GECCU LTD

General Employees' Co-operative Credit Union Limited



REPORTS & ACCOUNTS 2022

GECCU...The Heartbeat of Our Community

57TH ANNUAL GENERAL MEETING

3:00 p.m.| Thursday June 8th 2023 | Methodist Church Hall

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.

CONTENTS

57th Annual General Meeting Notice/Agenda	Page 3
Standing Orders	Page 5
Corporate Profile	Page 8
President's Message	Page 11
Minutes of the 56thAnnual General Meeting	Page 14
Board of Directors' Report	Page 34
Treasurer's Report	Page 72
GECCU Financial Statements & Auditors' Report	Page 77
Credit Committee's Report	Page 135
Supervisory and Compliance Committee's Report	Page 141



Notice & Agenda

of the

57th ANNUAL GENERAL MEETING

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

NOTICE/AGENDA OF THE 57th ANNUAL GENERAL MEETING

Dear Member,

Notice is hereby given that the 57th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Thursday 8th June, 2023 at the Methodist Church Hall, Kingstown 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 56th 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

5. Election of Auditors
6. New Business
7. Closing Exercise

Yours co-operatively,



Bro. Linus Goodluck
Secretary
Board of Di rectors



Standing Orders

of the
57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

STANDING ORDERS

- (a) A member is to stand when addressing the Chair.
  (b) Speeches to be clear and relevant to the subject before the meeting.

- A member shall only address the meeting when called upon by the Chairman to do so, after which he shall immediately take his seat.

- No member shall address the meeting except through the Chairman.

- A member shall not speak on the subject twice except:

  - The Mover of a motion-who has the right to reply.
  - He rises to object or explain (with the permission of the Chair).

- The Mover of a Procedural Motion. – (Adjournment lay on the table, Motion to Postpone) to have no right to reply.

- No speeches are to be made after the "Question" has been put and carried or negated.

- 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").

- (a) A member should not "Call" another member "To Order" but may draw the attention of the Chair to a "Breach of Order".
  - In no event shall a member call the Chair to order.

- A "Question" should not be put to the vote if a member desires to speak on it or move an amendment to it except, that a Procedural Motion, the "Previous Question" "Proceed to next
- Business" or the closure: "that the question be now put" may be moved at anytime.

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

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

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

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

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

- No member shall impute improper motives against another member.

STANDING ORDERS (VIRTUAL)

- All Members' microphones would be automatically muted upon entry in the meeting.

- Members are encouraged to turn on their cameras for the duration of the meeting, especially when making contributions.
-
- Members are encouraged to be in a quiet environment with little or no distractions or background noises.

- Members must be properly attired with suitable backgrounds.

- Members shall use the "**Raise Hand**" feature on the Zoom Platform to ask questions. When acknowledged by the Chair, a request to unmute your microphone will be sent.

- Hands would remain raised until you are acknowledged by the chair with the exception of when a seconder is required, in which case all "raised hands" would be taken down so that the seconder can be easily identified.

- Questions relating to the meeting agenda would **not** be acknowledged from the **Chat Box.**

- Members are asked to utilize the **chat box** to share any issues they may be experiencing so that the team can troubleshoot during the session with minimal interruptions.

- A Poll will be launched to ascertain all in favor, all against and abstentions when a motion is moved.



Corporate Profile

to the
57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

56TH BOARD OF DIRECTORS



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



H. COLIN SAM
VICE PRESIDENT
B.Ed.,
MSc.in Educational Sciences



CECELIA J WILLIAMS
TREASURER
FCCA, MAAT
Certificate in BA



Linus Goodluck
SECRETARY
Dip.in Management Studies



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



JEROLD JACKSON
DIRECTOR
ACCA



RENATO GUMBS
DIRECTOR
BSc. in Agronomy



Kelvin Pompey
DIRECTOR



PHIMLORE ISAACS
DIRECTOR
MSc. Technology of Crop Production
BSc. Botany & Geography

CORPORATE PROFILE

CREDIT COMMITTEE

Dougal Allen	BSc. in Information Technology
Cecil Jackson	BSc. in Management Studies
Gemma Mc Cree	Diploma in Business Administration
Dimitri Allen	Bsc. in Architecture
Gertrude Jacobs	BSc Accounting

SUPERVISORY & COMPLIANCE COMMITTEE

Yolande Barbour	BSc in Accounting ACCA
Gatlin Roberts	BSc in 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. in 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
57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

PRESIDENT'S MESSAGE
To the 57th Annual General Meeting

Brothers & Sisters, members of the GECCU Family, Stakeholders and fellow cooperators of our noble Credit Union movement. Good afternoon. It is indeed a privilege and an honor for me as President of the General Employees' Co-operative Credit Union (GECCU) Ltd to address you at this our 57th Annual General Meeting (AGM).



Michael Sayers
President

Today I stand before you humbled by the vote of confidence you our members have placed in us to lead this organization. Indeed, we are here today not only as members but as shareholders of GECCU. Together we have weathered storms, overcome seemingly insurmountable obstacles, experienced the thrill of victory, and grown through necessity and determination with the help of Almighty God.

We are united; therefore, we stand. We are committed to each other and our nation, therefore we continue to rise. Through good governance, and sound business practices, we have grown to become the largest Credit Union in our nation. In the face of this however, we must never become complacent. We must always seek to improve on our services, make prudent decisions and invest wisely for every decision has the potential to have a profound impact on each of us.

As we attend today's meeting, you will hear reports of the many accomplishments and strides that have been made during the past year. We have grown stronger but this growth has not been easy for we have grown to the extent where even greater effort is needed to address our diverse challenges.

On the financial side, we are faced with the challenges of lower interest rates from the institutions in which we invest, an increasing lack of avenues to invest our excess liquidity, and increasing pressure from our members for better interest rates payouts. All of this as we continue to recover from the shocks of the pandemic and local natural disasters.

It is often said that things are hard everywhere, and being the heartbeat of our nation as this year's theme suggests, GECCU has felt this; but we have done more than just felt with you, we have acted, and rose to assist our members by touching hearts, and changing lives through new and even more affordable loan products and improved services. Giving hope through our many sponsorships and lending a hand through our social development fund, partial interest waivers on moratorium interest payments, and other initiatives.

