In addition, they had also proposed a significant increase in their fees.

5.1.6 Given these developments, the Board decided that it was best to change the auditors and sought the permission of the Financial Services Authority (FSA). Once permission was granted, the Board along with the Audit Committee and management, instituted a modern scientific process to recruit and select the best external auditors for 2020. This exercise was completed in March 2021 with BDO being selected. They began their work on the 6th of April, 2021.

5.1.7 The smooth transition to a new external auditor and the successful hosting of our historic first ever “Virtual” AGM are conclusive evidence of how GECCU was able to successfully improvise, adapt and overcome.

5.1.8 With respect to guiding the strategic thrust and building a strong culture for good governance, the Board prioritised the following objectives for action in 2021:

- *Strengthen Policy Architecture:* As part of fulfilling this objective the strategic plan was finalised and the Job Evaluation study was completed. In addition, the Internal Audit Department conducted a comprehensive review of the overall policy framework, as well as the Loans Department. Management is now in the process of preparing a package of policy pieces for the Board’s review and approval. These initiatives are expected to fill the gaps identified in our policy architecture and also update outdated policies. This process is expected to be completed in 2023.
- *Develop Enterprise Risk Management Framework:* No work was done on this specific objective in 2021. Work is expected to commence in 2022 on developing the terms of reference to engage a consultant to complete the exercise.
- *Update Organisation Structure:* Work on this objective will commence in 2022, as it was contingent on the finalization of the Job Evaluation Study. As a result of some reprioritizing of activities by the Board in 2021, there was a delay in the final ratification of the study by the Board. This is expected to be done in early 2022.
- *Develop Human Resource Capacity of Board and Committees:* During the review year both volunteers and Board members were exposed to various training exercises. The table 2 below gives more details about the achievements in this regard.

Table 2 Board of Directors and Committees WORKSHOPS/SEMINARS 2021**In House – 2021 (held virtually)**

Seminar Title	Participant (s)	Date	Facilitator
Volcano Preparedness and Credit Union Business Continuity	Volunteers and selected Members of Staff	February 11, 2021	SVG Co-operative League
Credit Union Governance and Leadership Training	Board of Directors	February 18 – 19 ,2021	SVG Co-operative League in Collaboration with Barbados Co-operative and Credit Union League Ltd
Shared Branching: Disaster Recovery Solutions	Board of Directors and sSelected sStaff	March 24, 2021	SVG Co-operative League and Mr. Keane Kulak of Bradford Scott
Plugging Money Laundering Vulnerabilities in the Credit Union Movement	Cecelia J. Williams Brian Alexander	October 13, 2021	SVG Co-operative Credit Union League
ECSE-PBC Governance CPD Webinar Series Collective Efficacy: Towards High Board Performance	Selected Board of Directors	December 8, 2021	Eastern Caribbean Securities Exchange

5.2 CORE GOAL 2: STRENGTHEN FINANCIAL PERFORMANCE

5.2.1 GECCU ended 2021 in a strong financial position with an improved performance relative to the outturn for 2020. We remained well capitalized; profits were higher in 2021 compared with 2020 and asset growth was good, driven by increases in our cash resources. Meanwhile, loan growth remained stymied due to depressed loan demand. Once again we also ended the year in a very good liquidity position. A summary of the performance based on some selected indicators provided in the tables and charts below. Additionally, the Treasurer's report gives a more comprehensive update of the financial performance for 2021.

Table 3 Selected Financial Performance Indicators

	GECCU PERFORMANCE HIGHLIGHTS					
	2021	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$	\$
ASSET GROWTH						
Loans-net	168,280,381	167,717,410	164,111,376	150,013,425	137,816,907	123,416,638
Cash Resources	82,972,740	59,705,798	41,198,774	35,626,122	31,782,884	30,844,713
Inventory	7,094,190	7,091,790	6,971,489	6,793,043	6,660,283	6,657,966
Fixed Assets	13,586,403	13,971,097	13,587,104	12,017,716	12,101,360	9,799,610
Investment Securities	65,283,235	53,542,440	52,498,400	46,738,996	36,446,955	30,608,505
Other Assets	541,484	836,316	1,772,476	637,229	220,824	282,724
Investment properties	13,283,092	11,958,989	7,344,049	6,999,992	6,885,734	8,769,000
Total Assets	351,041,525	314,823,840	287,483,668	258,826,523	231,914,947	210,379,156
SAVINGS COMPONENTS						
Members' Shares Savings	126,769,521	115,084,280	107,225,783	97,434,046	88,825,864	81,219,786
Members Deposits	164,734,311	144,085,156	129,411,587	117,394,557	104,906,915	95,545,786
Total Savings	291,503,832	259,169,436	236,637,370	214,828,603	193,732,779	176,765,572
INCOME						
Loan Interest	14,112,101	13,820,533	13,938,959	13,036,752	11,588,526	10,659,222
Investment Income	2,782,966	2,533,813	2,184,860	1,675,381	1,639,522	1,561,637
Non-Interest Income	3,608,289	2,801,810	2,679,398	1,867,725	2,008,524	1,357,199
Total Income	20,503,356	19,156,156	18,803,217	16,579,858	15,236,572	13,578,058
EXPENSES						
Marketing, General Admin & other Expense	10,238,629	11,010,542	9,478,112	8,085,758	7,679,982	8,888,924
Interest Expense	5,753,910	4,506,682	4,797,572	4,150,669	3,999,811	3,270,542
Allowances for credit losses - Loans	942,222	1,524,294	749,054	-	678,930	305,274
Allowances for credit losses - Investment	465,506	497,140	572,527	65,698	-	-
Total Expense	17,400,267	17,538,658	15,597,265	12,302,125	12,358,723	12,464,740
PROFITABILITY						
Surplus	3,103,089	1,617,498	3,205,952	4,277,733	2,877,849	1,113,318
Other Reserve	14,825,648	12,147,606	12,133,362	9,151,620	7,034,555	4,729,154
Equity Shares	33,905,511	33,171,056	30,777,723	28,319,542	25,663,931	23,634,241
MEMBERSHIP	49,814	48,306	46,525	44,551	42,643	39,486

Chart 1: Selected Financial Performance Indicators

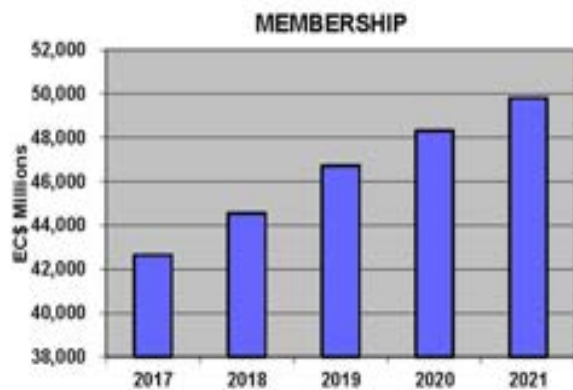
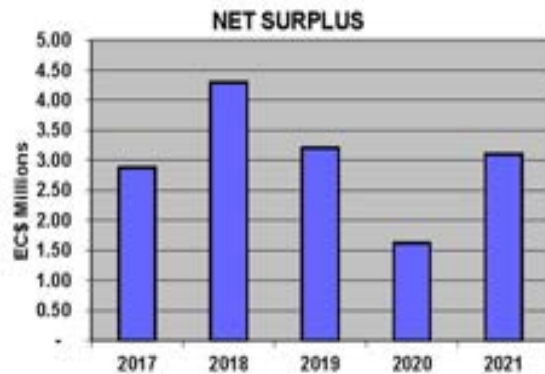
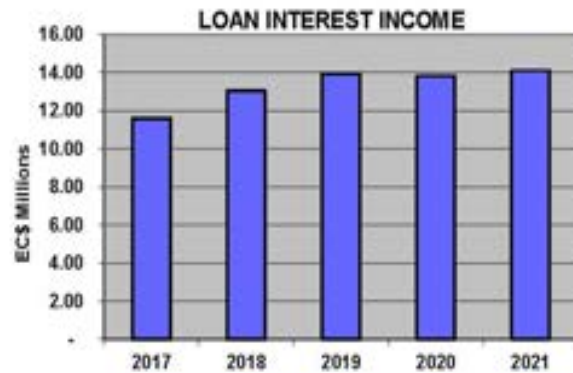
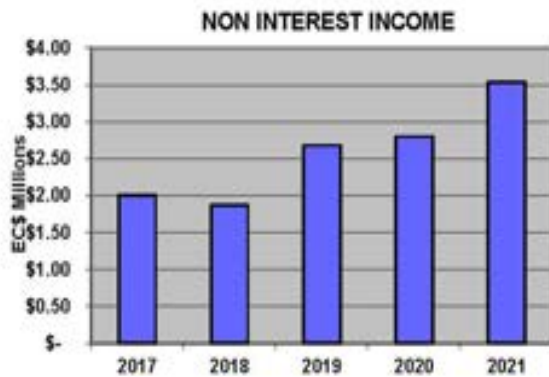
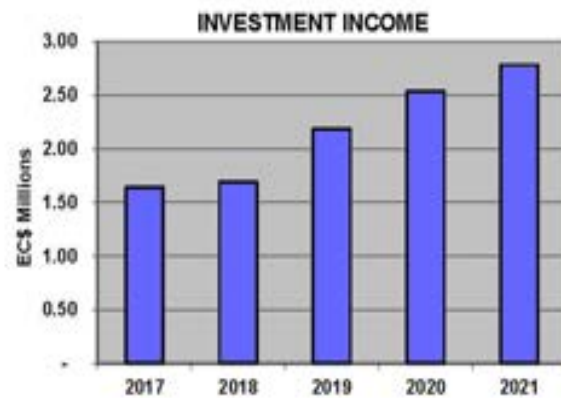
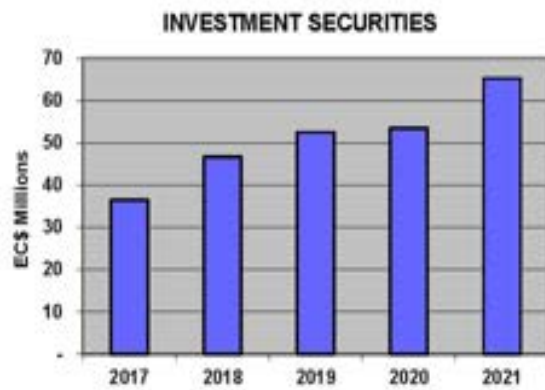
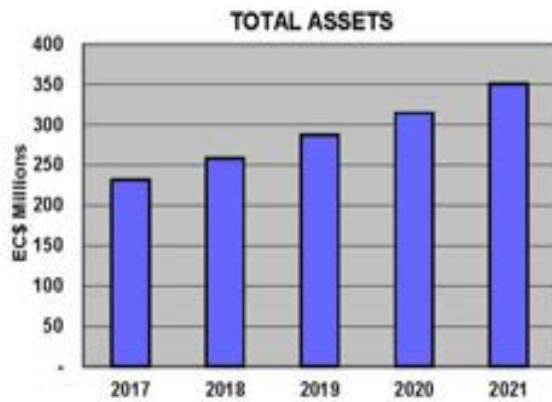


Table 4: Pearls Ratio Indicator

PEARLS Ratios	Goals	31st Dec 2021	31st Dec 2020
P – Protection			
Loan Loss Allowances / Delinquency > 12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	108.52%	100.45%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 110%	105.92%	104.85%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the percentage of total assets invested in Loans.</i>	Between 70 to 80%	47.94%	53.27%
Financial Investments / Total Assets <i>Measures the percentage of long-term Investment in Total Assets</i>	Max 10%	6.17%	5.72%
External Credit / Total Credit <i>Measures the percentage of Total Assets financed by external borrowings</i>	Max 5%	0%	0%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio <i>Measures the percentage of delinquency in the Loan Portfolio.</i>	Less than 5%	8.12%	10.45%
Non-Earning Assets / Total Assets <i>This measures the percentage of total assets not producing income.</i>	Less than 5%	10.61%	9.60%
R – Rates of Return and Cost			
Net Loan Income / Average Net Loan Portfolio <i>Measures the percentage yield on the Loan Portfolio</i>	Between 9 to 12%	8.36%	8.32%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	3.05%	3.44%
L – Liquidity			
Liquid Investment + Liquid Assets – ST Payables / Total Deposits <i>Measures the adequacy of liquid cash management to respond to Members' short-term requirements.</i>	Min 15%	41.69%	34.29%
Non-Earning Liquid Assets / Total Assets <i>Measures the percentage of cash invested in Non-earning Assets</i>	Less than 1%	5.68%	5.91%
S – Signs of Growth			
Net Loans <i>Measures the percentage of growth in the Loan Portfolio</i>	More than 10%	0.34%	2.20%
Total Assets <i>To measure the percentage growth in Total Assets.</i>	More than 10%	11.50%	9.51%
Membership <i>Measures the percentage of growth in Membership</i>	Min 5%	3.12%	3.83%

5.2.2 Performance of Sub-Offices

Through our network of sub-offices, GECCU continues to ensure that financial services reach marginalized areas and those who are underbanked by the traditional banks. The eruption of La Soufriere led to the temporary closure of the offices at Georgetown and South Rivers, respectively. However, both offices reopened once the all clear was given by the authorities for business to resume in those zones; Georgetown on 6th July, 2021 and South Rivers on 3rd May, 2021.

5.2.3 Table 5 gives a summary of the performances of the five (5) sub-offices based on some selected indicators.

Table 5: Sub-Offices performance 2021

	New Members		Collection		Disbursement	
	2021	2020	2021	2020	2021	2020
Union Is.	33	37	\$3,343,849.08	\$4,648,073.93	\$2,129,390.78	\$2,569,532.54
Canouan	50	47	\$3,678,359.36	\$3,605,612.38	\$227,837.31	\$252,847.91
Bequia	82	150	\$6,845,497.93	\$6,350,142.79	\$3,491,244.57	\$3,679,161.10
Georgetown	255	289	\$8,484,238.70	\$9,581,346.29	\$2,541,376.20	\$14,088,367.26
South Rivers	138	116	\$4,262,201.00	\$3,457,554.03	\$4,883,761.00	\$4,217,578.24
Total	558	639	26,614,146.07	\$27,642,729.42	13,273,609.86	\$24,807,487.05

5.2.4 The sustainability of GECCU depends on our ability to grow different aspect of the business over time, especially our loans portfolio and preserve the strength of our balance sheet. The Board , recognising that we are operating in a very competitive financial sector, invested a significant amount of planning time, trying to figure out the best strategies to make GECCU even more prosperous. The following were the main business objectives identified for action during the review period:

5.2.5.1 ***Introduce New Products and Services:*** During the review year, GECCU embarked upon several initiatives to help stimulate demand for loan products and improve our service to members.

These included;

- *Introduction of our CARE Loan Product:* It targeted health care workers and was launched in May, 2021; international nurses' month. It is expected to come to an end in June 2022. So far, the uptake has been modest.
- *Establish Small Business Loans Unit:* Work began with an external partner in 2021 to help improve our capacity to better underwrite business loans. The project seeks to improve the overall quality of products and services on offer to members with businesses. It is expected to be completed in 2022, with one of the key deliverables being the setting up of a dedicated business unit.
- *Develop Proposal for Affordable Land and Housing Project at Peter's Hope:* The Board approved a comprehensive plan for the development of a housing project at Peter's Hope in 2021. Site preparation work is expected to commence in the second half of 2022.
- *Collaboration with ECCB on the implementation of the DCash Pilot Project in St. Vincent and the Grenadines:* The Digital EC Dollar Pilot Project is a strategic initiative of the Eastern Caribbean Central Bank (ECCB) aimed at advancing the socio-economic transformation of our region. To date we have registered eighty (80) members for this new service.

- *Western Union Service at South Rivers:* Western Union service was introduced at the South Rivers office when it resumed operations on the 3rd of May, 2021. This provides our members in South Rivers and surrounding communities with another option to collect and send remittances.
- *Development of River 14 Recreational Site:* All the main physical works were completed during the review period. GECCU partnered with the UN GEF/SGP, CWSA, MOA, Forestry Department, National Parks, Ministry of Health and the Environment, and the community, to develop the 1.5 acres of land at River 14, South Rivers which it had acquired. It has been developed with amenities that would enable us to brand it as a recreation site for family and other types of activities. The cost was just over \$1.3M with GECCU contributing \$928,478 and the UN GEF/SGP \$405,000. A management and operation plan which was developed by the “Project Steering Committee”, will be presented to the Board in early 2022, for review and approval. Once this is done, plans will be made to operational is the facility for public use, so that GECCU could start making returns on its investments.

5.2.6 **Expanding Membership Base:** Our members are our life blood. They provide the liquidity needed to effectively run the institution and also the demand for loans which drives our main book of business, our loan portfolio. At the end of 2021, total membership, including junior savers and institutions stood at 49,814 compared with 48,306 at the end of 2020. The number of qualifying members which excludes junior savers and institution, stood at 44,356 compared with 42,569 in 2020. This outturn meant that a total of 1,787 new members registered in 2021 compared with 1,844 in 2020.

A breakdown of the new membership by age is shown in the table below. Together the junior savers and 16-30 cohort accounted for 63.0 percent of the new membership. This is consistent with our marketing and education strategy, which continues to be skewed toward targeting those categories.

Table 6 Breakdown of new members by Age:

Age	Number of Persons	Percentage
Junior Savers	529	30
16 - 30	598	33
31 - 40	285	16
41 – 50	197	11
51 – 60	131	7
61 and over	46	2.5
Organizations	1	.05
Total	1,787	100

- 5.2.6.1 GECCU continues to account for the largest share of members in the credit union sector in St. Vincent and the Grenadines. In 2021, that share stood at 55.7 percent in 2021, compared with 57.0 percent in 2020.
- 5.2.6.2 Some key initiatives undertaken in support of this objective included:
- Soliciting the help of Liaison Officers to promote and recruit;
 - Increased sponsorship of youth based youth-based events such as sporting activities; and
 - Intensifying school’s outreach programmes.
- 5.2.6.3 The Education and Marketing report provides more details about these initiatives.
- 5.2.7 **Implement Cost Reduction/Containment Strategy:** Several initiatives aimed at streamlining and reducing our operating and administrative cost were actioned during the financial period. The success of these programmes are reflected in the reduction in expenditure in some of targeted areas for 2021.

5.3 CORE GOAL 3: IMPROVE MEMBERS' EXPERIENCE

5.3.1 Our members' expectations are changing and so to stay relevant in our service to them, GECCU must also try to find innovative ways to improve our service delivery. The explosion of social media platforms and online shopping have made our members become more accustomed to rapid, personalised service delivery. Hence in both our "in-person" and digital delivery channels we must subscribe to the following best practices:

- Ensure ease of use and accessibility;, especially making transactions as frictionless as possible
- Provide high-quality member service as this is critical for building trust and brand loyalty. GECCU is already known for this but there is room for improvement.
- Ensure robust data security and confidentiality: Our members need to feel comfortable knowing that their personal data is secure and will not be compromised or misused.

5.3.2 *Renewal of GECCUMED*

5.3.3 Health insurance protects a person from unexpected, high medical costs that they may not be able to afford. GECCUMED is a medical group plan that seeks to ease the financial burden to our members for of major medical expenses. It offers insurance coverage for vision, dental and medical at rates much lower than if the individual member had to purchase the policy on the open market. At the end of 2021, there were 848 persons enrolled for the service compared with 767 in 2020.

5.3.4. During the year we were forced to terminate out relationship with Nagico/VINSURE and sign a new service agreement with SAGICOR. It came into effect from the 1st of December, 2021. This new agreement offers better protection for the long-term sustainability of the programme and more affordable rates.

5.3.5 The following were the main objectives prioritised by the Board for action during 2021, as we focused on providing a rewarding and fulfilling service experience:

- **Expansion of digital services and upgrade digital payment capabilities including cashless options:** A new ATM was commissioned on the 5th of March 2022 at our Headquarters building. This new machine offers a full range of services including deposit taking.
- **Update mobile and online banking platforms, removing steps that create friction:** Upgrading of the Home & Mobile Banking Platforms which allowed us to offer some new services and improve functionality. The following are some of the key results from the upgrades:
 - New user interface for the Home Banking platform;.
 - Availability of bill payment services upgrade; and
 - Availability of member to member-to-member transfers on Mobile Applications.

5.4 CORE GOAL 4: UPDATE INTERNAL PROCESSES

5.4.1 A smooth functioning GECCU is critical for improving member service, and overall efficiency. As part of the new strategic trust, we will seek to improve the way that GECCU creates and delivers value to our members. Two objectives were prioritized during 2021:

- **Conduct Workflow Documentation Study:** This involves identifying all the salient processes that matter for maintaining our competitive advantage in the industry with a view to answering the following questions:
 1. Who is involved in delivering the product or service, both at the department and individual level?
 2. What are the steps/actions are they are responsible for performing? and
 3. What changes as a result of their actions?

This exercise is mainly scheduled to be fully executed in 2022 but some preliminary tasks were completed in 2021.

- **Implement Server Virtualisation Project :** This project is part of a broader IT transformation programme aimed at using technological innovations to improve GECCU's ability to meet our members' future needs and operational efficiency. The project proposal was drafted and discussed internally during 2021. The next steps will be executed in 2022, once the plan is ratified by the Board.
- **Establish New Operations Department :** This is consistent with proposals coming out of the Job Evaluation study dealing with a realignment and updating of our organisational structure. Preliminary discussions were held internally by the CEO and his management team to discuss the way forward. A proposal should be before the Board in the last quarter of 2022, for our review and approval.

5.5 CORE GOAL 5: HUMAN RESOURCE RETENTION AND DEVELOPMENT

- 5.5.1 GECCU's staff complement at the end of 2021 stood at sixty-nine (69), consisting of twenty-six (26) males and forty-three (43) females. Headquarters had the highest number of staff with fifty-two (52) and Georgetown sub-office the second largest, with eight (8).
- 5.5.2 The year was a busy one for the continuous training and development of our staff. As shown in the table below, staff were exposed to a significant amount of training, notwithstanding the disruptions caused by the health pandemic and natural disasters.

Table 7 : Staff Workshops/Seminars 2021

Ex-House

Seminar Title	Participant	Location	Date	Resourced by
Analyzing Data with Power Business Intelligence (BI)	Anton Jardine Asif Bailey	St. Vincent	May 10 – 14, 2021	Nicholas Whiskey – Caribbean TECH Trendz Limited West Indies

In House – 2021 (held virtually)

Seminar Title	Participant(s)	Date	Facilitator
Volcano Preparedness and Credit Union Business Continuity	Selected Members of Staff and Volunteers	February 11, 2021	SVG Co-operative League
Enhancing your Cyber Defense Platform with Fortinet Security Fabric	Elias Francis Anton Jardine Tehani Cato	February 11, 2021	Fortinet
Shared Branching: Disaster Recovery Solutions	Board of Directors and Selected Staff	March 24, 2021	SVG Co-operative League and Mr. Keane Kulak of Bradford Scott
ECCB DCash Pilot	Selected Members of Staff	June 15 – 17, 2021	Eastern Caribbean Central Bank Ltd
Coaching and Strategy Consultation for Credit Union Executives	CEO/Senior Management and Senior Staff	July 23, 2021	SVG Co-operative League in collaboration with Alex Ihama's International School of Greatness
Anti-Money Laundering and Counter-Financing of Terrorism	Selected Staff (Trainer of Trainers)	July 26, 2021	Representatives of the Financial Intelligence Unit
Improving Suspicious Transaction Report/ Suspicious Activity Report Quality	J-Lany Williams	August 23 - 24, 2021	Egmont Centre of FIU Excellence & Leadership
Design Thinking to Develop a Business	Rohan J. Stowe Cheryl Bacchus	September 13 – 17, 2021	Centre for Enterprise Development Inc.
Coping during the	All Staff	January 27, 2021	Dr. Alisa Alvis – CEO
Power Query Level 1	Selected staff (Accounts Department)	March 20, 2021	Mr. Anton Jardine – Assistant Data System Administrator
Analyzing Data with Power Business Intelligence (BI)	Ashley Ashton Osbert Cunningham Jr.	June 12, 2021	Mr. Anton Jardine – Assistant Data Systems Administrator
Review of Member Application Process	Member Service Representatives and other frontline staff	June 19, 2021	Ms. Andreka Samuel – Senior Member Service Representative (Ag) and Mrs. Sharlene Charles – Operations
Anti-Money Laundering	Selected staff	September 16, 18 & 21 2021	Mr. J-Lany Williams – Legal and Compliance Officer

STAFF PROFILE

Bro. Rohan J. Stowe— Chief Executive Officer

Sis. Alicia Ashton-Doyle— CEO's Secretary

ACCOUNTS DEPARTMENT

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

Insurance Section:

Sis. Cecile Fraser-Gibson	Insurance Clerk
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ADMINISTRATION DEPARTMENT

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

INTERNAL AUDIT DEPARTMENT

Sis. Alana Karen Mulraine	Audit Manager
Sis. Shanet Small	Assistant Internal Auditor

MARKETING DEPARTMENT

Sis. Danny-Lee Francis	Senior Marketing Officer
Bro. Asif Bailey	Junior Marketing Officer

LOANS DEPARTMENT

Bro. Julian Ivo Joslyn	Loans Manager
Sis. Cheryl Bacchus	Senior Loans Officer
Bro. Junelto James	Senior Loans Officer
Sis. Sarah Commissiong- Benjamin	Loans Officer
Sis. Ketora Browne	Loans Officer
Sis. Shanaz Greaves	Senior Securities Officer
Sis. Alanis Preddie	Junior Securities Officer
Sis. Kimesha Browne	Loans Clerk
Sis. Theresa Douglas	Loans Receptionist

LOANS DEPARTMENT: RECOVERIES SECTION

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

LEGAL DEPARTMENT

Bro. J-Lany Williams	Legal and Compliance Officer
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IT DEPARTMENT

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

GEORGETOWN OFFICE

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

BEQUIA OFFICE

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

CANOUAN OFFICE

Sis. Colita Mitchell	Administrative Clerk
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UNION ISLAND OFFICE

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

SOUTH RIVERS OFFICE:

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

FACILITIES

Bro. Anthony Bowman	Facilities Office
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SVGCC DNE Orientation Presentation



GECCU Inaugural Spelling Bee



University Bursaries Awards



Nurses Appreciation Day



2021 Highlights



Mandarin Oriental Colleague Wellness Day



Launch of New ATM



CPEA Scholarship Awards Ceremony



SDF Volcano Relief



Launch of DCash



Endless Christmas Loan Giveaway

- 5.2.3 If GECCU is to continue being the success it has been over all these years, it must continue to embrace sound human resources management practices that produce happy, productive and engaged employees. There is a link between the way people are managed, employee attitudes and business performance.
- 5.2.4 GECCU's Board has always placed a premium on ensuring that our staff are well trained and remunerated for their work efforts. In 2021, staff were paid a bonus in recognition of their emotional commitment to the organisation and the dedication shown during a very tumultuous year.
- 5.2.5 As part of the roll-out of the strategic plan the following objectives were listed as critical for ensuring the human resource function supports the achievement of GECCU's strategic goals in 2021:
- **Develop and Implement Strategy to Establish an Independent Human Resource Department:** The proposal for the establishment of this new department was being worked on internally. It is expected to be presented to the Board in 2022, as part of a broader package that will seek to action a number of key recommendations coming out of the job evaluation study.
 - **Implement Relevant Recommendations from Job Evaluation Study:** The full completion of the process for the engagement with the consultants and final ratification of the study by the Board, were affected by the outbreak of the COVID-19 virus and associated reprioritizing of work programme activities by the Board in 2021. However, in preparation for the engagement with the consultants, the Board held several meetings with senior management and the Steering Committee, to discuss the drafted report and its findings. These meetings produced valuable talking-points and highlighted issues which should be further discussed with the consultants.
 - **Update Appraisal System:** No specific actionable tasks were undertaken in 2021 as the new HR department will work on achieving this objective
 - **Increase Staff Satisfaction through Modern Engagement in HR planning and Addressing the Skills Gap over the Strategic Planning Horizon:** A proposal was developed to source a consultant to conduct an Employee Engagement Survey. The survey is expected to be conducted and finalized in 2022.

5.6 CORE GOAL 6: DEVELOP BUSINESS INTELLIGENCE FUNCTION

- 5.6.1 GECCU generates a large amount of data on a daily basis. However we are still very limited in our capabilities to extract the full value from the data sets. The main goal in developing this function is to improve our ability to use advanced analytical tools to interrogate the datasets, in support of a more empirical decision-making framework. Some of the key objectives identified include:
- **Enhancement of Data Analytics and Research Capabilities:** The emphasis during 2021 was on building the human capacity. To this end two staff members started a certification programme with MicroSoft called Powerbi which provides for the development of advanced data analytics skills.
 - **Development of Centralised Database:** Most of the fundamental actionable activities are slated to take effect in 2022.

5.7 CORE GOAL 7: ENHANCE SOCIAL CHARTER AND COMMUNITY DEVELOPMENT

- 5.7.1 It is said that credit unions are not only “not-for-profit” cooperatives, they are also “for-people” organisation. GECCU continues to fulfil its core corporate social responsibilities. Our commitment to our members' holistic wellbeing and community development is unwavering. It is reflected in this core goal, which speaks about strengthening our community engagement, through investments that preserves our cultural identity and enhance the capacity of communities to generate wealth and healthy sustainable livelihood.

- 5.7.2 Our commitment to this goal was tested in the most viral and practical way, over the past two years or so. We had to deal with the triple whammy of the COVID-19 panic, hurricane, and eruption of La Soufriere. These shocks touched every aspect of our lives, as they caused tremendous economic, social and psychological and emotional disruptions. Indeed, it was the most challenging epoch for our country since independence.
- 5.7.3 GECCU stepped up when it mattered most during this period, through a number to targeted initiatives and programmes, designed to ease our members’ financial stresses and attend to their social needs.
- 5.7.4 In particular, we have spent to date, over \$200,000 in assisting our members and even some non-members, since the eruption of La Soufriere. Support ranged from monetary donations, provision of essential supplies, housing support in the immediate aftermath of the eruption, to house repairs and rehabilitation, and purchase of household equipment in the recovery phase.
- 5.7.5 We took the lead in developing a special package for our nurses, in collaboration with other credit unions and BOSVG, to show our appreciation for their commitment to service during the pandemic. In addition, we also offered them a special loan product to help them stabilise and strengthen their financial health.
- 5.7.6 The FSA approved a loan moratorium programme which we branded as our “*Ease the Burden*” package, designed to helped give affected members favourable options for meeting their loan servicing commitments. At the end of 2021, a total of 129 applicants were still on of the programme with loans valued at \$6.14M and interest outstanding of \$493,675.57. We have developed plans for an orderly unwinding from the programme which is scheduled to end, in March, 2022.
- 5.7.7 In summary, GECCU has been living up to the values and principles which distinguish the Credit Union from traditional financial institutions such as banks. Our actions, programmes and activities continue to reinforced the fact that we are not suffering from an identity crisis. We are a “for-the-people” organisation that will continue to invest in the holistic wellbeing of our members and the communities in which they live.

6.0 SCHOLARSHIPS

- 6.1 The Scholarship Committee takes pleasure in reporting that though 2021 was arguably one of the most challenging in the life of our country in recent history, our students were able to navigate the impacts of COVID 19 and the eruption of the La Soufriere Volcano and emerge successful in their internal and external examinations at all levels. This, in spite of the fact that much of 2021, classes remained online. The following report is a summary of the work undertaken in 2021:

6.2 Annual Scholarships to Secondary School

- During the period under review, twelve (12) scholarships were awarded to students who were successful in the 2021 Caribbean Primary Exit Assessment (CPEA).
- The 2021 scholarship recipients were:-were: -

Girls:

Mikayla Durrant	- Kingstown Preparatory
Kira Murray	- Kingstown Preparatory
Shazara James	- Kingstown Preparatory
J-Dira Regis	- Mary Hutchinson Primary
Jadea Abbey	- St. Mary’s Roman Catholic

Boys:

Nathan Warrick
Korey James
Raeheem Trotman
Luke Duncan
Evan Rouse

- Owia Government
- St. Mary's Roman Catholic
- Kingstown Preparatory
- Bequia Anglican Primary
- Sugar Mill Academy

Grenadines Scholarship:

Northern Grenadines: Lamont Gregg – Lower Bay Primary
Southern Grenadines: Shania Bynoe – Canouan Government

6.3 Scholarships to Children of Employees of GECCU

6.3.1 Scholarships were awarded to Adrian Joslyn, a student of the Kingstown Government and Akira Baptiste, a student of the South Rivers Methodist. The scholarships were awarded in accordance with the Collective Agreement between GECCU and the Commercial Technical and Allied Workers' Union (CTAWU), the union representing GECCU employees.

6.4 Scholarship Presentation Ceremony

6.4.1 The recipients of scholarships were presented with certificates of academic excellence at a brief ceremony held on Thursday 30th September 2021 at GECCU's Conference Room. One hundred and forty-two (142) other successful students received monetary awards of \$150.00 each. However, due to the COVID- 19 protocols that were instituted by the Ministry of Health and the Environment for indoor mass gathering, the ceremony was restricted to accommodate the scholarship recipients and officials of GECCU. Students receiving bursaries were subsequently invited to GECCU's offices to receive their awards.