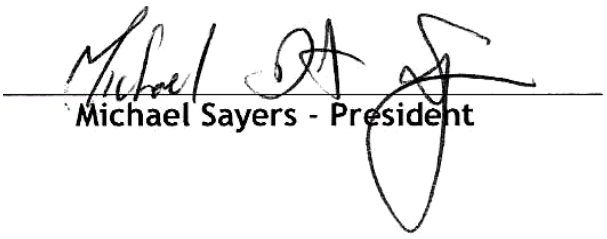
We have also made tremendous strides in the nearly completed first phase of our housing development which would see an initial forty-seven (47) lots being made available in the coming months

The year 2022 also saw the installation of a second ATM to replace the one that had done its time and steps have already been put in motion to purchase a third ATM as well as a new and improved website which would be put in place in 2023.

As I close, I want to remind you that we are a financial institution, but importantly, we are also a membership organization. One that is owned by each and every one of us. Our commitment to GECCU as well as our obligations to repay member funds which are loaned to us should never be slighted; for the need of and access to credit is a vital part of our individual and community growth. As such with every choice, every vote, every volunteer or every request, let us not only think of our individual needs, but also the needs of our community.

Brothers and Sisters, fellow co-operators, the experience afforded to me from serving on the Board of Directors and this noble organization is unmatched and priceless. I take this opportunity to thank my fellow Board members, Committees, Management and staff for their support and dedication. To the many volunteers who have served in various capacities, I want to thank you for your invaluable contributions. To the shareholders, I thank you for your confidence which I hope I can once again count on today as I seek a second term on the Board of Directors.

May we have a successful 57th AGM and may the Almighty God continue to bless our beloved Credit Union.



Michael Sayers - President



Minutes

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

MINUTES OF THE 56TH ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU) HELD IN PERSON AND VIRTUALLY VIA ZOOM ON THURSDAY 30TH JUNE 2022 AT 3:00 PM

OPENING SESSION

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

AGENDA

The agenda, having been previously circulated, was taken as read and adopted on a motion moved by Sis Camille Crichton seconded by Bro. Andrew Bramble.

OPEN SESSION

1. **CALL TO ORDER**
   The President, Sis Cecelia Williams, called the meeting to order at 3:56 p.m.

2. **PRAYERS**
   Prayers were said by Bro Michael Sayers. He, along with the members, 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**
   One minute of silence for members who died during the year was observed.

5. **APOLOGY FOR ABSENCE**
   There was no apology.

6. **WELCOME**
   The President and Chair, Sis Cecelia J. Williams, welcomed all to the 56th Annual General Meeting. In her message which was centred on the theme for the 56th AGM, `***Improvise, Adapt, Overcome'***, the Chair commended GECCU for its resilience and response to the challenges posed by the eruption of La Soufriere and the ongoing effects of the global pandemic.

She commended the Board of Directors, management, staff and volunteers, who ensured that GECCU continued to be financially sound with a consistent foundation to engage the future.

The highlights for some of the many achievements in 2021 were:

i. completion of the River 14 Recreation facility in South Rivers;
ii. completion of the 5-year strategic plan (2021-2025);
iii. continuation of the loan moratorium to members;
iv. sponsorship of the Ladder Foundation Spelling B Inaugural Competition for primary schools;
v. implementation of the ECCB's D-Cash Pilot Project; and
vi. rehabilitatation of the former "Bounty building" to address structural issues;

She commended Sis. Gertrude Jacobs for her dedicated service and extended well wishes on her retirement after 22 years of service at GECCU. She added that the Loans Department was now headed by Bro. Julian Ivo Joslyn and that the Internal Audit Department was headed by Sis. Karen Mulraine.

The Chair also reported on the financial achievements as of 31st December 2021. These included:

· Gross Loans totalling $172.8 million;
· Net Surplus of $3.1 million;
· Assets totalling $351.0 million;
· Cash Reserves totalling $82.9 million;
· Members' Equity Share Capital totaling $53.8 million.

The Chair applauded the staff on their efforts to improve customer service and indicated that a survey showed that there was an improvement in GECCU's customer service.

She expressed appreciation to retired members of the Board, Bro. Clarence Harry, Bro. Linus Goodluck and Sis. Kimberley Cambridge for their excellent service and contributions.

Sis. Williams expressed her appreciation for the opportunity to serve as President.

7. REMARKS - MINISTER WITH RESPONSBILITY FOR CO-OPERATIVES

There were no remarks on behalf of the Minister.

8. GREETINGS

Fraternal greetings were received from the following:

- St. Vincent and the Grenadines Co-operative League Limited;
- St. Vincent and the Grenadines Police Co-operative Credit Union Limited;
- St. Vincent and the Grenadines Teachers' Co-operative Credit Union Limited;

- Baptiste and Co. Law Firm;
- St. Vincent Automotive Co-operative Limited.

CLOSED SESSION

1. ASCERTAINMENT OF QUORUM

The quorum was ascertained, with 171 (72 online, 99 in-person) members present.

Virtual Meeting Standing Order

The Chairman drew attention to the Standing Orders on page 4 of the meeting procedure. In light of the virtual AGM, a new approach was adopted 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 contributing.

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. A member shall use the "**Raise Hand**" feature on the Zoom Platform to ask questions. When acknowledged by the Chair, a request to unmute your microphone will be sent.

vi. Hands will remain raised until the Chairman acknowledges you, except 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 chatbox.

viii. Members are asked to 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.

Bro. F Clarence Harry moved the motion to adopt the virtual Standing Orders. The motion was seconded by Sis Bernisa Roberts.