6.5 University Bursary

6.5.1 Five (5) members were awarded bursaries valued at \$3,000.00 each to pursue their studies at various tertiary institutions. A brief presentation took place on Wednesday 14th of October 2021 at GECCU's Conference room. The recipients' academic records were quite impressive, with very high ranging GPAs.

The successful recipients were:

- Bro. Deszon Andrews
- Sis. Aricia Davis
- Bro. Emil Dougan
- Sis. Jamila Gibson
- Bro. Kwan Stewart

6.5.1.2 Scholarships and bursaries amounted to \$178,439.00 as at December 31, 2021.

7.0 Congratulations

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

7.2 Congratulations were also extended to our scholars who performed creditably at the 2021 Caribbean Secondary Education Certificate (CSEC) and the Caribbean Advanced Proficiency Examinations (CAPE). The Committee noted that despite the challenging period, GECCU scholars and students, in general, rose above the challenges.

- 7.3 Special congratulations were extended to Kajé Jack and Akayla Crichton on their exceptional performance at the 2021 Caribbean Secondary Education Certificate (CSEC) Examinations. Kajé was the top male performer for St. Vincent and the Grenadines; whilst Akayla was the top female performer.
- 7.4 Congratulations were also extended to Tiyanina Roberts and Hosea Nichols on their remarkable performance at the 2021 Caribbean Advanced Proficiency Examinations (CAPE). Tiyanina and Hosea are recipients of the Government of St. Vincent and the Grenadines National and Exhibition Scholarships, respectively for 2021.
- 7.5 GECCU continues to be impressed with the performances of its scholars.
- 7.6 **Youth Leadership Symposium:** The annual Youth Leadership Symposium which is usually held in August could not be convened again owing to the COVID- 19 protocol limits for indoor gathering.

7.7 **Review of Reports**

- 7.7.1 Following the review of term reports for scholarship holders, a special interactive session was convened with six (6) of the scholarship holders whose performance did not meet the required standard.
- 7.7.2 The purpose of the session was two-fold; it provided an opportunity to engage with the students on their academic performance as well as to determine if there was need for additional support. The session also served as a mental health check in with the students given the challenges brought about by the global health pandemic.
- 7.7.3 The session took place on Saturday 30th October 2021 and was held online. Sis. Kimberley Cambridge, a member of the Scholarship Committee and Psychologist by profession interacted with each student, privately.
- 7.7.4 The most overarching issue noted was with the students having to attend classes online and not being able to interact with their friends physically.
- 7.7.5 The Committee recognizes the need now more than ever to have mental health check in with scholars and will continue with this initiative.
- 7.7.6 The Committee wishes to place on record its sincere thanks to Sis. Kimberley Cambridge for reaching out to the students and providing them with coping mechanisms as they continue to navigate these challenging times.

7.7.7 **Conclusion**

The Committee wishes to acknowledge the co-operation of the Board of Directors, Staff and volunteers of GECCU for making its work a most meaningful and gratifying one. Members continue to be impressed and encouraged by the excellent performance and observable leadership skills of our scholars. The Committee reaffirms its commitment to ensure that all decisions, activities and programmes are guided by sound but clear policies and guidelines.

8.0 **SOCIAL DEVELOPMENT COMMITTEE REPORT 2021**

- 8.1 The Social Development Fund (SDF) was established by a resolution passed at the 38th Annual General Meeting of the General Employees Co-operative Credit Union Ltd. held on 13th of 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 (SDC) which was appointed by the Board of Directors in accordance with the resolution. The undermentioned members were appointed to serve for the period 2021:

- Sis. Jacintha Payne - Chairperson
- Sis. Samantha Robinson - Secretary
- Sis. Sandra Augustus
- Bro. Michael Da Silva
- Sis. Jonquil Cadougan
- Bro. Douglas Rose
- Bro. Brian Alexander
- Sis. Camilla Mandeville Mulzac
- Bro. Colin Sam
- Bro. Devonte Peters
- Bro. Linus Goodluck
- Sis. Shineco Sutherland
- Sis. Cecile Gibson (Staff)

8.2 The Committee held regular meetings on a monthly basis, as well as numerous special meetings and site visits, where necessary, to assess and validate the requests and estimates that were submitted.

8.3 The year 2021 proved to be an unprecedented one for the Committee. The eruptions of the La Soufriere coupled with the ongoing COVID-19 pandemic presented its challenges. This was evidenced by the insurmountable volume of applications (the most recorded since the establishment of the fund) which came before the Committee relating to the volcanic eruptions, medical and housing, in particular. Through the numerous site visits that were made, the SDC had first opportunity to witness the extensive damage caused by the volcanic eruptions and was pleased that GECCU, through this fund, was able to assist members to “weather the storm” during that difficult time.

8.4 **APPLICATIONS:**

8.4.1 A total of three hundred and eight (308) requests for assistance were brought before the Committee during 2021. Of these, 262 (85.1%) were approved, 1 (0.3%) was cancelled, 8 (2.6%) were denied and 37 (12.0%) are pending. Fifty-nine percent (59.1%) of the applications that came to the Committee were a result of the April Volcanic eruptions. The applications that were denied or cancelled 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 or other supporting documentation. Table 1 below gives a breakdown and status of the applications that were received and processed by the Committee in 2021.

Table 1- Applications received and processed by the Social Development Committee in 2021.

Category	No. received	Approved	Cancelled	Denied	Pending
Medical	56	49	0	1	6
Financial	15	12	0	0	3
Fire	1	0	0	0	1
Flood	2	2	0	0	0
Hurricane	2	2	0	0	0
Volcanic Eruption	182	165	0	6	11
Housing	50	32	1	1	16
Total	308	262	1	8	37

8.5 FINANCIAL STATUS OF THE SOCIAL DEVELOPMENT FUND

Table 2 - The following table presents a financial statement of the Social Development Fund at 31st December 2021:

PARTICULARS	EC \$
Opening balance as at January 1st, 2021	2,225,482.93
Add: SDF contribution for the year	617,540.00
	2,843,022.93
Less: Payments for SDF as at December 31 st , 2021	540,758.73
Ending Balance as at December 31st, 2021	2,302,264.20

9.0 OUTLOOK AND FUTURE STRATEGIES

- 9.1 The global economy and our main training partners are expected to experience continued growth in 2022, following on from the robust growth performance in 2021. This augurs well for rekindling of economic activity in St. Vincent and the Grenadines.
- 9.2 Projections by the IMF is for world output to expand by 3.6 per cent in 2022, a slower pace than that recorded in 2021. In the major trading partner countries, growth in real GDP is expected to at least match or surpass the global average. Growth in real GDP is forecast for the USA (3.7), Canada (3.9) and United Kingdom (3.7).
- 9.3 The positive improvements in economic conditions of the global economy and our main trading partners, are expected to have a positive spillover effects on economic and financial conditions in St. Vincent and the Grenadines. Real GDP is expected to grow by between 3.0 and 5.0 percent, respectively. This turn around in performance following the contractions over the two previous years, should lead to improved prospects for employment in the travel and leisure industry, as well as in construction and agriculture sectors.

Notwithstanding the projected improvement in economic conditions, the business environment in which we operate is still expected to be marred by significant uncertainties and downside risks. Some of the main ones include;

1. Elevated credit risks associated with the ending of the loan moratorium, “*Ease the Burden*” programme, which could negatively impact our delinquency rate and capital base;
2. Generally depressed low interest rate environment which will continue to stymie returns on financial investment opportunities;
3. An increase in inflationary pressure globally which will impact cost of living and consequently the spending power of our members; and
4. Continued depressed demand for loans which is our main book of business.

9.4 Brothers and sisters, I am confident that we have the strategies, programmes and initiatives to manage these risks and at the same time propel GECCU into the future as a stable, profitable institution. We will continue to focus strategically on:

- 1) Realigning the organisation structure to better meet the needs and demands of those we serve;.
- 2) Eliminating waste and improve efficiencies in our daily operations;
- 3) Enforcing more robust credit underwriting standards to limit risks associated with the credit portfolio;
- 4) Controlling cost growth in our major cost centres; and
- 5) Developing creative solutions for products and services to meet our members' needs and stimulate growth in key performance metrics.

9.5 As a Board, we are committed to ensuring that we work diligently to provide the relevant strategic focus and guidance to management, staff and volunteers for 2022. We will engage them to finalise the priority policies, programmes and projects in the third of quarter of 2022. This will then facilitate the development of the departments' work plans and the budget. We look forward to successfully completing this process. In the end, we are confident that our strategies will provide GECCU with the impetus for generating higher levels of growth and improve the service to our loyal members.



Cecelia J. Williams - President

Appendix 1: List of persons who passed during the year

- | | | |
|-------------------------|-----------------------------|--------------------------------|
| 1. Adina Wilson | 45. Clara Miller | 89. Hilan Pompey |
| 2. Adrian Gurley | 46. Claude Williams | 90. Hilary King |
| 3. Agustine Harry | 47. Clothilda Browne | 91. Hubert Findlay |
| 4. Aileen Scott | 48. Clyde Clarke | 92. Ifield Joseph |
| 5. Ainsley Creig | 49. Cosmus George | 93. Isabell Browne |
| 6. Alban Haynes | 50. Crispin Robinson | 94. Ishmael Shortte |
| 7. Alfred Charles | 51. Cynthia Hall | 95. Isola Liverpool |
| 8. Alfred John | 52. Cynthia Joslyn | 96. Ivan Edwards |
| 9. Alwill Franklyn | 53. Cyril Cambridge-Charles | 97. Ivica Ottley |
| 10. Andrew Jackson | 54. Dale Hooper | 98. Jacqueline Wright |
| 11. Aneika Browne | 55. Damian Pompey | 99. Jamella Samuel |
| 12. Angela Wilson | 56. Daniel | 100. James Fergus |
| 13. Angella George | 57. David Thomas | 101. Jason Martin |
| 14. Angella Primus | 58. Dennis Nanton | 102. Jazell Bess-Williams |
| 15. Angus Richards | 59. Dino Haynes | 103. Jean Payne |
| 16. Ann Marie Gibson | 60. Donald Simmons | 104. Jestina Pompey |
| 17. Annis Warrican | 61. Donrick David | 105. Johnson Stanford |
| 18. Anthony Moore | 62. Dorwin Charles | 106. Jonathan Nicholls |
| 19. Antoinette Fraser | 63. Dovice Young | 107. Joseph Allen |
| 20. Arthur Richards | 64. Earl Derrick | 108. Joseph Jacobs |
| 21. Audrey Miller | 65. Earl Roache | 109. Josephine Durham |
| 22. Barthelme Francois | 66. Eddie Da Briel | 110. Juliet Primus |
| 23. Basil Benn | 67. Edwin Bullock | 111. June Abraham |
| 24. Benjamin Lynch | 68. Elizabeth Cyrus | 112. Katie Wardrobe |
| 25. Beresford Mc Kree | 69. Elma Toby | 113. Kelvin Griffith |
| 26. Bernadette Spring | 70. Ena Mc Guire | 114. Ken Williams |
| 27. Bernard Roberts | 71. Erica Fraser | 115. Kendol Haywood |
| 28. Beverly Phillips | 72. Erla Haywood | 116. Kendall Brewster |
| 29. Bolvina Jacobs | 73. Eugina Bailey | 117. Kendol Haywood |
| 30. Cacheta Cuffy | 74. Evelyn Antoine | 118. Kenneth Mc Intosh |
| 31. Carl Robertson | 75. Ezekiel Matthias | 119. Kenson Haynes |
| 32. Carlos Questelles | 76. Faith Miller | 120. Kenton Jacobs |
| 33. Carlson Jeffers | 77. Franklin Dowers | 121. Kurt Jack |
| 34. Carlton Bailey | 78. Garvey Hamilton | 122. Laurell Franklyn-Williams |
| 35. Carlton Child | 79. Gawaine G Ellis | 123. Lavern Johnson |
| 36. Carmelita Clasp | 80. Gerald Jacobs | 124. Leon Cadogan |
| 37. Carmelita Edwards | 81. Gladys Peters | 125. Leon Knights |
| 38. Carmelitha Snagg | 82. Glennifer Wilson | 126. Leota Duncan |
| 39. Carmen Grant | 83. Gloria Garrick | 127. Leroy Franklyn |
| 40. Casmore Cumberbatch | 84. Granville Findlay | 128. Linda Matthews |
| 41. Casseitha Inniss | 85. Harvey Bute | 129. Lolly Smith |
| 42. Charland Morgan | 86. Helen Miller | 130. Loraine Glasgow |
| 43. Cheryl Dickson | 87. Hermon Moses | 131. Loveta Lewis |
| 44. Christina Seales | 88. Herod Mascoll | 132. Lucia Byron |

133.Lucina Miller	180.Rochelle Thomas-Trotman	227.Yvette Bruce
134.Lucy Anthony	181.Roger Williams	228.Zarique May
135.Lynthia Jackson	182.Ronald Richards	229.Zenitha Hadaway
136.Lyris Duncan	183.Ronald James	
137.Magareta Jones	184.Rosalind Power	
138.Majorie Jackson	185.Rosalind Stephens	
139.Marcus Bacchus	186.Rosemary John-Jack	
140.Marie Laidlow	187.Rosmond Pierre	
141.Marva Guy	188.Rudolph Haywood	
142.Marva Lennon	189.Sandra James	
143.Marva Millington	190.Sandra Thomas	
144.Mary Nichols	191.Saville Jr Murray	
145.Maurice Spencer	192.Scintne Hamlet	
146.Maxwell Peniston	193.Sean Williams	
147.Mckinley Simmons	194.Selda Cambridge	
148.Melan Francis	195.Selvanus Thomas	
149.Merlene Harry	196.Sentiel Baptiste	
150.Merton Sandy	197.Seymour Young	
151.Michael Mills	198.Shane Cabral	
152.Michele Samuel	199.Shanique George	
153.Natania Quashie	200.Shardeare Thomas	
154.Nikita Roberts	201.Sheelia Williams	
155.Noel Lewis	202.Sheila Durrant	
156.Nolan Wilkinson	203.Sheldon Young	
157.Noreen John	204.Sheldon Myers	
158.Orden Pierre	205.Shelly-Ann Ashton	
159.Osborne Jessop	206.St. Clutius Lewis	
160.Ottis Joslyn	207.Stephanie Hacksaw	
161.Parnel Campbell	208.Stephanie Richardson	
162.Patricia Sween	209.Susanne Duncan-Adams	
163.Paul Pope	210.Tara Gilbert	
164.Pperlita Baptiste	211.Thelma Haynes	
165.Peter Campbell	212.Theodora Blake	
166.Petunia Jack	213.Tommy Edwards	
167.Phillip Anthony	214.Trevor James	
168.Pollyanna Taylor	215.Ulric Charles	
169.Princess Mills Stewart	216.Vanessa Harry	
170.Raju Charles	217.Vanrick Debique	
171.Randolph Clarke	218.Vashitia Williams	
172.Raphael Anthony	219.Verna Douglas	
173.Raphael Patterson	220.Veronica Edwards	
174.Raulson Danzell	221.Viola Stephens	
175.Raymond Theobalds	222.Walter Butler	
176.Reginald Jones	223.Wendel Alexander	
177.Renwick Browne	224.Wendy Hadaway	
178.Reynold Williams	225.Wilson Wilson	
179.Robertha Almada Hooper	226.Winston James	



The Treasurer's Report
to the
56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)

THE TREASURER'S REPORT TO THE 56TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

Brothers and sisters, I am pleased to present to you an overview of GECCU's financial results, which highlights the financial performance of the General Employees Co-operative Credit Union Ltd for the year ended December 31, 2021.

- 1.1 The debilitating effects of the COVID-19 health crisis and the eruptions of the La Soufriere volcano presented different challenges to the credit union. While there was considerable growth in total assets, the credit union experienced sluggish growth in its main earning assets (loans), which has suppressed the related return on this asset. In the face of its challenges, the credit union capitalized on its opportunities and has substantially improved its profitability by approximately \$1.5 million or 92% to \$3.1 million. It has maintained its sustainable financial performance and continued to build its resilience with the growth in institutional capital and the stabilization of its liquidity position.

2.0 FINANCIAL PERFORMANCE

The following is a synopsis of performance for the financial year ended December 31, 2021, with comparatives from the 2020 financial year.

2.1 ASSETS

The credit union's total assets amounted to \$351 million, increasing by \$36.2 million or 12% over the 2020 fiscal year; the asset growth was mainly concentrated in cash resources. The movement in total assets was influenced by the following:

1. Loans portfolio

The adversities of the health pandemic and the devastation of the volcanic eruption, compounded with competition from other financial institutions, continue to decelerate the expected rate of growth in the loan portfolio. There was a marginal net growth of \$563k or 0.3%, to \$168.3 million, compared to \$167.7 million in 2020. Mortgages account for a significant proportion of this growth.

2. Investment securities.

The investment portfolio stood at \$65.3 million at the end of 2021, representing a growth of \$11.7 million or 22% compared to the \$53.5 million in 2020. The purchase of sovereign treasury bills and bonds and the placement of additional fixed deposits were the primary contributing factors to the surge in the portfolio.

3. Cash resources

The credit union had a net cash inflow of \$23.3 million in 2021, resulting in a substantial increase of 39% in cash resources to \$83 million, relative to \$59.7 million in 2020. The augmenting of the cash resources further strengthened its liquidity position, which continued to exceed the regulatory requirements substantially.

4. Investment properties

Investment properties grew by \$1.3 million or 11% to \$13.3 million, compared to \$12 million in 2020. This upward movement was driven by the increase in the value of the land at Cane Hall from an appraisal exercise and the ongoing development of the South Rivers - River-14 Recreational Park.

5. Property Plant and Equipment

There was a net reduction in property plant and equipment of \$385k or 3% to \$13.6 million, relative to the \$14 million in 2020. This was due to the depreciation charges to account for the annual wear and tear of the credit union's assets, coupled with the decline in capital expenditures in 2021.

Table 1: Component of Assets

	2021	2020	Increase/ (Decrease) \$	Increase (Decrease) %-age 2021 over 2020	Increase (Decrease) %-age 2020 over 2019
Total Assets	351,041,525	314,823,840	36,217,685	12%	10%
Loans	168,280,381	167,717,410	562,971	0.3%	2%
Investment Securities	65,283,235	53,542,440	11,740,795	22%	2%
Cash Resources	82,972,740	59,705,798	23,266,942	39%	45%
Investment property	13,283,092	11,958,989	1,324,103	11%	63%
Property Plant and Equipment	13,586,403	13,971,097	(384,694)	-3%	3%

2.2 SHARE CAPITAL & MEMBERS' DEPOSITS

Table 2 shows the movement in the deposits and share capital categories. Share capital increased marginally by \$734k or 2% to \$33.9 million when compared to \$33.2 million in 2021. Notably, the increase is inconsistent with the rate of growth observed in past years. The Financial Services Authority (FSA) directive in 2021 to discontinue the annual mandatory transfer of \$50.00 to equity shares accounted for the sharp decline in the growth rate of share capital.

The term deposit increased by \$2.8 million or 4%, while the ordinary deposit increased by \$17.8 million or 22%. Members' payments to deposits and shares continue to be the credit union's primary sources of liquidity.

Table 2: Component of Share Capital and Members' Deposits

	2021 \$	2020 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2021 over 2020 (% age)	Increase/ (Decrease) 2020 over 2019 (% age)
Share capital	33,905,511	33,171,056	734,455	2%	8%
Members' shares savings	126,769,521	115,084,280	11,685,241	10%	7%
Term deposits	65,856,807	63,053,053	2,803,754	4%	3%
Ordinary deposits	97,881,246	80,073,597	17,807,649	22%	19%

2.3 INCOME

The credit union's total income increased by \$1.3 million, or 7%, to \$20.5 million compared to \$19.2 million in 2020. Rental income and other income were the primary drivers of this growth. The following were the changes in the different revenue categories.

- The loan interest income reflected a slight increase of \$292k or 2% relative to the 2020 fiscal year. The rate of growth was consistent with the marginal growth experienced in the loan portfolio.

- The returns received on bond and treasury bills contributed to the increase in investment income of \$249k or 10%. However, the low-interest-rate environment is still challenging the credit union.
- The significant rise in rental income of \$381k or 131% resulted from the collection of a full year's rent from the current occupancy of our investment properties; compared to the partial collection in 2020.
- The increase of \$390k or 26% in other income over the previous year was mainly due to the gain from the appraisal of the land at Cane Hall.

Table 3: Categories of Income

	2021 \$	2020 \$	Increase/ (Decrease)	Increase/ (Decrease) 2021 over 2020 (% age)	Increase/ (Decrease) 2020 over 2019 (% age)
Total income	20,503,356	19,156,156	1,347,200	7%	2%
Loan interest income	14,112,101	13,820,533	291,568	2%	-1%
Investment income	2,782,966	2,533,813	249,153	10%	16%
Rental income	671,227	290,337	380,890	131%	99%
Death benefit contributions	1,025,380	989,400	35,980	4%	-1%
Other income	1,911,682	1,522,073	389,609	26%	-1%

2.4 EXPENSES

Total expense amounted to \$17.4 million, a decrease of \$138k or 1% compared to the \$17.5 million for the comparative period in 2020. The changes in the individual categories were due to the following;

- Staff costs reflect a decrease of \$700k or 16%, primarily due to the timing in staff benefits. Two (2) senior staff were paid retirement benefits in 2020; there was no such related expenditure in 2021.
- The reduction of \$304k or 7% in other operating expenses resulted from the curtailment of several credit union activities due to restrictions imposed from the pandemic and the focus on cost reduction and containment.
- The decline in the expected credit losses of \$582k or 38% in the loan portfolio was due to the improvement in the credit union's credit risk level.

Table 4: Categories of Expenses

	2021 \$	2020 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2021 over 2020 (% age)	Increase/ (Decrease) 2020 over 2019 (% age)
Total expenses	17,400,267	17,538,658	(138,391)	-1%	12%
Interest expenses	5,753,910	4,506,682	1,247,228	28%	-6%
Staff costs	3,708,321	4,408,440	(700,119)	-16%	15%
CUNA insurance	1,577,194	1,439,816	137,378	10%	28%
Other operating expenses	4,036,771	4,340,834	(304,063)	-7%	13%
Death benefit payments	916,343	821,452	94,891	12%	17%
Allowances for credit losses - Loans	942,222	1,524,294	(582,072)	-38%	103%
Allowances for credit losses - Investment	465,506	497,140	(31,634)	-6%	-13%

2.5 NET PROFIT

A net profit of \$3.1 million was realized for 2021, representing an increase of approximately \$1.5 million or 92% from the profit of \$1.6 million reported in 2020.

3.0 CONCLUSION:

The financial performance for 2021 epitomized our resilience and strength. The extensive growth in our cash resources is a reassurance of the members' continued confidence in this noble institution even in challenging times.

The economic fallout from the pandemic has challenged us in 2020, continued in 2021, and may continue in 2022. The up tick in economic activities in late 2021 provides some measure of optimism that habitual activities are returning to some semblance of normalcy. We may not return entirely to our pre-pandemic levels in the upcoming financial year. However, we are confident that the credit union is in a sound position to capitalize on ensuing opportunities and to continue to strengthen its financial performance. We are relentless in achieving our vision of being the first-choice financial institution. Thus, we will continue to focus on improving our members' quality of life, building our human resources and the enrichment of our communities.

I want to thank the Board of Directors, Committees, Management, and Staff for their support in 2021. In addition, it would be remiss if I did not say special thanks to the staff in the Accounts Department for their unwavering support.

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



Bro. H. Colin Sam
Treasurer



GECCU Financial Statements & Auditors' Report

**to the
56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT
UNION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021



GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

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Statement of Changes in Members' Equity	7
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GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

CORPORATE INFORMATION

REGISTERED OFFICE

Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Sis. Cecelia J. Williams	- President
Bro. Michael Sayers	- Vice President
Bro. Hugh Colin Sam	- Treasurer
Bro. Linus Goodluck	- Secretary
Bro. Gary Matthias	
Bro. Frank Clarence Harry	
Bro. Meriah Samuel	
Bro. Philmore Isaacs	
Bro. Jerold Jackson	

CHIEF EXECUTIVE OFFICER

Rohan J. Stowe

SOLICITOR

Baptiste and Company

FINANCIAL INSTITUTIONS

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

AUDITORS

BDO Eastern Caribbean
Chartered Accountants



Tel: 784-456-2669
Tel: 473-435-2669
bdovc@bdoec.com
www.bdoec.com

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the General Employees' Co-operative Credit Union Limited ("the Credit Union"), which comprise the statement of financial position as at December 31, 2021, the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other information

Management is responsible for the information included in the Credit Union's 2021 Annual Report, other than the financial statements and our auditor's report thereon. The Credit Union's Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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



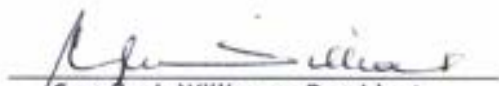
BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
June 13, 2022

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2021
With comparative figures as at December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	2021 \$	2020 \$
Assets			
Cash resources	6	82,972,740	59,705,798
Inventories	7	7,094,190	7,091,790
Investment securities - amortised cost	8(i)	64,239,859	52,560,988
Investment securities - fair value through profit or loss (FVPL)	8(ii)	1,043,376	981,452
Loans to members	9	168,280,381	167,717,410
Right of use assets	10	184,662	337,213
Other assets	11	356,822	499,103
Investment properties	12	13,283,092	11,958,989
Property, plant, and equipment	13	13,586,403	13,971,097
Total assets		351,041,525	314,823,840
Liabilities			
Other payables	14	4,094,799	3,693,628
Deferred grant income		404,940	404,940
Staff pension fund deposit	15	1,063,460	904,715
Lease liabilities	16	192,787	358,692
Members' deposits	17	164,734,311	144,085,156
Members' ordinary savings	18	126,769,521	115,084,280
Total liabilities		297,259,818	264,531,411
Members' equity			
Share capital	19	33,905,511	33,171,056
Statutory reserve	20	8,617,759	7,685,520
Social development fund	21	2,302,264	2,225,483
Statutory development fund	22	30,000	30,000
Revaluation reserve		2,718,284	2,718,284
Retained earnings		6,207,889	4,462,086
Total members equity		53,781,707	50,292,429
Total liabilities and members' equity		351,041,525	314,823,840

The notes on pages 9 to 56 are an integral part of these financial statements.

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


Cecelia J. Williams - President


Hugh Colin Sam - Treasurer

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2021
With comparative figures for the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	2021 \$	2020 \$
Income			
Loan interest		14,112,101	13,820,533
Investment interest	23	2,782,966	2,533,813
		16,895,067	16,354,346
Interest expense		(5,753,910)	(4,506,682)
Net interest income		11,141,157	11,847,664
Expected credit losses	24	(1,314,860)	(2,004,226)
General and administrative expenses	25	(5,605,104)	(5,734,356)
Staff costs	26	(3,708,321)	(4,408,440)
Other operating income, net	27	2,528,293	1,963,150
Operating profit		3,041,165	1,663,792
Net unrealized gain (loss) on FVTPL investments		61,924	(46,294)
Net profit for the year		3,103,089	1,617,498
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net gain in revaluation reserve		-	1,083,683
Total comprehensive income		3,103,089	2,701,181

The notes on pages 9 to 56 are an integral part of these financial statements.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Members' Equity
For the year ended December 31, 2021
With comparative figures for the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	Share capital \$	Statutory reserve \$	Social development fund \$	Statutory development fund \$	Revaluation Reserve \$	Retained earnings \$	Total \$
Balance as at December 31, 2019		30,777,723	7,198,743	1,877,374	30,000	1,634,601	4,092,798	45,611,239
Net profit for the year		-	-	-	-	-	1,617,498	1,617,498
Net increase in qualifying shares	19	187,626	-	-	-	-	-	187,626
Net increase in equity shares	19	2,205,707	-	-	-	-	-	2,205,707
Net Increase in social development fund	21	-	-	348,109	-	-	-	348,109
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	485,249	-	-	-	(485,249)	-
Entrance fees	20	-	1,528	-	-	-	-	1,528
Net gain in revaluation reserve		-	-	-	-	1,083,683	-	1,083,683
Dividends paid		-	-	-	-	-	(732,961)	(732,961)
Balance as at December 31, 2020		33,171,056	7,685,520	2,225,483	30,000	2,718,284	4,462,086	50,292,429
Opening balance		33,171,056	7,685,520	2,225,483	30,000	2,718,284	4,462,086	50,292,429
Net profit for the year		-	-	-	-	-	3,103,089	3,103,089
Net increase in qualifying shares	19	123,874	-	-	-	-	-	123,874
Net increase in equity shares	19	610,581	-	-	-	-	-	610,581
Net Increase in social development fund	21	-	-	76,781	-	-	-	76,781
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	930,927	-	-	-	(930,927)	-
Entrance fees	20	-	1,312	-	-	-	-	1,312
Dividends paid		-	-	-	-	-	(396,359)	(396,359)
Balance as at December 31, 2021		33,905,511	8,617,759	2,302,264	30,000	2,718,284	6,207,889	53,781,707

The notes on pages 9 to 56 are an integral part of these financial statements.

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the year ended December 31, 2021
With comparative figures for the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Profit for the year		3,103,089	1,617,498
Adjustments for:			
Depreciation	13	881,886	939,825
Depreciation right-of-use assets	10	152,551	141,673
(Gain) loss on disposal of property and equipment	27	8,861	(36,889)
Net (gain) loss on revaluation of properties	27	(739,011)	(445,172)
Unrealized (gain) loss on FVTPL investments		(61,924)	46,294
Expected credit loss on investments	24	465,506	497,140
Expected credit loss on loans, net of recoveries	24	849,354	1,507,086
Interest income		(16,895,067)	(16,354,346)
Dividend income		16,200	27,898
Lease interest		7,983	11,868
Interest expense		5,753,910	4,506,682
		(6,456,662)	(7,540,443)
Changes in:			
Loans to members		(1,426,783)	(4,959,721)
Other assets		142,281	862,399
Members' deposits		20,611,403	14,644,644
Deferred grant income		-	202,450
Staff pension fund deposits		158,745	(67,071)
Inventories		(2,400)	(120,301)
Other payables		401,171	80,786
Members' ordinary savings		11,685,241	7,858,497
		25,112,996	10,961,240
Interest received		16,909,526	16,200,948
Lease interest paid		(7,983)	(11,868)
Dividends received		(16,200)	(27,898)
Interest paid		(5,716,158)	(4,477,757)
Net cash generated from operating activities		36,282,181	22,644,665
Cash flows from investing activities			
Purchase of property, plant, and equipment	13	(506,054)	(3,435,948)
Proceeds from sale of property, plant, and equipment		-	55,605
Addition to investment properties	12	(585,092)	(992,672)
Change in investment securities		(12,144,377)	(1,587,474)
Net cash used in investing activities		(13,235,523)	(5,960,489)
Cash flows from financing activities			
Net increase in social development fund	21	76,781	348,109
Statutory development fund paid	22	(30,000)	(30,000)
Increase in share capital	19	734,455	2,393,333
Net increase in lease liabilities		(165,905)	(157,161)
Entrance fees	20	1,312	1,528
Dividends paid		(396,359)	(732,961)
Net cash generated from financing activities		220,284	1,822,848
Increase in cash resources		23,266,942	18,507,024
Cash resources - Beginning of year		59,705,798	41,198,774
Cash resources - end of year		82,972,740	59,705,798

The notes on pages 9 to 56 are an integral part of these financial statements.

1. Reporting entity

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

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

2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), under the historical cost convention unless otherwise stated, except for fair value through the profit or loss (FVTPL) investments, land and buildings and investment properties which have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors on June 7, 2022.

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 (cont'd)

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

Classification of financial assets

Note 4(f): classification of financial assets: Judgement is required to assess the business model within which financial assets are held and whether the contractual terms of financial assets are solely payments of principal and interest (SPPI) on the principal amounts outstanding.

Impairment allowance

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, 2021 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.

Fair value measurement

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 and amended standards and interpretations

A number of new and amended standards and interpretations are effective from January 1, 2021 but they did not have a material effect on the Credit Union's financial statements.

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

a. *New standards, interpretations, and amendments that became effective during the year*

Certain new and amended standards and interpretations came into effect during the current financial year. The Credit Union has assessed them and has adopted those which are relevant to its financial statements.

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).* The amendments in Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments have no significant impact on the Credit Union's financial statements.

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

A number of new and amended standards and interpretations are effective for annual periods beginning on or after January 1, 2022 and earlier application is permitted; however, the Credit Union has not early adopted the following new or amended standards or interpretations in preparing these financial statements.

- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment is effective for annual reporting periods beginning on or after January 1, 2023.

An amendment was made to defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after January 1, 2023.