2. MINUTES OF THE 55TH ANNUAL GENERAL MEETING, HELD ON 4TH OCTOBER 2021

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

2.1 **AMENDMENT**

- Pg 25 3.8 (v): amended to read ..Co-operative Societies Act No. 12/2012...
- 3.9.1 last sentence 3rd sentence corrected to read: The opinion of the FSA was that the Director could not effectively perform her duties as a Board member while overseas.
- Page 29 5.2.1 was corrected to read …. One of GECCU's missions is to improve products and services instead of `His'.
- Pg 30 5.6. the date of the last sentence was corrected from 2022 to 2021 … She also stated that a special meeting would be convened by 31st October 2021 to discuss the matter.
- Pg 31 5.6.6 4th sentence was corrected to read: …. the FSA mandated that the practice of a mandatory annual deduction should cease and that members, at their own will, can choose to purchase Equity Shares.
- Pg 31 5.6.6 3rd … sentence to become capitalised.

The minutes were accepted with amendments on a motion moved by Bro. Philbert John and seconded by Bro. Philmore Isaacs.

2.2 **MATTERS ARISING**

2.2.1 Referring to item 2.1 on page 17, Bro. Joel Poyer requested an update on the revision of the Bye-Laws. The Chair indicated that revision of the Bye-Laws was currently a work in progress and that revision was suspended because of the previous year's challenges.

2.2.2 Responding to the request for an update on the increase in the loan delinquency rate, the Chair said that there was a lull in activities due to the effects of COVID-19 and the La Soufriere eruption, and some members were unable to keep up with their payments. However, there was an improvement in 2022.

2.2.3 Chief Executive Officer, Bro Rohan J Stowe stated that preliminary work with the external funding agency from Germany was ongoing. The work began with the intention of strengthening GECCU's capacity continuously. An update will be provided by the end of 2022.

2.2.4 Referring to item 5.1, Sis. Marcelle Burgin enquired if the GECCUMED meeting was convened and requested an update. The CEO reported that the meeting was held successfully in October/November 2021. The GECCUMED service was successfully transferred to the new service provider, SAGICOR.

2.2.4.1 The CEO clarified that SAGICOR presented a proposal which detailed the plan and benefits to members. He encouraged members to enroll on the GECCUMED programme, which afforded GECCU's members cheaper rates. The arrangement with the new service provider took effect on 1st December 2021. SAGICOR's presentation would be available to members.

Sis. Marcelle Burgin expressed dissatisfaction with the lack of publicity regarding the GECCUMED meeting. The Chair indicated that SAGICOR's presentation would be shared on GECCU's website, and additional questions could be directed to the CEO or GECCU's office.

2.2.4.2 Bro. Cecil Ryan suggested that a report of the meeting should be circulated to all members.

3. REPORTS AND ELECTIONS

(a) **Report of the Board of Directors**

The report was previously circulated and taken as read.

3.1 The Chair presented the report pursuing Article 13 c (iii) of GECCU's Bye-laws with the theme "**IMPROVISE, ADAPT, OVERCOME!".** She expounded as follows:

3.1.1 The core guiding principles rigorously tested and addressed imminent risk/threats to the business model whilst living up to the ethos of the social charter, reaching out and assisting the most vulnerable in society. GECCU battled the fallout from the global health pandemic (COVID-19), the eruption of La Soufriere in April 2021 and the passage of hurricane Elsa in July 2021.

3.1.2 GECCU continued to support its members and communities affected by the shocks through various financial initiatives to stabilise financial health and targeted social assistance programmes. Through it all, GECCU remained steadfast in pursuing its vision and mission.

3.1.3 In 2021, the Board of Directors held a total of seventeen (17) meetings, seven (7) regular and ten (10) special meetings.

3.1.4 In addressing the immediate, medium, and long-term challenges, the Board of Directors, and Management of GECCU, developed a flexible plan of action that would provide credible and workable solutions without compromising the financial position of the credit union.

3.1.5 The comprehensive strategic plan which was developed to guide policymaking over the next five years (2021-2025) was approved in early June 2021. The plan would be used to navigate and adapt to the dynamic business landscape in which GECCU operates.

3.1.6 In keeping with the mantra of "Putting Members First" and the vision of being a leader in the financial services sector, GECCU was the ONLY financial institution in St. Vincent and the Grenadines that opened on Tuesday, following the weekend of the explosive eruptions.

In addition to providing regular services, GECCU delivered valuable support to displaced persons seeking assistance during that difficult period.

3.1.7 The seven (7) core strategic goals formed the basis for developing the strategic business objectives, departments' work plans, and the associated budget for 2021.

3.1.8 **Improve Corporate Governance**

Several specific administrative and procedural commitments were completed in 2021, including:

- Changing the incumbent Auditor from KPMG to BDO;
- Guiding the strategic thrust and building a solid culture for good governance, the Board prioritised the following objectives for the action in 2021:

1. Strengthening Policy Architecture: The Performance Management and Job Evaluation study was completed. Management was preparing a report for the Board's review and approval, which will be completed in 2023.

2. Develop Enterprise Risk Management Framework: The terms of reference to engage a consultant to complete the exercise was expected to commence in 2022.

3. Update Organisation Structure: This activity was expected to commence in 2022, as was contingent on the finalization of the Performance Management and Job Evaluation Study.

4. Develop Human Resource Capacity of Board and Committees: During the review year, members of the Board and other volunteers were exposed to various training exercises.

3.1.9 **Strengthen Financial Performance**

GECCU embarked on several initiatives to help stimulate the demand for loan products and improved services to members, including:

- Introduction of a CARE Loan Product which targets health care workers. The loan product was launched in May 2021.
- Establishment of a Small Business Loans Unit with an external partner in 2021 to improve the capacity to underwrite business loans. The project was expected to be completed in 2022.
- Collaboration with the Eastern Caribbean Central Bank (ECCB) on implementing the DCash Pilot Project, a strategic initiative of (ECCB), in St Vincent and the Grenadines. To date, GECCU has registered eighty (80) members for the service.
- Western Union Service was introduced at GECCU's South Rivers office on 3rd May 2021.

- GECCU partnered with the UN GEF/SGP, CWSA, MOA, Forestry Department, National Parks, Ministry of Health and the Environment and the community of South Rivers to develop the 1.5 acres of land at River 14, South Rivers, which the credit union acquired. The cost was just over $1.3 M, with GECCU contributing $928,478 and the UN GEF/SGP contributing $405,000. The River 14 Recreation site, a facility for public use, was completed in 2021. The management and operational plan developed by the "Project Steering Committee" will be presented to the Board in early 2022 for review and approval.