- *Reference to the Conceptual Framework (Amendments to IFRS 3)*
The amendments updated an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

3. New and amended standards and interpretations (cont'd)

b. New standards, interpretations, and amendments not yet effective (cont'd)

- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is effective for annual reporting periods beginning on or after January 1, 2022.
- *Annual Improvements to IFRS Standards 2018-2020 makes amendments to the following standards:*
 - **IFRS 1** - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
 - **IFRS 9** - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
 - **IFRS 16** - The amendment to illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. **IAS 41** - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendment is effective for annual reporting periods beginning on or after January 1, 2023.

3. New and amended standards and interpretations (cont'd)

b. New standards, interpretations, and amendments not yet effective (cont'd)

- *Definition of Accounting Estimates (Amendments to IAS 8)*
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendment is effective for annual reporting periods beginning on or after January 1, 2023.
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*
The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after April 1, 2021.

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

4. Significant accounting policies

a. Foreign currency translation

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

Changes in the fair value of monetary securities denominated in foreign currencies classified as amortised cost 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 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 monetary items, such as equities classified as fair value through other comprehensive income, are included in the fair value in other comprehensive income and ultimately accounted for in reserves in equity.

b. Cash resources

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

c. Inventories

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

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.

4. Significant accounting policies (cont'd)

d. Property and equipment

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

Freehold building	2%
Furniture and equipment	20%
Computer equipment & software	20%
Motor vehicle	20%

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

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

e. Investment properties

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

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

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

f. IFRS 9 Financial Instruments

Recognition and initial measurement

The Credit Union recognizes a financial instrument when it becomes a party to the contractual terms of the instrument. All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial Instruments (cont'd)

Classification categories of financial assets

The Credit Union classifies all of its financial assets into one of the following categories:

- Amortised cost;
- FVTPL; or
- FVOCI.

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

Financial assets

Under IFRS 9

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

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

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

Equity Instruments

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

Business model assessment

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

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

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 profit or loss 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 or 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 or 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 or 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 or loss and other comprehensive income.

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

Impairment of financial assets

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

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

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

Determining a significant increase in credit risk since initial recognition

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

Expected credit loss impairment model

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

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

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

Impairment of financial assets

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; or - 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 losses

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.

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; and
 - Deterioration of the borrower's competitive position.
- 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, including deterioration, 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

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

4. Significant accounting policies (cont'd)

f. IFRS 9 Financial instruments (cont'd)

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

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

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

Improvement in credit risk/curing

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

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

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

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

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

- At least a year has passed with no default upon the forbore contract terms
- The customer is likely to repay its obligations in full without realising security
- The customer has no accumulated impairment against amounts 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 with consideration of supportable forward-looking information. 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. Interest continues to be accrued and is recorded as part of interest income. 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, for instruments at FVOCI, is reclassified to profit or loss. If the fair value of an impaired debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

Offsetting financial instruments

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

g. Leases

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

Credit Union acting as a lessee

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

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

4. Significant accounting policies (cont'd)

g. Leases (cont'd)

The right-of-use asset is subsequently at the present value of the lease payments that are not paid at the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by depreciation and 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 and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

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

4. Significant accounting policies (cont'd)

g. Leases (cont'd)

Credit Union acting as a lessor

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

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

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

h. Impairment of other non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

i. 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 and savings, other payables, and lease liabilities. The Credit Union determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans payable, net of directly attributable transaction costs.

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

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

4. Significant accounting policies (cont'd)

j. Revenue recognition

Interest income

Interest income is recognized 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 gross carrying amount or amortized cost. 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 recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

Other income

The Credit Union earns fees from its members for transaction-based services. Transaction based service fees include commissions, portfolio legal fees, statement rendering, and the sale of transaction books. The Credit Union recognizes loan fees at a point in time when the transaction has occurred, including loan processing fees.

k. Interest expense

Interest expense is recognized in profit or loss on interest-bearing financial liabilities using the effective interest yield method.

l. 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.

m. 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.

4. Significant accounting policies (cont'd)

n. Related parties

Definition of related party

A related party is a person or entity that is related to the Credit Union.

- (i) A person or a close member of that person's family is related to the Credit Union if that person:
 1. has control or joint control of the Credit Union;
 2. has significant influence over the Credit Union; or
 3. is a member of the key management personnel of the Credit Union or of a parent of the Credit Union.
- (ii) An entity is related to the Credit Union if any of the following conditions applies:
 1. The entity and the Credit Union are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 2. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 3. Both entities are joint ventures of the same third party.
 4. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 5. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
 6. The entity is controlled or jointly controlled by a person identified in (a).
 7. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 8. The entity, or any member of a group of which it is a part, provides key management personnel services to the Credit Union or to the parent of the Credit Union.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- dependents of that person or that person's spouse or domestic partner.

5. Financial risk management

a. Financial risk factors

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

i) Credit risk

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

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

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

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

Collateral

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

- i) Mortgages over real properties; and
- ii) Charges over members' deposits and ordinary savings.

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

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

5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Impairment and provisioning policies

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

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

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

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

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

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

Valuation of investment

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

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

Maximum credit risk

The following summarises the maximum credit risk:

	2021 \$	2020 \$
Deposit with commercial banks	79,997,363	56,728,289
Investment securities	65,283,235	53,542,440
Loans to members	168,280,381	167,717,410
Other assets	356,822	499,103
	<u>313,917,801</u>	<u>278,487,242</u>

The exposures set out above are based on net carrying amounts as reported in the statement of financial position, and represent a worst case scenario of credit risk exposure as at December 31, 2021 and 2020 without taking account of any collateral held or other credit enhancements attached.

Loans and advances to members are summarised as follows:

	Consumer \$	Computer \$	2021 Mortgage \$	Student \$	Total \$
Gross loans	81,042,294	100,814	88,074,997	3,622,823	172,840,928
Interest receivable	567,720	228	527,265	7,173	1,102,386
	<u>81,610,014</u>	<u>101,042</u>	<u>88,602,262</u>	<u>3,629,996</u>	<u>173,943,314</u>
Less: ECL allowance	(4,085,538)	(1,948)	(1,431,578)	(143,869)	(5,662,933)
	<u>77,524,476</u>	<u>99,094</u>	<u>87,170,684</u>	<u>3,486,127</u>	<u>168,280,381</u>

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

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

i) Credit risk (cont'd)

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.

	2021 \$	2020 \$
Stage 1		
Consumer loans	71,082,453	70,788,928
Computer loans	99,276	137,309
Mortgage loans	79,939,225	79,108,342
Student loans	3,242,157	3,595,401
Total	154,363,111	153,629,980

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 - 2021				
	Consumer loans \$	Computer loans \$	Mortgage loans \$	Student loans \$	Total \$
Secured - Past due under 90 days	1,103,733	-	1,336,859	-	2,440,592
Unsecured - Past due 30 to 59 days	1,447,878	-	289,782	-	1,737,660
Unsecured - Past due 60 to 89 days	359,337	-	141,514	29,487	530,338
Total	2,910,948	-	1,768,155	29,487	4,708,590

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

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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)

	2021 \$	2020 \$
Stage 3		
Consumer loans	7,048,893	6,754,059
Computer loans	1,538	2,155
Mortgage loans	6,367,617	5,095,073
Student loans	351,179	434,450
Total	13,769,227	12,285,737

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

	2021 \$	2020 \$
Loan commitments and other related obligations	5,430,451	5,849,146

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, 2021 and 2020, based on Moody's ratings or equivalent:

	Cash resources \$	Investment securities \$	Loans to members \$	Other assets \$	Total \$
At December 31, 2021					
Lower the A-	-	12,902,712	-	-	12,902,712
Unrated	79,997,363	52,380,523	168,280,381	356,822	301,015,089
	79,997,363	65,283,235	168,280,381	356,822	313,917,801
	Cash resources \$	Investment securities \$	Loans to members \$	Other assets \$	Total \$
At December 31, 2020					
Lower the A-	-	13,000,000	-	-	13,000,000
Unrated	56,728,289	40,542,440	167,717,410	499,103	265,487,242
	56,728,289	53,542,440	167,717,410	499,103	278,487,242

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 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, 2021					
Other payables	4,094,799	-	-	-	4,094,799
Retirement benefit plan	1,063,460	-	-	-	1,063,460
Lease liabilities	37,949	118,850	35,988	-	192,787
Members' deposits	118,088,694	46,645,617	-	-	164,734,311
Members' ordinary savings	124,487,904	2,281,617	-	-	126,769,521
	<u>247,772,806</u>	<u>49,046,084</u>	<u>35,988</u>	<u>-</u>	<u>296,854,878</u>
At December 31, 2020					
Other payables	3,693,628	-	-	-	3,693,628
Staff pension fund deposit	904,715	-	-	-	904,715
Lease liabilities	193,004	165,688	-	-	358,692
Members' deposits	99,982,558	44,102,598	-	-	144,085,156
Members' ordinary savings	113,742,039	1,342,241	-	-	115,084,280
	<u>218,515,944</u>	<u>45,610,527</u>	<u>-</u>	<u>-</u>	<u>264,126,471</u>

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-balance sheet instruments that commit it to extend credit to members and other facilities [Note 31(b)], are summarised in the table below:

	2021 \$	2020 \$
Loan commitments and other related obligations	5,430,451	5,849,146

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 or liabilities.

Interest rate risk

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

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

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

	Up to One year \$	Between 1 - 5 years \$	Over 5 years \$	Non-Interest bearing \$	Total \$
At December 31, 2021					
Financial Assets					
Cash resources	79,997,363	-	-	2,975,377	82,972,740
Investment securities	43,759,466	18,124,250	2,357,143	1,042,376	65,283,235
Loans to members	8,635,295	57,897,978	101,747,108	-	168,280,381
Other assets	-	-	-	356,822	356,822
Total financial assets	132,392,124	76,022,228	104,104,251	4,374,575	316,893,178
Financial liabilities					
Other payables	-	-	-	4,094,799	4,094,779
Staff pension fund deposits	1,063,460	-	-	-	1,063,460
Members' deposits	118,088,694	46,645,617	-	-	164,734,311
Members' ordinary savings	125,427,280	1,342,241	-	-	126,769,521
Lease liabilities	156,799	35,988	-	-	192,787
Total financial liabilities	244,736,233	48,023,846	-	4,094,799	296,854,878
Total interest re-pricing gap	(112,344,109)	27,998,382	104,104,251	279,776	20,038,300

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5. Financial risk management (cont'd)

a. Financial risk factors (cont'd)

iii) Market risk (cont'd)

Interest rate risk (cont'd)

	Up to One year \$	Between 1 - 5 years \$	Over 5 years \$	Non-Interest bearing \$	Total \$
At December 31, 2020					
Financial Assets					
Cash resources	56,728,289	-	-	2,977,509	59,705,798
Investment securities	36,972,741	8,997,871	6,590,376	981,452	53,542,440
Loans to members	9,071,494	57,532,184	101,113,732	-	167,717,410
Other assets	-	-	-	499,103	499,103
Total financial assets	102,772,524	66,530,055	107,704,108	4,458,064	281,464,751
Financial liabilities					
Other payables	-	-	-	3,693,628	3,693,628
Staff pension fund deposits	904,715	-	-	-	904,715
Members' deposits	99,982,558	44,102,598	-	-	144,085,156
Members' ordinary savings	113,742,039	1,342,241	-	-	115,084,280
Lease liabilities	193,004	165,688	-	-	358,692
Total financial liabilities	214,822,316	45,610,527	-	3,693,628	264,126,471
Total interest re-pricing gap	(112,049,792)	20,919,528	107,704,108	764,436	17,338,280

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, 2021, if variable interest rates had been 0.5% higher/lower with all other variables held constant, profit for the year would have been \$844,334 (2020: \$749,103) higher/lower, mainly as a result of higher/lower interest income on variable rate loans.

iv) Operational risk

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

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

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

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

5. Financial risk management (cont'd)

b. Fair value of financial assets and liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by quoted market value, if one exists.

i) Financial instruments measured at fair value

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

	Carrying value		Fair value	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial Assets				
Cash resources	82,972,740	59,705,798	82,972,740	59,705,798
Investment securities	65,283,235	53,542,440	65,283,235	53,542,440
Loans to members	168,280,381	167,717,410	168,280,381	167,717,410
Other assets	356,822	499,103	356,822	499,103
	316,893,178	281,464,751	316,893,178	281,464,751

	Carrying value		Fair value	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial Liabilities				
Other payables	4,094,799	3,693,628	4,094,799	3,693,628
Staff pension fund deposit	1,063,460	904,715	1,063,460	904,715
Members' deposit	164,734,311	144,085,156	164,734,311	144,085,156
Members' ordinary shares	126,769,521	115,084,280	126,769,521	115,084,280
	296,662,091	263,767,779	296,662,091	263,767,779

Off-balance sheet instruments

	Carrying value		Fair value	
	2021	2020	2021	2020
	\$	\$	\$	\$
Loan commitments and other related obligations	-	-	5,430,451	5,849,146

5. Financial risk management (cont'd)

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

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

Determination of fair value

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

Short-term financial assets and liabilities: The carrying value of these financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets are comprised of deposits with other commercial banks, investment securities, interest receivable, and certain other assets. Short-term financial liabilities are comprised of members' deposits and ordinary shares, staff pension fund deposit and certain other liabilities. The fair value of off-balance sheet financial instruments is also assumed to approximate the amounts disclosed in Note 31 due to their short-term nature.

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

Fair value hierarchy

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

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

This level includes equity investments and debt instruments with significant unobservable components.

5. Financial risk management (cont'd)

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

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

Fair value hierarchy (cont'd)

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

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2021				
FVTPL - Corporate equity - equity securities	321,514	-	721,862	1,043,376
Total financial assets	321,514	-	721,862	1,043,376

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2020				
FVTPL - Corporate equity - equity securities	259,590	-	721,862	981,452
Total financial assets	259,590	-	721,862	981,452

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At December 31, 2021	259,590	-	721,862	981,452
Acquisition				
Gain on revaluation	61,924	-	-	61,924
Total financial assets	321,514	-	721,862	1,043,376

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

ii) Non-financial instruments measured at fair value

Fair value measurement of non-financial assets

	2021 \$	2020 \$
At December 31, 2021		
Investment properties	13,283,092	11,958,989
Land and Building	11,123,530	11,206,771
Total nonfinancial assets at fair value	24,406,622	23,165,760

5. Financial risk management (cont'd)

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

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

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

6. Cash resources

	2021 \$	2020 \$
Cash on hand	2,975,377	2,977,509
Current account	16,961,849	15,633,207
Special savings	63,035,514	41,095,082
	<u>82,972,740</u>	<u>59,705,798</u>

The effective interest rate on special savings is 2% (2020: 2%)

7. Inventories

	2021 \$	2020 \$
Balance - beginning of year	7,091,790	6,971,489
Development costs	2,400	120,301
Balance - end of year	<u>7,094,190</u>	<u>7,091,790</u>

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

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

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8. Investment securities

(i) Debt securities at amortised cost

	2021 \$	2020 \$
(a) <i>Treasury bills</i>		
Government of St. Lucia - 365-day treasury bills	1,000,000	1,000,000
Government of Grenada - 365-day treasury bills	5,034,209	2,116,184
Government of Antigua and Barbuda - 365-day treasury bills	1,438,857	1,438,107
Government of Antigua and Barbuda - 180-day treasury bills	982,956	-
Government of St. Lucia - 91-day treasury bills	993,649	-
	9,449,671	4,554,291
Interest receivable	126,413	73,409
	9,576,084	4,627,700
Less: expected credit loss	(216,006)	(108,138)
	9,360,078	4,519,562
(b) <i>Bonds</i>		
Government of St. Vincent and the Grenadines - 8-year bonds	2,000,000	2,000,000
Government of St. Vincent and the Grenadines - 7-year bonds	3,785,715	5,500,000
Government of St. Vincent and the Grenadines - 5-year bonds	7,116,997	5,500,000
Government of St. Vincent and the Grenadines - 4-year bonds	8,756,979	5,000,000
	21,659,691	18,000,000
Interest receivable	253,637	262,640
	21,913,328	18,262,640
Less: expected credit loss	(414,162)	(637,916)
	21,499,166	17,624,724
(c) <i>Term deposits</i>		
Eastern Caribbean Home Mortgage Bank - 1-year corporate paper	3,331,000	331,000
St. Vincent Teachers Co-operative Credit Union - 1-year term deposit	3,374,592	3,244,800
Bank of St. Vincent and the Grenadines - 1-year term deposit	15,195,996	14,928,336
St. Vincent Police Co-operative Credit Union - 5-year term deposit	1,000,000	1,000,000
St. Vincent Co-operative Bank - 1-year term deposit	100,178	99,186
St. Vincent Co-operative League - CFF deposit	836,682	824,012
St. Vincent Co-operative League - 1-year term deposit	367,511	368,259
CLICO	4	4
First Citizen Investment Services - 1-year term deposit	6,508,290	6,507,896
Ariza Credit Union - 3-year term deposit	3,000,000	3,000,000
St. Vincent Small and Micro-Finance Co-operative Limited (COMFI)	522,500	522,500
	34,236,753	30,825,989
Interest receivable	549,232	414,691
	34,785,985	31,240,680
Less: expected credit loss	(1,405,370)	(823,978)
	33,380,615	30,416,702
Total debt securities at amortised cost	64,239,859	52,560,988

During the year ended December 31, 2021, interest rates varied from 1% to 7.25% per annum (2020 - 1% to 7.25%)

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8. Investment securities

(ii) Equity securities at fair value through profit or loss

	2021 \$	2020 \$
(a) <i>Designated as fair value through profit or loss (FVPL)</i>		
17,355 shares in Bank of St. Vincent and the Grenadines Limited	157,236	117,146
71,222 shares in First Caribbean International Bank Limited	164,278	142,444
111,301 shares in St. Vincent Co-operative League	556,507	556,507
404 shares in East Caribbean Home Mortgage Bank	73,950	73,950
4,666 shares in St. Vincent Brewery	90,405	90,405
100 shares in St. Vincent Building and Loan Association	1,000	1,000
Total equity securities at fair value	1,043,376	981,452

Total equity securities include equity investments valued at \$721,862 (2020: \$721,862), that do not have a quoted market price in an active market and whose fair value cannot be measured reliably. The value of these investments is immaterial to the financial statements.

The movement in expected credit loss allowance is as follows:

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2021	755,296	292,236	522,500	1,570,032
Provision on additions to investment	1,134,897	-	-	1,134,897
Provision on Matured Investments	(335,874)	(23,293)	-	(359,167)
Transfer to Stage 1	268,943	(268,943)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
- Increases due to change in credit risk	(310,224)	-	-	(310,224)
Loss allowance as at 31 December 2021	1,513,038	-	522,500	2,035,538

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

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9. Loan to members

The Credit Union's loans portfolio as at December 31, 2021 are in the following staging categories.

	2021			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Consumer	71,082,453	2,910,948	7,048,893	81,042,294
Computer	99,276	-	1,538	100,814
Mortgage	79,939,225	1,768,155	6,367,617	88,074,997
Student	3,242,157	29,487	351,179	3,622,823
Gross loans	154,363,111	4,708,590	13,769,227	172,840,928
Add: Interest receivable	582,960	155,129	364,297	1,102,386
Gross loans and interest receivable	154,946,071	4,863,719	14,133,524	173,943,314
Less: ECL allowance	(904,292)	(196,220)	(4,562,421)	(5,662,933)
	154,041,779	4,667,499	9,571,103	168,280,381

	2020			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Consumer	70,788,928	3,196,140	6,754,059	80,739,127
Computer	137,309	1,374	2,155	140,838
Mortgage	79,108,342	2,277,937	5,095,073	86,481,352
Student	3,595,401	171,609	434,450	4,201,460
Gross loans	153,629,980	5,647,060	12,285,737	171,562,777
Add: Interest receivable	791,898	175,365	149,582	1,116,845
Gross loans and interest receivable	154,421,878	5,822,425	12,435,319	172,679,622
Less: ECL allowance	(1,385,340)	(542,365)	(3,034,507)	(4,962,212)
	153,036,538	5,280,060	9,400,812	167,717,410

The average yield on loans for the year was 8.2% (2020: 8.3%).

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

	2021				
	Consumer \$	Computer \$	Mortgage \$	Student \$	Total \$
Balance, beginning of year	3,950,594	3,492	849,813	158,313	4,962,212
Expected credit losses	134,944	(1,544)	581,765	(14,444)	700,721
Balance, end of year	4,085,538	1,948	1,431,578	143,869	5,662,933

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9. Loan to members (cont'd)

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

	Consumer \$	Computer \$	2020 Mortgage \$	Student \$	Total \$
Balance, beginning of year	2,179,338	853	1,178,493	126,551	3,485,235
Expected credit losses	1,771,256	2,639	(328,680)	31,762	1,476,977
Balance, end of year	3,950,594	3,492	849,813	158,313	4,962,212

10. Right-of-use assets

	2021 \$	2020 \$
Cost		
Balance as at January 1	643,306	575,394
Additions	-	67,912
Balance as at December 31	643,306	643,306
Accumulated depreciation		
Balance as at January 1	306,093	164,420
Depreciation charge	152,551	141,673
Balance as at December 31	458,644	306,093
Net book value as at December 31	184,662	337,213

11. Other assets

	2021 \$	2020 \$
ATM receivable	70,062	12,684
Rent receivable	114,037	228,870
Prepaid expenses	49,935	57,169
Staff receivables - net	1,022	1,438
Western Union receivable	33,621	34,155
Deposits on fixed assets	32,466	63,489
Others	55,679	101,298
	356,822	499,103

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12. Investment properties

	Coombs Building \$	Bounty Building \$	Reliance Building \$	Cane Hall (land) \$	River 14 \$	Main Office (Upper Halifax Street) \$	Total \$
Year ended December 31, 2021							
Carrying value, beginning of year	1,308,000	3,023,000	3,358,000	217,240	1,022,749	3,030,000	11,958,989
Additions	-	134,344	24,681	-	426,067	-	585,092
Gain/(loss) on Revaluation	-	-	-	1,058,760	(319,749)	-	739,011
Carrying value, end of year	1,308,000	3,157,344	3,382,681	1,276,000	1,129,067	3,030,000	13,283,092
Year ended December 31, 2020							
Carrying value, beginning of year	1,170,734	2,940,000	2,550,000	217,240	466,075	-	7,344,049
Additions	-	-	435,998	-	556,674	-	992,672
Transfer from PPE	-	-	-	-	-	3,030,000	3,030,000
Revaluations	137,266	83,000	372,002	-	-	-	592,268
Carrying value, end of year	1,308,000	3,023,000	3,358,000	217,240	1,022,749	3,030,000	11,958,989

Investment properties comprise property held for rental and capital appreciation. Rental income from investment properties amounted to \$669,727 (2020: \$290,337) and direct operating expenses amounted to \$6,448 (2020: \$100). Fair value gain of \$739,011 (2020: gain \$592,268) has been recognised in other operating income (expense) (see note 27).

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

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13. Property, Plant and Equipment	Land	Buildings	Furniture and Equipment	Computer equipment & software	Motor Vehicles	Leasehold Improvement	Work in Progress	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost or valuation									
Balance as at January 1, 2020	6,265,923	5,154,250	1,954,586	1,050,984	326,678	149,460	1,654,153	16,556,034	
Additions	-	2,305,231	822,116	292,339	-	16,262	-	3,435,948	
Reclassification	-	-	-	1,314,144	-	-	(1,314,144)	-	
Gain (loss) on revaluation	1,515,598	(1,004,231)	-	-	-	-	-	511,367	
Transfer to investment properties	(1,651,000)	(1,379,000)	-	-	-	-	-	(3,030,000)	
Disposals	-	-	(246,875)	(200,088)	(167,172)	-	-	(614,135)	
Balance as at December 31, 2020	6,130,521	5,076,250	2,529,827	2,457,379	159,506	165,722	340,009	16,859,214	
Balance as at January 1, 2021	6,130,521	5,076,250	2,529,827	2,457,379	159,506	165,722	340,009	16,859,214	
Additions	-	18,657	56,665	35,919	185,608	-	209,205	506,054	
Disposals	-	-	(13,275)	(35,326)	-	-	-	(48,601)	
Balance as at December 31, 2021	6,130,521	5,094,907	2,573,217	2,457,972	345,114	165,722	549,214	17,316,667	
Accumulated depreciation									
Balance as at January 1, 2020	-	298,707	1,620,101	740,124	197,540	112,458	-	2,968,930	
Depreciation for the year	-	126,513	301,495	421,697	56,977	33,143	-	939,825	
Reversal of accumulated depreciation on revalued properties	-	(425,220)	-	-	-	-	-	(425,220)	
Disposals	-	-	(243,950)	(192,655)	(158,813)	-	-	(595,418)	
Balance as at December 31, 2020	-	-	1,677,646	969,166	95,704	145,601	-	2,888,117	
Balance as at January 1, 2021	-	-	1,677,646	969,166	95,704	145,601	-	2,888,117	
Depreciation for the year	-	101,898	287,563	413,040	69,023	10,362	-	881,886	
Disposals	-	-	(10,795)	(28,944)	-	-	-	(39,739)	
Balance as at December 31, 2021	-	101,898	1,954,414	1,353,262	164,727	155,963	-	3,730,264	
Net book value									
As at December 31, 2020	6,130,521	5,076,250	852,181	1,488,213	63,802	20,121	340,009	13,971,097	
As at December 31, 2021	6,130,521	4,993,009	618,803	1,104,710	180,387	9,759	549,214	13,586,403	

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14. Other payables

	2021	2020
	\$	\$
Accrued expenses	488,351	536,998
ATM payable	562,264	483,506
Due to COMFI	282,201	282,201
Accrued vacation liability	96,727	123,465
Accrued pension liability	394,574	309,913
Member's Insurance deposit payable	606,776	606,875
ECL provision on undisbursed loans	288,818	47,317
Trade and other payables	1,375,088	1,303,353
	4,094,799	3,693,628

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 \$1,063,460 (2020: \$904,715). The deposit earns interest at the rate of 2% per annum.

16. Lease liabilities

	2021	2020
	\$	\$
Balance as at January 1	358,692	447,941
Additions	-	67,912
	358,692	515,853
Less: Lease payments	(165,905)	(157,161)
Balance as at December 31	192,787	358,692

Maturity analysis

	2021	2020
	\$	\$
Less than one year	156,799	193,004
Between one and five years	35,988	165,688
	192,787	358,692

17. Members' deposits

	2021	2020
	\$	\$
Term deposits	65,856,807	63,053,053
Saving deposits	97,881,246	80,073,597
	163,738,053	143,126,650
Interest payable on term deposits	996,258	958,506
	164,734,311	144,085,156

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18. Members' ordinary savings

	2021 \$	2020 \$
Members' ordinary shares	124,487,904	113,742,039
Interest payable on member ordinary shares	2,281,617	1,342,241
	<u>126,769,521</u>	<u>115,084,280</u>

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

19. Share capital

(i) Qualifying shares

	2021 \$	2020 \$
Authorised number of shares of \$1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance - beginning of year	4,082,626	3,895,000
Issued during the year	186,500	214,400
Repurchased during the year	(62,626)	(26,774)
	<u>4,206,500</u>	<u>4,082,626</u>

(ii) Equity shares

	2021 \$	2020 \$
Authorised number of shares of \$1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance - beginning of year	29,088,430	26,882,723
Issued during the year	992,357	2,465,579
Repurchased during the year	(381,776)	(259,872)
Balance - end of year	<u>29,699,011</u>	<u>29,088,430</u>
Total share capital	<u>33,905,511</u>	<u>33,171,056</u>

Holders of qualifying and equity shares are entitled to vote at the Credit Union's general meetings and any dividend duly declared. Each shareholder is entitled to one vote.

20. Statutory reserve

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

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
December 31, 2021
(Expressed in Eastern Caribbean Dollars)

20. Statutory reserve (cont'd)

	2021 \$	2020 \$
Balance - beginning of year	7,685,520	7,198,743
Entrance fees received in current year	1,312	1,528
Appropriation of statutory reserve	930,927	485,249
Balance - end of year	8,617,759	7,685,520

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.

	2021 \$	2020 \$
Balance - beginning of year	2,225,483	1,877,374
Contribution received	617,540	613,968
Payments from fund	(540,759)	(265,859)
Balance - end of year	2,302,264	2,225,483

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.

	2021 \$	2020 \$
Balance - beginning of year	30,000	30,000
Payment to National League	(30,000)	(30,000)
Annual transfer of profits	30,000	30,000
Balance - end of year	30,000	30,000

23. Investment income

	2021 \$	2020 \$
Interest on savings account	733,747	637,455
Interest on investments	2,033,019	1,868,460
Dividend income	16,200	27,898
	2,782,966	2,533,813

24. Expected credit losses

	2021 \$	2020 \$
Loans and advances and undrawn loan commitments	(942,222)	(1,524,294)
Financial investments	(465,506)	(497,140)
Recoveries	92,868	17,208
	(1,314,860)	(2,004,226)

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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(Expressed in Eastern Caribbean Dollars)

25. General and administrative expenses

	2021 \$	2020 \$
Advertising	184,910	265,506
ATM card embossing cost	6,358	5,998
Audit fee	92,220	82,940
Bank charges	105,650	99,748
Board and committee expenses	176,780	173,931
Credit Union week	-	15,960
Cleaning expenses	64,585	67,016
Depreciation - property, plant and equipment	881,886	939,825
Depreciation - Right-of-use assets	152,551	141,673
Donations	19,822	67,234
Education and promotion	15,715	19,212
Electricity	121,251	140,787
General insurance	126,634	123,643
Georgetown branch expenses	93,918	98,900
Grenadines branches expenses	204,359	211,003
Heritage month expenses	150	-
Honorarium	9,600	9,600
Insurance on members' shares and loans	1,577,194	1,439,816
League dues	166,343	154,755
Lease interest	7,983	11,868
Licensing fees	262,473	71,923
Meeting expenses	75,902	64,413
Miscellaneous expenses	160	6,157
Motor vehicle expenses	25,469	25,768
Office expenses	195,153	251,413
Professional fees	85,649	105,361
Property tax	9,827	14,720
Rent	12,000	12,000
Repairs and maintenance	123,680	163,974
Security	164,173	172,756
Social events	31,239	155,787
Social assistance expense	8,871	6,269
School co-operative expense	-	2,258
Scholarships	178,439	192,592
South Rivers branch expense	100,065	79,054
Stationery, postage, and office supplies	84,281	101,442
Subscriptions and membership dues	5,881	7,261
Telephone and Internet	195,949	199,492
Water and sewerage	20,665	32,301
Convention and summit	17,319	-
	5,605,104	5,734,356

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
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(Expressed in Eastern Caribbean Dollars)

26. Staff costs

	2021 \$	2020 \$
Education assistance	7,718	6,755
Group medical insurance	132,636	124,057
Holiday grant	3,000	9,000
Housing allowance	16,800	9,200
Pension	171,911	198,958
National Insurance contributions	132,075	128,965
Salaries, wages, and bonus	3,022,328	3,727,049
Staff training	27,847	15,143
Travel and entertainment allowances	129,048	156,111
Uniforms	64,958	33,202
	<u>3,708,321</u>	<u>4,408,440</u>
Number of employees as of reporting date	69	70

27. Other operating income/(expenses)

	2021 \$	2020 \$
Commission income	50,694	55,770
(Loss) gain on disposal of property	(8,861)	36,889
Income on death benefit plan - net (Note 28)	109,037	167,948
Rental income	671,227	290,337
Gain on revaluation of investment properties (Note 12)	739,011	592,268
Loss on revaluation of land and buildings	-	(147,096)
Loan processing fees	397,052	426,158
Security processing fees	451,066	470,318
Other income	119,067	70,558
	<u>2,528,293</u>	<u>1,963,150</u>

28. Income on death benefit plan - net

	2021 \$	2020 \$
Members' death benefit contributions during the year	1,025,380	989,400
Death benefit claims paid during the year	(916,343)	(821,452)
	<u>109,037</u>	<u>167,948</u>

29. Income tax

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

30. 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 short-term leases that have a lease term of 12 months or less and low-value assets. The credit union uses short-term operating lease mainly to secure additional storage space in Southern Grenadines. The credit union recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes. Short-term operating lease expenditure in 2021 totaled \$12,000 (2020: \$12,222).

31. 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).