3.1.10 **Expanding Membership Base**

At the end of 2021, the total membership, including junior savers and institutions, was 49,814 compared to 48,306 at the end of 2020 (1,787 new members registered in 2021 compared with 1,844 in 2020).

3.1.11 **Improve Members' Experience**

GECCU recognised that members' expectations were changing and therefore sought to stay relevant in its service. In light of this, GECCU terminated its relationship with NAGICO/ VINSURE and signed a new agreement with SAGICOR for the GECCUMED programme, which will be better for long-term sustainability and better rates.

The Board's priorities included:

- Expansion of digital services and upgrade of digital payment capabilities, including cashless options**.** A new ATM was installed on 5th March 2022 at the new headquarters building;

- Upgrading of the home and mobile banking platforms which will allow the credit union new services and improved functionality.

3.1.12 **Update Internal Processes**

The objectives prioritised to deliver value to members, include:

- Conduct of a Workflow Documentation Study;
- Implementation of a Server Virtualisation Project;
- Establishment of an Operations Department.

A proposal will be submitted to the Board for review and approval in the last quarter of 2022.

3.1.13 **Human Resource Retention and Development**

GECCU's staff complement was sixty-nine (69) at the end of 2021. The following objectives were listed as critical to the HR function and will be pursued towards achieving the strategic goals:

- The development and implementation of a strategy to establish an independent Human Resource Department;
- The execution of relevant recommendations from the performance management and job evaluation study;
- Reviewing of the staff performance appraisal system;
- Increase staff satisfaction through modern engagement in HR planning and addressing the skills gap over the strategic planning horizon.

3.1.14 **Develop Business Intelligence Function**

The main goal in developing this function was to improve GECCU's ability to make more empirical decisions. Key objectives included:

- The enhancement of data analytics and research capabilities;
- The development of a centralised database.

3.1.15 **Enhance Social Charter and Community Development**

- The FSA approved a loan moratorium programme branded package, "Ease the Burden", designed to help give members favourable options in meeting their loan servicing commitments. At the end of 2021, 129 applicants were still on the programme, with loans valued at $6.14M and interest outstanding of $493,675.57.
- The Social Development Committee received 308 requests for assistance - 262 were approved, 8 were denied, and 37 were pending. Fifty-nine percent (59.1%) of the applications resulted from the volcanic eruptions.
- The financial status of the Social Development Fund as at 31st December 2021 was EC$2,302,264.20.

3.1.16 **Economic Outlook of the Social Development Fund**

3.1.16.1 The projected improvement in economic conditions and the business environment was expected to be marred by significant uncertainties, including:

- Elevated credit risks associated with ending the loan moratorium 'Ease the Burden' programme;
- The depressed low-interest rate environment;
- Increased inflationary pressure globally; and
- ·The continued depressed demand for loans.

3.1.17.7 Bro. Philmore Isaacs counteracted the previous comments stating that the strategic plan was a management tool, not a membership document. Bro. Lennox Bowman confrimed that GECCU used both independent and internal consultants to develop strategic plans in the past.

3.1.17.8 The CEO indicated that the framework in place for strategic planning was used, but there were some physical restrictions due to the COVID-19 protocols.

3.1.17.9 Bro. Kelvin Pompey commended the Board for the profit which the credit union realized in 2021 despite the economic challenges encountered during the reporting period. He, however, highlighted the issue regarding cash accumulation and the difference between interest expense and interest income. Bro. Pompey stressed the importance of encouraging members to take loans so that interest income would surpass interest expense. The Chair indicated that the Board was aware of the issue and that new loan products were being considered.

3.1.17.10 In response to the questions regarding plans for the ATM at the GECCU's former headquarters and to install ATMs in other parts of the country, the Chair replied that a new ATM was ordered to replace the ATM at the former headquarters, and it was expected soon. The Chair also indicated that the Board was considering to expanding the ATM service in Georgetown, the Grenadines, and the Leeward side of the country.

3.1.17.11 Bro Philbert John referred to Item 1.8 of the report of the Board of Directors that stated, "… we must seek to realign our business model to make GECCU an even "better fit for purpose" in the future." He wanted to know what was wrong with the Credit Union's current model and why it was necessary to realign it. The Chair stated that it was just a term used and that the current model is working.

3.1.17.12 The CEO also highlighted that it was a part of the strategic planning process to scan the business environment, determine strengths and challenges, and then use the information to update the business model.

3.1.17.13 Bro Philbert John further queried the statement in Item 3.0 that stated monthly BOD meetings were held, but the total reported in the table was seven meetings for the year. The Chair clarified that the financial year commenced after the annual AGM in October last year. She highlighted that the current meeting should have been held in June, which was eight months (not twelve, though there are twelve months in a year).

3.1.17.14 Sis Chiaka Stewart-Bowman referenced Item 5.7.6 "…129 applicants were still on the programme,". The Chair indicated that it appeared to be an error and would be verified.

3.1.17.15 Sis Chiaka Stewart-Bowman further referred to Item 6.5.1 and asked if the total amount of $178,439.00 for scholarships and bursaries as at 31st December 2021 included the amount for scholarships and bursaries awarded in 2021. Sis Maxine Johnney responded in the affirmative.

3.1.17.16 Sis Stewart-Bowman inquired about the amount distributed to the scholarship holders. GECCU's Accountant, Sis Maxine Johnney indicated that students in Forms one to three received $1,600 per school year, and students in Forms 4 to community college received $1,800.00. Sis. Stewart-Bowman proposed that the Board consider increasing the value of the scholarships.

3.1.17.17 Sis Stewart-Bowman observed that the Social Development Fund (SDF) contribution was increasing and suggested that the fund be better promoted so that members could benefit. The President responded that efforts would be made to inform members about the fund so that they could obtain assistance when needed.

3.1.17.18 Bro Cecil Jackson extended commendations to the BOD and management staff for the financial performance of GECCU. He also highlighted the liquidity levels of GECCU and indicated the urgent need to establish a small business unit with a focus on the youth. He believed that, for example, if assistance is given to young adults who completed Community College, it would benefit GECCU in its operation and expansion in the long term.