	2021 \$	2020 \$
Loans		
Directors and volunteers	3,657,921	3,717,532
Staff	7,451,991	8,297,845
	<u>11,109,912</u>	<u>12,015,377</u>

	2021 \$	2020 \$
Deposits		
Directors and volunteers	1,828,616	1,645,460
Staff	1,332,638	1,199,802
	<u>3,161,254</u>	<u>2,845,262</u>

b. Key management compensation

	2021 \$	2020 \$
Salaries	886,207	841,756
National Insurance Services	18,719	16,379
Board honorarium	9,600	9,600
Board and committee allowance	176,780	173,930
	<u>1,091,306</u>	<u>1,041,665</u>

32. Commitments

a. Capital commitments

For the year ended December 31, 2021

As of reporting date, the Credit Union is committed to capital expenditure contracts amounting to approximately \$398,026 as follows:

	Total committed balance \$
Design of the GECCU Head Office	386,871
Renovation and upgrade of Centrex	3,117
Renovations of Bounty Building	8,038
	<u>398,026</u>

For the year ended December 31, 2020

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

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

b. Loan commitments

Loan commitments in respect of undisbursed loans as at December 31, 2021 amounted to \$5,430,451 (2020: \$5,849,146)

33. Comparatives

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



The Credit Committee's Report
to the
56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)

THE CREDIT COMMITTEE'S REPORT TO THE 56th ANNUAL GENERAL MEETING

1.0 INTRODUCTION

1.1 The Credit Committee is pleased to present its report for the year ended December 31, 2021.

1.2 Bro. Cecil Jackson, Bro. Dougal Allen, Sis. Gemma Mc Cree and Sis. Vestricia Llewellyn-Richards continued to serve on the Credit Committee for the year 2021. At the 55th Annual General Meeting held on 13th October 2021. Sis. Gemma Mc Cree was re-elected to serve for another three-year term and Bro. Dimitri Samuel was elected to serve for a three-year term. The composition of the 2021/2022 Credit Committee was as follows:

- | | | |
|-------------------------------------|---|--|
| • Bro. Renato Gumbs | - | Chairman (January-October 2021) |
| • Bro. Dougal Allen | - | Chairman (November 2021-Present) |
| • Bro. Cecil Jackson | - | Vice Chairman (January-October 2021) |
| • Sis. Vestricia Llewellyn-Richards | - | Vice Chairman ((November 2021-Present) |
| • Sis. Gemma Mc Cree | - | Secretary |
| • Bro. Dimitri Samuel | - | Member |

2.0 MEETINGS AND ATTENDANCE

2.1 For the calendar year 2021, a total of thirty-four (34) regular meetings were convened.

2.2 The committee's attendance record was as follows:

2021

- | | | |
|-------------------------------------|---------|----|
| • Bro. Renato Gumbs | Jan-Oct | 25 |
| • Sis. Gemma Mc Cree | Jan-Dec | 34 |
| • Sis. Vestricia Llewellyn-Richards | Jan-Dec | 18 |
| • Bro. Cecil Jackson | Jan-Dec | 31 |
| • Bro. Dougal Allen | Jan-Dec | 34 |
| • Bro. Dimitri Samuel | Nov-Dec | 04 |

2.3 A total of thirty-nine (39) interviews were conducted for loans applications, nineteen (19) of which, included the members' contractors.

2.4 Members of the Credit Committee, as well as in-house staff, conducted twenty-seven (27) site visits to two hundred and seventy-two (272) properties. The aforementioned properties were visited for which loan applications were submitted to ascertain the quality of the assets being offered as collateral and for continued monitoring of projects.

3.0 WORK PLAN

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

4.0 LOAN REVIEW AND DISBURSEMENT

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

- 4.2 Compared to the year 2020, both the number and value of loans processed decreased by 12.48% and 11.00% respectively as summarized in the table below.
- 4.3 The table shows the Total Loans Processed in 2021 in comparison to 2020.

	2021		2020		Change	
Particulars	No.	Value (\$)	No.	Value (\$)	No. (%)	Value (%)
Total loan applications processed	5840	46,260,814	6669	51,902,129	-12.48	-11.00
Total loan applications approved	5762	41,914,583	6637	45,780,473	-13.18	-8.44
Total loan applications deferred	61	1,642,694	15	2,159,327	306.67	-23.93
Total loan applications not approved	14	2,635,827	17	3,962,329	-17.65	-33.48
Total loans disbursed	5728	41,725,642	6620	43,528,759	-13.49	-4.28
Total loans approved but not yet disbursed	87	5,430,451	17	2,251,714	105.88	-89.01

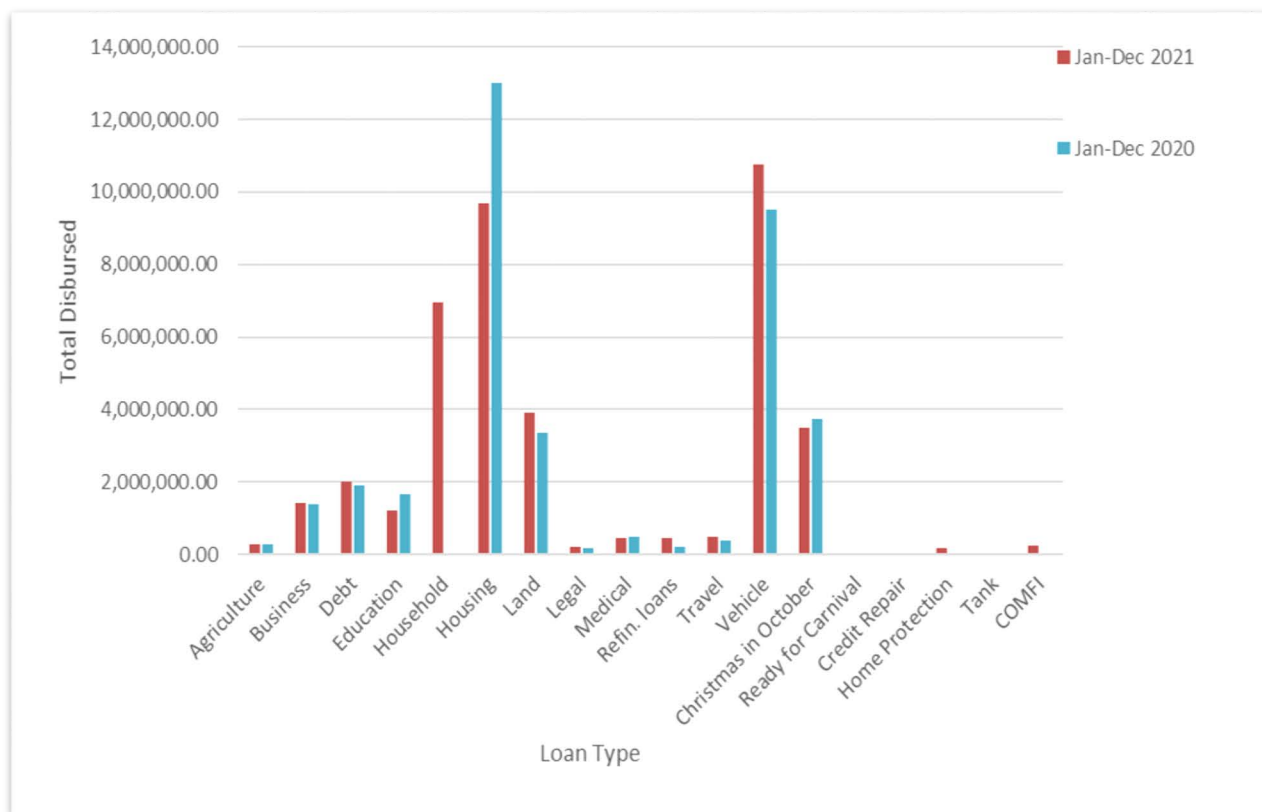
- 4.4 The table below shows loans disbursed by categories in 2021 and 2020

	JAN-DEC 2021			JAN-DEC 2020			% change (Value)
Type	No. of Loans	Amount (\$)	% of Total Loan Value	No. of Loans	Amount (\$)	% of Total Loan Value	
Agriculture	94	267,370.00	0.64	83	263,783.00	0.84	-39.90
Business	160	1,405,960.39	3.37	133	1,366,234.00	3.47	-24.35
Debt	247	2,014,466.93	4.83	332	1,918,261.00	5.4	-31.62
Education	287	1,198,179.08	2.88	365	1,643,270.00	4.14	-23.73
Household	2385	6,940,395.10	16.66	3143	7,445,535.00	9.08	57.82
Housing	458	9,728,512.26	23.21	453	12,993,651.00	35.11	-28.80
Land	58	3,909,843.90	9.38	58	3,355,657.00	7.83	-17.60
Legal	29	217,432.00	0.52	36	165,454.00	0.26	21.38
Medical	221	452,642.75	1.09	205	473,642.00	1.75	-47.91
Refin. loans	35	440,924.53	1.06	14	194,210.00	0.39	-5.07
Travel	110	472,812.91	1.13	91	379,551.00	4.76	-84.66
Vehicle	796	10,743,697.27	25.78	788	9,510,272.00	20.64	-11.36
Christmas in October	818	3,490,842.82	8.38	873	3,733,575.00	4.85	48.07
Credit Repair	2	4,575.00	0.01	5	34,532.00	0.21	-67.62
Home Protection	9	185,190.03	0.44	39	37,582.00	0	100
Tank	0	-	0.00	2	13,550.00	0	100
COMFI	19	252,797.00	0.61	-	-	-	-
Total	5728	41,725,642.19	100	6,620	43,528,759.00	100	

- 4.4.1 Overall, the number of loans disbursed decreased by 13.49%, and the value of the loans also decreased by 4.28% or \$1.9 million. It was noted in 2021, there was a decrease in the disbursement of funds for most categories of loans.

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

Graph 1- Loans disbursed by type for the period 2020 and 2021:



5.0. Mortgage Financing Program (MFP)

- 5.1 The total value of the mortgage (housing) portfolio stood at \$88,074, 99, as at December 31st 2021, representing 51% of the total loan portfolio of the organization.
- 5.2 For the period under review, a total of 41 mortgages were approved, which amounted to \$9,325,223.86. This represented a 17% decrease in the monetary value when compared to 2020.
- 5.3 The committee continued to place emphasis on the monitoring of all loans, with the aim of ensuring compliance and providing financial counselling to applicants.

- 5.4 The table below shows the number and the value of the mortgage portfolio for the year 2021 in comparison to the year 2020.

Table 3: Mortgage portfolio by Category

	2021		2020		Change	
Category	No. of Loans	Value (\$)	% of Total Loan Value	No. of Loans	Value (\$)	% of Total Loan Value
Civil Servants	170	28,666,549	34%	174	29,116,708	34%
Low Income	26	1,875,624	2%	29	2,063,950	2%
General	333	56,772,657	61%	312	53,081,572	61%
Cooperatives	1	760,167	3%	2	2,219,122	3%
Total	530	88,074,997	100	517	86,481,352	100

- 5.4.1 The distribution of the mortgage portfolio for the fiscal year 2021 is presented in the bar chart below.

Graph 2: Mortgage portfolio by Category



6.0 DELINQUENCY STATUS

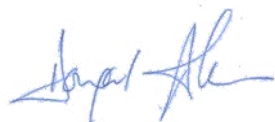
In 2021, the delinquency rate decreased to 8.12% from 10.45% in 2020. The Credit Committee notes the decrease in the delinquency rate from the previous year. The committee will continue to work assiduously with the Loans department and the Recoveries Committee to monitor the delinquency rate and to aid in its reduction.

7.0 CONCLUSION

The Credit Committee noted that the volcanic eruptions and the continuation of the Covid-19 pandemic, which led to the moratorium impacted the performance of the loan portfolio of the organization. Despite the challenging times faced in the year 2021, the committee remains committed and optimistic about its mandate and would continue to seek new ways to assist members.

The Credit Committee would love to thank Sis. Gertrude Jacobs for her invaluable support and guidance while she served, as the Loans Supervisor. We wish her God's blessings during her retirement.

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. Dougal Allen
Chairperson



Sis. Gemma Mc Cree
Secretary



The Supervisory & Compliance Committee's Report

to the
56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)

THE SUPERVIORY & COMPLIANCE COMMITTEE'S REPORT TO THE 56th ANNUAL GENERAL MEETING

1.0 INTRODUCTION

1.1 The Supervisory and Compliance Committee (SCC) is pleased to present its annual report for the year ended December 31st 2021.

1.2 The duties of the Supervisory and Compliance Committee are enshrined in the Co-operative 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 55th Annual General Meeting held on October 14, 2021, Sis. Joeleen Doyle and Sis. Marcelle Burgin were elected to serve for a period of three (3) years.

2.2 The other members of the Committee are:

Sis. Yolande Barbour
Sis. Gatlin Roberts
Sis. Louisa Martin-James

2.3 At the first meeting subsequent to the hosting of the 55th AGM, Sis Yolande Barbour and Sis Marcelle Burgin were elected as Chairperson and Secretary respectively. It was decided that regular meetings would continue on the second and fourth Tuesday of each month as obtained previously.

2.4 Attendance at meetings held during 2021 were as follows:

Sis. Yolande Barbour	24 meetings
Sis. Gatlin Roberts	24 meetings
Sis. Louisa James	23 meetings
Bro. Micah Cumberbatch	19 meetings – Jan – Oct 2021
Sis. Timora Peters	15 meetings – Jan – Oct 2021
Sis. Joeleen Doyle	04 meetings – Nov – Dec 2021
Sis. Marcelle Burgin	04 meetings – Nov – Dec 2021

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

3.0 WORK-PLAN

3.1 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:

- Perused contractual documents including leases, licenses and insurance policies
- Monitored the effectiveness of safeguards to protect members' investments
- Performed tests on VAT, NIS and PAYE remittances
- Performed tests on interest and dividend calculations
- Reviewed Death Benefits, GECCU MED and CUNA
- Reviewed Scholarship and Bursaries
- Analyzed and reviewed samples of the loan portfolio both current and delinquent
- Examination of disbursements/expenditure
- Reviewed status of projects
- Reviewed Bank Reconciliations
- Visited Sub Offices
- Reviewed minutes of the Board of Directors and other Committees
- Reviewed the External Auditor's Management Letter
- Met with the Board of Directors, and Credit Committee
- Reviewed measures implemented in response to Covid 19 and Volcanic Eruption

4.0 SUB OFFICE OPERATIONS

- 4.1** Visits were made to GECCU's Sub Offices to ensure adherence to the policies, that the working conditions were conducive and that controls were in place. In Union Island there was a privacy issue which was brought to the attention of management. The issue was subsequently resolved by Management. In Bequia and Canouan, concerns were raised about inadequate storage, resulting in boxes of files being left on the floor which in the event of flooding, could be damaged by water. The issue is pending, however, Management is seeking to resolve this issue in a timely manner.
- 4.2** It was observed that there is only one employee at the Canouan office despite the recommendation by the Financial Services Authority (FSA) to have the matter rectified as it poses possible risks due to lack of segregation of duties. This was highlighted in our meeting with the Board of Directors and the Supervisory & Compliance Committee was assured that the issue will be reviewed.

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 and is satisfied that all parties were in compliance with their reporting obligations.

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, we are cognizant of the effects of the current Global Pandemic, the effects of the eruption of La Soufriere and the inability of some members to meet their obligations as they become due. The Credit Union must be applauded for managing the same over the reporting period in spite of the many challenges purported.

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 REVIEW OF PROJECTS

- 8.1** The Committee noted that there were both time and cost overruns related to the River-14 project which was discussed with the Board of Directors. However, the SCC is pleased that the project was completed and the Facility is now opened to the general public.
- 8.2** Following the launch of the conceptual plans to develop a housing area at Peter's Hope at the 55th AGM, the SCC is hopeful that the necessary studies would be conducted and policies (Management and Procurement) developed prior to commencement of the project. The progress of this project will be closely monitored.

9.0 DISASTER MANAGEMENT

- 9.1** The Committee was informed that a draft comprehensive disaster plan was formulated but is yet to be formally approved. During enquiries about disaster drills, we were informed that none had been under taken since the move to the new location. There are however, clearly marked entrance and exit signs.

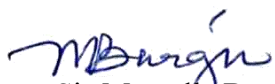
10.0 COMMENDATIONS

- 10.1** The management and staff of GECCU must be commended for a job well done with the setup and execution of the virtual 55th AGM which was conducted in a very seamless and professional manner. Special mention must be made regarding the contribution of the AGM planning committee, especially Bro. Anton Jardine who developed the electronic voting platform.
- 10.2** GECCU must also be lauded for initiating the recognition of frontline health workers and for implementing the suggestion of the ECCB to institute a moratorium for its members who were affected by both the Pandemic and the volcanic eruption.

11.0 ACKNOWLEDGEMENT

- 11.1** We would like to place on record our appreciation for the contribution made by the former Loans Supervisor, Sis. Gertrude Jacobs for her sterling contribution to the cooperative movement in St. Vincent and the Grenadines.
- 11.2** The members of the Supervisory and Compliance Committee are grateful for the opportunity to serve this noble institution. We would also like to thank former members of the SCC, Sis Timora Peters and Bro. Micah Cumberbatch for their invaluable contributions during their tenure, the Board of Directors, Committees and Staff for their continued cooperation thus facilitating the execution of our tasks.


Sis Yolande Barbour
Chairperson


Sis Marcelle Burgin
Secretary



The Education Committee's Report

to the
**56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

THE EDUCATION COMMITTEE'S REPORT TO THE 56th ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.1 The Education Committee and the Marketing Department continue to work harmoniously to achieve GECCU's strategic objectives. The following is a list of volunteers and staff who constituted the committee and worked assiduously during the period under consideration to facilitate the realisation of these objectives:

· Bro. Clarence Harry	- Chairperson
· Sis. Degra Michael- Scanlan	- Deputy Chairperson
· Sis. Velda Gumbs	- Secretary
· Sis. Gail Peters-Toney	- Assistant Secretary
· Sis. Ena Walters	
· Sis. Peggy Da Silva	
· Sis. Jeussana Bacchus	
· Sis. Colleen Thomas	
· Sis. Diana Browne	
· Sis. Thelsea John	
· Sis. Janice King	
· Bro. Keith O'Neil	
· Bro. Meriah Samuel	
· Sis. Danny-Lee Francis	- Staff
· Bro. Asif Bailey	- Staff

- 1.2 The first committee meeting was held on December 13, 2021, and the following persons were elected to serve in the following capacities:

· Bro. Clarence Harry	- Chairperson
· Sis. Degra Michael-Scanlan	- Deputy Chairperson
· Sis. Velda Gumbs	- Secretary
· Sis. Gail Peters-Toney	- Assistant Secretary

2.0 MEETINGS

- 2.1 The official meeting day of the committee is the second Monday of each month. In addition, special meetings are held when necessary.

3.0 STRATEGIC OBJECTIVES

The following objectives which were extracted from GECCU's Strategic Plan for 2021 – 2025 guided the committee's work and workplan:

1. Expand Membership Base
2. Increase traffic to website/social media/redesign mobile and online banking platforms, removing steps that create friction.
3. New Products and Services
4. Strengthening Social Charter and Community Engagement Programs
5. Health and Wellness Educational Initiatives

4.0 ACCOMPLISHMENTS

The year 2021 was a unique one for St. Vincent and the Grenadines in that the country had to simultaneously grapple with the effects of the COVID-19 pandemic and the eruption of La Soufriere. Both occurrences undoubtedly affected the scheduled work plan activities of the Education Committee and the Marketing Department. Visits to GECCU-sponsored school cooperatives and the Grenadines sub-branches and training for Liaison Officers and Volunteers were suspended. Despite these setbacks, the following were accomplished:

4.1 Expand Membership Base

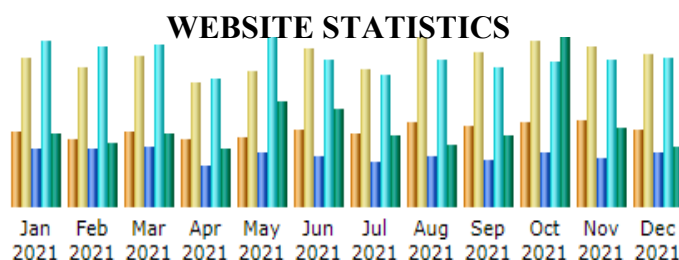
- An online ‘*Members’ Satisfaction Survey*’ was administered during the first quarter of 2021. The members’ satisfaction survey was designed with the following objectives in mind:
- Gather information from members in an effort to improve overall decision making in the organization.
- Provide valuable insight for GECCU to stay relevant to its membership.
- Understand the growing/changing needs of members.
- Build member relationship through the use of constant communication from surveys.
- Collect important information about the positive and negative perceptions that exist and improve through robust marketing and communication.

The results findings and recommendations from the survey were fed into the shaping of the new strategic plan for the period 2020-2025

4.2 Increase Traffic to Website/Social Media. Redesign Mobile and Online Banking Platforms, Removing steps that Create Friction.

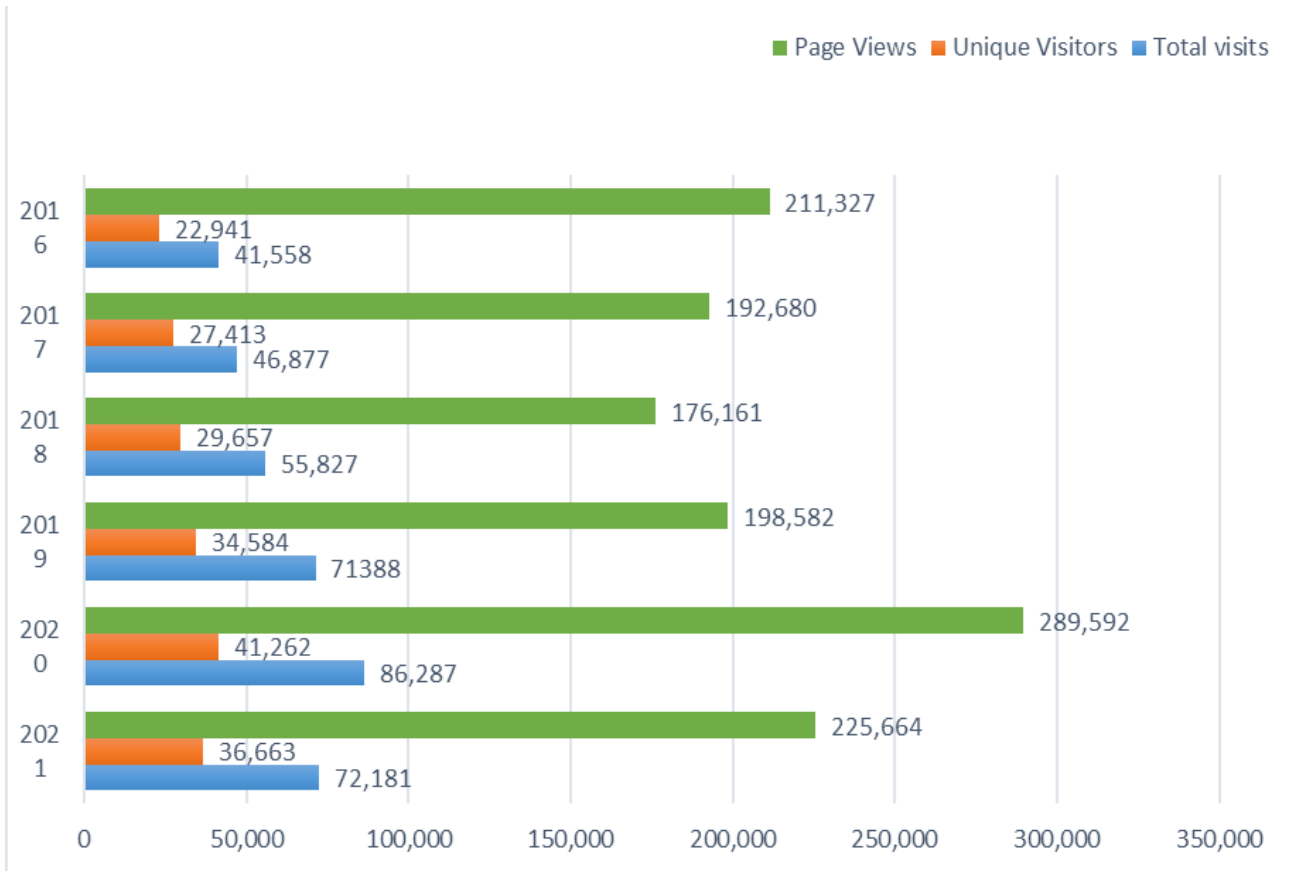
GECCU continues to maximize the utility of our online marketing platform via our official website and various social media sites. Through these channels, we engage our online audience with up-to-date information on our products and services. Analyzing results is critical in any marketing campaign or action we carry out to understand whether our marketing strategies are going in the right direction, as well as how we may optimize them.

- Members were given the opportunity to self-pin their ATM cards, an important component of GECCU’s promotion plan for key services. This initiative was well-received by members.

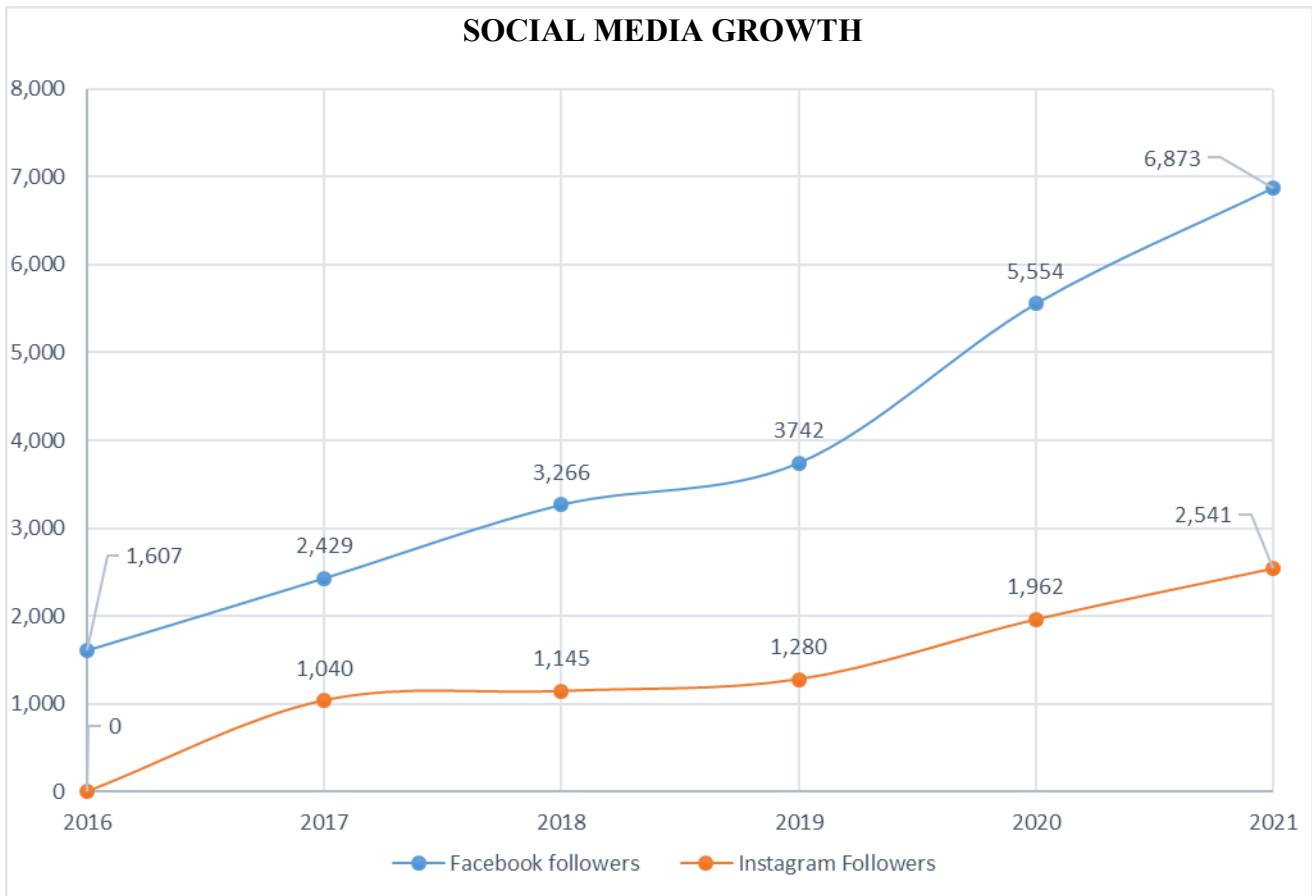


Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2021	3000	5945	21298	60503	3.55 GB
Feb 2021	2731	5594	20979	58308	3.06 GB
Mar 2021	2974	6066	21993	58807	3.50 GB
Apr 2021	2714	4985	15011	46544	2.78 GB
May 2021	2738	5411	19403	62225	5.07 GB
Jun 2021	3098	6382	18344	53356	4.68 GB
Jul 2021	2932	5529	16453	48349	3.42 GB
Aug 2021	3393	6842	18630	53425	2.93 GB
Sep 2021	3210	6183	16747	50805	3.42 GB
Oct 2021	3382	6651	19439	52795	8.19 GB
Nov 2021	3424	6443	17346	53650	3.75 GB
Dec 2021	3067	6150	20021	54523	2.84 GB
Total	36663	72181	225664	653290	47.19 GB

WEBSITE GROWTH



SOCIAL MEDIA GROWTH



4.3 New Products and Services

- A ‘*Comprehensive Assistance and Relief for Essential Workers*’ loan product (CARE LOAN) was launched in June 2021. This facility which targets workers in the health sector, will be available until June 2022.
- In October 2021, GECCU was selected by the Eastern Caribbean Central Bank (ECCB) as a pilot financial institution in the Organisation of Eastern Caribbean States (OECS) to implement ‘*D-cash*’, a digital version of the Eastern Caribbean (EC) currency. The objectives of the pilot include increasing opportunities for financial inclusion, growth, competitiveness and resilience for citizens of the Eastern Caribbean Currency Union (ECCU).
- A virtual loan service was launched in November 2021, and QR codes (Barcodes) were provided to applicants to facilitate scheduling and processing of loans. This online platform has received overwhelming support from members as evident by the over-subscription of bookings.

4.4 Strengthening Social Charter and Community Engagement Programs

- An orientation was held on August 16, 2021, at the Division of Nursing Education at the St. Vincent and the Grenadines Community College. Students were enlightened about the ‘*Roles and Benefits of the Credit Union*’.
- The Marketing Department and the Social Development Committee distributed \$50,000.00 worth of relief supplies to twenty-seven (27) shelters in the green, yellow and orange zones across St. Vincent and the Grenadines after the explosive eruptions of La Soufriere Volcano on April 9, 2021. Food vouchers were also distributed to members who were housed in private accommodations.
- GECCU sponsored the Ladder Foundation’s Spelling Competition (rebranded as the GECCU Spelling Bee Competition) which was held on July 14, 2021. Each participating student received GECCU tokens, and the top ten (10) performers received vouchers for the opening of Junior Savers accounts. Furthermore, the top five students were awarded trophies while the students who secured the top three (3) positions received cash prizes valued at \$500.00, \$300.00 and \$200.00, respectively.
- A mural depicting a *Hope Tree* was established at the Milton Cato Memorial Hospital, a collaborative effort of GECCU and the HIV/AIDS Unit. The artwork was done by graphic artist Tansha George.
- GECCU was a major sponsor of the Youroumei cultural show, which was held on November 7, 2021, and broadcast on VC3. The show was a joint venture between the National Council St. Vincent and the Grenadines Associations of the United Kingdom, Canada and the United States of America. It was staged to raise funds for farmers whose livelihoods were affected by the eruption of La Soufriere. Featured artistes were Gamal ‘Skinny Fabulous’ Doyle and the Melisizwe Brothers from St. Vincent and the Grenadines, Stacey Sobers from Trinidad and Tobago and King Socrates from St. Kitts and Nevis.
- The following Christmas activities were sponsored by GECCU:
 - Nine Mornings celebrations which was held from December 16 – 24, 2021.
 - Nine Nights of Lights which this took place from December 15 – 23, 2021 at the Botanical Gardens.
 - Radikal Entertainment Christmas Food Packages distribution for children and elderly persons in Barrouallie on December 26, 2021.

- Island Boy Entertainment's annual Christmas party, which was held on December 18, 2021, for children in the North Windward community of Overland.

4.6 Health and Wellness Educational Initiatives

- A *Health Care Workers' Appreciation Day* was hosted on May 12, 2021, in collaboration with sister credit unions, Bank of St. Vincent and the Grenadines (BOSVG) and the St. Vincent Automotive Co-operative Society (SACS).
- The Marketing Department participated in two *Colleagues Wellness Day* in June and September 2021 on the island of Canouan which were hosted by the Mandarin Oriental Hotel. The Department was assigned a booth and employees of the hotel were able to access information about GECCU and the benefits of joining the institution.

5.0 CONCLUSION

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



Bro. Clarence Harry
Chairperson



Sis. Velda Gumb's
Secretary



Serving Officers

**56th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION
LIMITED (GECCU)**

SERVING OFFICERS 2021/2022

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Sis. Gemma Mc Cree	Secretary
*Sis Vestricia Llewellyn-Richards	Member
*Bro. Cecil Jackson	Member
Bro.Dimitri Samuel	Member

SUPERVISORY AND COMPLIANCE COMMITTEE

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Sis. Marcelle Burgin	Secretary
*Sis. Gatlin Roberts	Member
Sis. Louisa Martin-James	Member
Sis. Joeleen Doyle	Member

(*) Indicates members due to retire at this meeting



“ Imagining the future...
Making GECCU better fit for purpose ”

Putting Members First!

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Union Island

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