3.1.17.19 Bro Cecil Jackson referred to page 45, 5.5.3 line 5 "At the end of 2021, there were 848 persons enrolled for the service…". He highlighted that this was a small number compared to the total active membership and encouraged the Marketing Department and Education Committee to promote the GECCUMED service. Additionally, Bro Jackson recommended that the Social Development Fund be replenished by 1% annually based on the surplus to aid with the continuity and sustainability of the program. The recommendations were noted.

3.1.17.20 Bro. Philbert John referenced Item 5.1.6 and asked whether the role of electing an external auditor was transferred from the membership to the Board and FSA. The Chair stated that in 2021, the Auditor withdrew its services from the Caribbean, and GECCU could not afford the fees at the time. The FSA was therefore consulted and approved the decision to select another auditor. The Chair confirmed that the membership would still vote to select an external Auditor.

3.1.17.21 Bro. Aubrey Burgin referred to page 43, Item 5.2.5.1 3rd bullet, and inquired about the status of the Peter's Hope project with the NIS. The Chair indicated that an update would be given later in the meeting.

3.1.17.22 Bro. Philbert John commended the Board of Directors for the comprehensive report presented.

The report of the Board of Directors was adopted on a motion moved by Bro. Philbert John and seconded by Sis. Vestricia Llewellyn-Richards.

(b) **Treasurer's Report**

3.2 Bro. H Colin Sam guided the meeting through the Treasurer's Report. He stated that the ongoing COVID-19 health crisis and the eruptions of the La Soufriere volcano presented various challenges to the credit union.

3.2.1 **Assets**

Total assets grew by $36.2 million which amounted to $351.8 million in 2021. The growth was mainly due to:

- Loans portfolio - marginal net growth of $563,000 (0.3%).
- Investment Securities - a growth of $11.7 million, a 22% increase over 2020.
- Cash Resources – A net cash inflow of $23.3 million occurred, a 39% increase relative to 2020, to $83 million. This strengthened GECCU's liquidity.
- Investment properties – An upward movement increased from $12 million to $13.3 million, an 11% increase over 2020.
- Property Plant and Equipment – A reduction of 3% or $385 000 to $13.6 million.

3.2.2 **Share Capital and Members' Deposits**

3.2.2.1 Share Capital reflected a marginal growth of $734,000 or 2% to $33.9 million. The inconsistent growth rate was due to the cessation of the annual mandatory transfer of $50 to Equity Shares by the FSA.

3.2.2.2 Term Deposits increased by $2.8 million (4%) to $65.8 million, while regular deposits increased by $17.8 million (22%) to $97.8 million.

3.2.3 **Income**

Total income increased by $1.3 million (7%) to $20.5 million over 2020. The growth was due to:

- Loan interest income - An increase of $292,000 (2%).
- Investment income - A growth of $249,000 (10%).
- Rental income - A significant rise of $381,000 (131%).
- Other income - There was an increase of $390,000 (26%).

3.2.4 **Expenses**

Total expenditure for 2021 amounted to $17.4 million, a decrease of $138,000 (1%) relative to 2020.

3.2.5 **Net Profit**

A net profit of $3.1 million was realised in 2021, an increase of $1.5 million (92%) compared to 2020.

Bro. Sam highlighted the resilience and strength of the institution based on the financial performance for 2021. He reassured members that the credit union was in a solid position and would continue to persist in achieving the vision of being the first-choice financial institution.

3.2.6 **Recommendations**

The Board of Directors recommended a dividend of 4% on Equity Shares as compared to 1.5% in the previous year and 2% interest on regular shares.

A show of hands unanimously voted for a 4% dividend on Equity Shares and 2% interest on Regular Shares.

The report of the Treasurer was adopted on a motion moved by Bro. Cecil Jackson and seconded by Bro. Philbert John.

(c) **Auditors' Report**

3.3. Mr. Reuben John presented the Auditor's Report. He indicated that the financial statements detailed the position of GECCU for the year ended 31st December 2021 and were presented fairly in all material respects. The financial performance and cash flow for the year ended were produced according to the International Financial Reporting Standards (IFRS).

3.3.1 Management was responsible for the information included in GECCU's 2021 Annual Report, other than the financial statements and the Auditor's report.

3.3.2 The Auditor's responsibilities for the audit were to obtain reasonable assurance about whether the financial statements were free from misstatement due to fraud or error and to issue an Auditor's report that included their opinion.

3.3.3 Referring to the International Standards on Auditing (ISA), Mr. John highlighted that professional judgement and skepticism were maintained throughout the audit and an unqualified report was issued.

Discussions

3.3.4 Bro. Cecil Ryan enquired if the deficiencies which were highlighted by Bro Ivo Providence at the end of previous year's AGM were addressed. Mr. Reuben John indicated a significant number of the recommendations were implemented while others were a work in progress. He stated that there was a positive impact on some of the recommendations which were implemented and that the effects of some of the recommendations were monitored. The 2021 Management letter will be sent to Management for discussions at an agreed date.

3.3.5 Bro. Daniel Mc Millan, referred to page 72, and asked if the reduction in the expected credit loss, as stated in the Statement of Profit or Loss and other Comprehensive Income, from $2million in 2020 to $1.3million in 2021 was sufficient. Mr. Reuben John said that the Auditors considered all factors, compared them to the necessary standards, and were satisfied.

3.3.6 Bro. Daniel Mc Millan referenced page 119 and queried the increase in licence fees from $71,923 to $262,473. Sis Maxine Johnney indicated that the increase in expenditure was related to the licence fees for the new software purchased in 2020, which cost approximately $1million.

3.3.7 Bro. Andrew Bramble referenced page 61 and asked for an explanation regarding the FSA's directive to discontinue the annual mandatory transfer of $50 from Regular Shares to Equity Shares. The Chair stated that in 2012, a resolution was passed to implement the transfer to ensure capital growth. However, the FSA thought that GECCU was sufficiently capitalised and therefore saw it prudent to discontinue the process.

3.3.8 Bro. Cecil Ryan opined that the FSA usurped the role of the Supervisory and Compliance Committee and that it should be the Board's decision to continue or discontinue the deduction.

The report of the Auditors was adopted on a motion moved by Bro. Cecil Ryan and seconded by Bro. Andrew Bramble.

(d) **Election of Board of Directors**

3.4 Mr. Jimmy Black, representative of the Financial Services Authority (FSA) conducted the elections. The voting procedure for the AGM was:

Members from the floor who wished to make nominations were instructed to raise their hands and await permission, after which they stated their full name and the full name of the nominee. The nominee was to be present in person or online for the nomination to be valid. The FSA requested a seconder - The seconder then raised his/her hand, stating their full name, and indicated the nominee seconded. The nominee accepted or declined the nomination.

Bros. Linus Goodluck, Meriah Samuel, and F. Clarence Harry retired from the Board of Directors. However, Bro F. Clarence Harry, having served his full term, was not eligible for re-election.

The Nominations Committee nominated Bros. Linus Goodluck, Meriah Samuel, and Joel Poyer.

3.4.1 **Nominations from the floor:**

Sis. Allosene George nominated Sis. Mineva Glasgow, seconded by Sis. Camille Crichton.

Bro. Philbert John nominated Bro. Kelvin Pompey, seconded by Sis. Vestricia Lewellyn-Richards.

Bro. Dougal Allen nominated Bro. Renato Gumbs, seconded by Sis. Gemma Mc Cree.

3.4.2 Nominations were closed on a motion moved by Bro. Philbert John, seconded by Sis Alison Deon George.

Results of the elections were as follows:

Bro. Linus Goodluck	103
Bro. Kelvin Pompey	101
Bro. Renato Gumbs	85
Sis. Mineva Glasgow	79
Bro. Meriah Samuel	77
Bro. Joel Poyer	37

3.4.3 Bros. Linus Goodluck, Kelvin Pompey, and Renato Gumbs were elected to serve on the Board of Directors for the next three years.

(e) **Report of the Credit Committee**

3.5 Bro. Dougal Allen presented the report of the Credit Committee. The report, having previously circulated, was taken as read.

3.5.1 On a motion moved by Bro Philbert John and seconded by Sis Yolande Barbour, the report of the Credit Committee was accepted.

Election of Credit Committee

3.5.2 Sis. Vestricia Llewellyn-Richards and Bro. Cecil Jackson were due to retire at the meeting but were eligible for re-election.

3.5.3 The Nominations Committee nominated Sisters Vestricia Llewellyn-Richards and Gertrude Jacobs.

3.5.4 **Nominations from the floor:**

Bro. Timothy Scott nominated Bro. Claydon Roache, seconded by Sis. Susan Clarke.
Bro. Philbert John nominated Bro. Cecil Jackson, seconded by Sis. Mineva Glasgow.
Bro. Cecil Ryan nominated Sis. Bethlene Ferdinand. There was no seconder for the nomination; as a result, the nomination was disqualified.

Bro. Kelvin Pompey nominated Sis. Juovanie Roberts, seconded by Bro. Stewart Haynes. Bro. Michael Cumberbatch nominated Bro. Hassan Archibald, seconded by Bro Aubrey Burgin.

Nominations were closed on a motion moved by Bro Philbert John, seconded by Sis .Vestricia Llewellyn-Richards.

3.5.5 Bro. Linus Goodluck expressed concern about the involvement of the FSA in the voting process. He sought clarification on whether it was the responsibility of the FSA or the membership to conduct the elections. Bro Goodluck was also concerned that the same two FSA individuals controlling the elections were also supervising and counting the ballots.

3.5.6 Mr. Jimmy Black clarified that the FSA was invited to perform and oversee the elections. He requested that a member be selected to observe the FSA performing the election process.

3.5.7 Bro. Harold Lewis stated that it should be a collaborative effort between the FSA and GECCU.

3.5.8 In mitigation, Bro Lennox Bowman was selected to assist the FSA with the election process.

3.5.8 The results of the election for the Credit Committee were:

Sis. Gertrude Jacobs	83
Bro. Cecil Jackson	67
Bro. Hassan Archibald	55
Sis. Vestricia Llewellyn-Richards	33
Sis. Jouvanie Roberts	30
Bro. Claydon Roache	15

Sis. Gertrude Jacobs and Bro. Cecil Jackson were elected to serve on the Credit Committee for the next three years.

(f) **Report of the Supervisory and Compliance Committee**

3.6 Sis. Yolande Barbour presented the report of the Supervisory and Compliance Committee. The report, having been circulated before, was taken as read.

Discussions

3.6.1 Bro Cecil Ryan referred to page 130, Item 1.3 and sought clarification on the meaning of "…GECCU is largely in compliance….". Sis. Barbour explained that 'largely' referred to 99.9 per cent. She confirmed that the Supervisory and Compliance Committee was satisfied with the functioning of the credit union.

3.6.2 Bro. Andrew Bramble referenced page 132, Item 9.1 and asked for an update on the implementation of the disaster management plan and inquired how soon disaster drills would commence. Sis. Barbour indicated that additional amendments were made to the plan because of the pandemic and the volcanic eruption. However, efforts were being made to have the plan finalized.

3.6.3 Bro. Philbert John sought clarification on the discrepancy between the attendance and the record of existing members. Sis. Barbour explained that there were new members on the committee following the October 2021 AGM. As such, the record of attendance of new members was lower than the attendance of existing members.

3.6.4 The report of the Supervisory and Compliance Committee was adopted on a motion moved by Bro. Philbert John and seconded by Bro Cecil Jackson.

Election of Supervisory and Compliance Committee

3.6.5 Sis. Yolande Barbour and Sis. Gatlin Roberts were due to retire at the meeting but were eligible for re-election.

3.6.6 The Nominations Committee nominated both Sis. Yolande Barbour and Sis. Gatlin Roberts.

Nominations from the floor:

3.6.7 Sis. Mineva Glasgow nominated Sis. Andrea James, seconded by Bro. Stewart Haynes. Sis. Andrea James was not in attendance and was disqualified as a nominee.

Nominations were closed on a motion moved by Sis. Gertrude Jacobs, seconded by Bro. Cecil Jackson.

3.6.7 Sis. Yolande Barbour and Sis. Gatlin Roberts were elected unopposed to serve on the Supervisory and Compliance Committee for the next three years.

(g) **Report of the Education Committee**

3.6.8 Bro. F Clarence Harry presented the report of the Education Committee. The report having been circulated before, was taken as read.

Discussions

3.6.9 Bro Philbert John referred to item 4.1, '**Expand Membership Base'**, and requested feedback on the members' satisfaction survey. Bro Harry shared that some members complained about long lines and limited ATM service.

3.6.10 Bro Philbert John commended GECCU for the high usage of social media. He noted that the numbers and trends were impressive.

3.6.11 Sis. Marcelle Burgin inquired about how activeness of the Education Committee was and if the Committee hard executed any projects. Bro. Harry clarified that the Marketing Department and the Education Committee worked `hand in hand' on most projects.

3.6.12 The report of the Education Committee was adopted on a motion moved by Bro. Philbert John and seconded by Bro. Kelvin Pompey.

ELECTION OF AUDITORS

3.7 Bro. Cecil Ryan expressed dissatisfaction with the FSA conducting the election of the Auditors. Bro. Harold Lewis supported Bro. Ryan's comments.

3.7.1 Mr. Jimmy Black of the FSA overruled and continued with the election.

3.7.2 Bro. Harold Lewis nominated BDO as Auditor, seconded by Sis. Doris Charles.

3.7.3 Nominations were closed on a motion moved by Bro. Andrew Bramble, seconded by Bro. Cecil Jackson.

3.7.4 BDO was appointed unopposed as Auditor, for the upcoming financial year.

NEW BUSINESS

4. Bro. Anthony Bowman provided an update on the Peter's Hope project as follows:

4.1 The lots were resurveyed from 5,000 to 7,000 square feet to make them more affordable for members. The cost to re-survey was $32,000 and completed in May 2022.

4.1.1 A contract was signed with *Trucking Plus* on Friday, 24th June 2022, to excavate the roads, drains, and stabilise cut surfaces. The total cost was approximately $60,000. Provision was made for a project office upstairs GECCU's building (which formerly housed Q-Care Pharmacy). Setting up of the office would cost $10,000.

4.1.2 Bro. Bowman noted that members expressed great interest in the Peter's Hope project and continue to register daily. The signing of contracts would commence in 2023 to see a return on the investment.

4.1.3 The arrangement with NIS was discontinued, and GECCU solely continued the project. The investment was approximately $1.5 million. The proposed sale of the lands will be at EC$12 per square foot.

4.1.4 The cost of houses increased because of the rapid rise in the cost of construction materials. The eligibility policy of the properties will be finalised.

4.1.5 There would be two and three-bedroom units ranging from $200,000 to $320,000, and two-storey units at a cost of $350,000.

4.1.6 Bro. Philbert John referred to the playing field which is in proximity to the project and inquired whether it was integrated into the project. Bro. Bowman recollected that he had discussions with the authorities, and the plan will be to develop and incorporate the playing field.

4.1.7 Bro. Cecil Ryan suggested a written report on the Peter's Hope project be presented to the next AGM.

4.1.8 Bro. Philbert John requested an update on the River 14 project and its earnings. Bro. Anthony Bowman stated that the River 14 project was opened in March 2022. Bookings for its use were high, and the community vastly utilised it. It was bringing in substantial returns.

4.1.9 Sis Camille Crichton voiced her concern about long lines outside of the main office, which significantly inconveniences pedestrians. She inquired about plans to resolve the issue as COVID-19 limitations were reduced. The Chair advocated that members should use the ATM more, which can aid in reducing the traffic on the street. The CEO added that management was still cautious in releasing the protocols inside and constantly reviewed the situation.

4.1.10 Referring to the long lines and congestion, Bro. Kelvin Pompey commented that it was an excellent opportunity to promote online services.

4.1.11 Bro. Harold Lewis recommended that another ATM be installed a the main office and that the ATM at the former headquarters be restored. The Chair highlighted that it is the intention of management to restore the ATM at the former location. She also noted that there was need for another ATM location in Kingstown. The CEO indicated that more persons will be allowed into the office in order to reduce the long lines on the sidewalk.

4.1.12 Bro. Philbert John expressed the need for a location in Chateaubelair, North Leeward. The Chair stated that GECCU was looking to purchase lands to construct an office in North Leeward. However, it was challenging to find a suitable location.

4.1.13 Bro. Meriah Samuel extended gratitude to the members for the opportunity to serve on the Board of Directors and noted that it was an educational and learning experience. He singled out Director, Bro. Philmore Isaacs for his guidance and support. He wished GECCU a successful and productive 2023.

4.1.14 Bro. Phillip Waldron supported *DCas*h service as another payment method. However, he felt that members needed to be more informed about the service. Sis. Camille Crichton added after some setback, *DCash* was fully operational, with St. Vincent and Grenadines as the leading user.

4.1.15 Mr. Jimmy Black requested a motion for the FSA to destroy the voting ballots after verifying results at their office. On a motion moved by Bro Philbert John and seconded by Bro Gary Matthias, permission to destroy the ballots after verification was approved.

4.1.16 The raffle for the trip for a member to attend the OECS Credit Union Summit was postponed to a later date. The draw would take place in the presence of the Internal Audit Manager. The moderator informed the meeting that the names would be pooled from amongst members online and in person.

5. **ADJOURNMENT**

There being no other business, the meeting ended at 9:00 p.m. on a motion moved by Bro. Philbert John and seconded by Sis. Gatlin Roberts.

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

…….
Chairman

……...
Secretary



Board of Directors' Report

to the
57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

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-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 pursuant 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 55th and 56th 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 creditable financial performance. We will also endevour to highlight the policies, initiatives and projects that were implemented in furtherance of the achievement of these goals and objectives, over the financial year 2022. The report will also cover regulatory and compliance developments that would have impacted our operations.

1.4 There was much optimism going into 2022, following the rebound of global economic activity in 2021, as the threat of COVID-19 pandemic subsided. However, 2022 turned out be another year of upheavals and uncertainty. The nature of the new shocks and disruptions experienced, differ in some respects to those over past two tumultuous years of 2020 and 2021. In particular, the invasion of the Ukraine signaled a potential movement towards the transformation of the global geopolitical landscape, currently dominated by the USA and NATO. In addition, the economic fallout from the war resulted in major disruptions to supply chains and unprecedented inflationary pressures, driven by sharp rise in commodities and fuel prices. Major advance economies monetary responses to deal with the surge in inflation, led to a tightening of global financial conditions as they raised interest rates to preserve price stability.

1.5 As a result, economic activity slowed in 2022 globally. This had negative spillover effects on food-import dependent countries, such as St Vincent and the Grenadines.

1.6 Meanwhile locally, the economy of St Vincent and the Grenadines weathered the impact of the triple shocks in 2021 to register positive growth in 2022. Notwithstanding the credible growth performance, the general economic uncertainly globally also took root locally, as it weighed on the consumption and investment decisions of economic agents. In addition, the growth realised was concentrated in certain sectors which didn't facilitate meaningful trickle down effects.

Hence, significant portion of the households' balance sheets did not recovery significantly from the financial battering over the previous two years. The new challenges of 2022 further aggravated their already fragile economic and financial situation, leaving large segments of the population vulnerable and uncertain about their future

1.7 The 2022 Board of Directors' report reflects all these challenges faced and the response by GECCU to ensure it remained a profitable and sound "going concern" institution. A financially fit and nibble credit union ready to meet the needs of its members in delivering timely, consistent and appropriate second-to-none service. This year's report is presented under the theme "***GECCU…. The Heartbeat of Our Community***". A theme that is indicative of the reach and scope of our engagement during year with our members. We built on the tremendous work done in 2020 and 2021 to support and fulfil our purpose and mission by being there for our members in one of the most socio-economic and financially challenging time they have ever experienced. We continued to hold the hands of the most vulnerable through various initiatives aimed at easing their financial burdens.

1.8 I will like to say to our members that we will continue to stand in solidarity with you in finding solutions to your economic and financial problems. We will use GECCU as a platform to advocate for policies that support more financial inclusion. This will require some regulatory changes which would allow us to broaden the range of products and services that we could offer. As GECCU approaches sixty (60), we are confident that with your loyalty, the vision of the Board, the precision of the CEO and his management team in executing their duties, the dedication of the staff and volunteers, that GECCU will be around for generations to come.

2.0 BOARD OF DIRECTORS

2.1 At the 56th Annual General Meeting, three new members, Brothers, Linus Goodluck, Kelvin Pompey and Renato Gumbs were elected to the Board.

2.2 At its first meeting, the Board of Directors elected Bro. Michael Sayers– President; Bro. Hugh Colin Sam- Vice President; Sis. Cecelia J. Williams – Treasurer; and Bro. Linus Goodluck - Secretary.

The full Board of Directors comprises the following:

Bro. Michael Sayer	-	President
Bro. Hugh Colin Sam	-	Vice President
Bro. Linus Goodluck	-	Secretary
Sis. Cecelia J. Williams	-	Treasurer
Bro. Jerold Jackson	-	Director
Bro. Philmore Isaacs	-	Director
Bro. Gary Matthias	-	Director
Bro. Kelvin Pompey	-	Director
Bro. Renato Gumbs	-	Director

3.0 MEETINGS AND ATTENDANCE

Meetings of the Board were held monthly. In addition, eleven 911) special meetings were convened. A summary of attendance is given in Table

Table 1: Summary of Attendance of Board of Directors

Names	Regular TOTAL (10)	Special TOTAL (11)	GRAND TOTAL(22)
Bro. Michael Sayers	10	11	21
Bro. Hugh Colin Sam	10	9	19
Bro. Linus Goodluck	10	9	19
Sis. Cecelia J Williams	10	10	20
Bro. Jerold Jackson	8	9	17
Bro. Philmore Isaacs	10	10	20
Bro. Gary Matthias	8	8	16
Bro. Kelvin Pompey	10	10	20
Bro. Renato Gumbs	9	9	18

4.0 OVERALL PERFORMANCE REVIEW

4.1 *Economic Performance*

Global economic and financial conditions in 2022 were dominated and negatively impacted by a confluence of factors. In particular, the war in Ukraine, heightened inflationary pressures, and the lingering effects of the COVID-19 pandemic. In addition, the spillover effects of supply-side disruptions caused by the early phases of the pandemic in 2021, demand-side shocks such as the cost-of living crisis and tightening financial conditions, further depressed economic activity in 2022. As a result, global growth fell from 6.1 percent in 2021 to 3.4 percent in 2022, according to IMF's estimate. Growth was lower in all our major trading partners relative to the outturn in 2021. Real GDP growth for 2022 was 2.0 in the USA, 4.1 per cent in the United Kingdom (UK) and 3.5 percent in Canada compared with 5.7 in the USA, 7.4 percent in the UK and 4.5 percent in Canada for 2021, respectively.

4.1.1 Notwithstanding the slowdown in global economic activity during 2022, the economic health of St Vincent and the Grenadines improved relative to the performance for 2021. Growth is estimated to have advanced by 5.3 percent compared with a growth of less than 1.0 percent in 2021. This strong performance in 2022 was driven by robust government spending, associated with the recovery and rebuilding efforts, following the eruption of La Soufriere and passage of Hurricane Elsa. It also reflected, the general rebound in consumer and investor confidence, as the threat from the pandemic subsided. Growth was also supported by the broader normalisation of international trade, especially in the tourism industry, a major source of foreign exchange earnings and employment for the local economy.

4.2 Overview of GECCU's Strategic Response

4.2.1 The year in review could be characterised as one in which GECCU continued to adjust to the "new normal" by building on the successes of 2021 and implementing projects and initiatives aimed at serving the needs of our members in a creative and sustained manner. This meant a renewed commitment to our mission and purpose, as we sought to update the business model and make it relevant to the changing business environment. We embraced the challenges posed and skillfully maneuvered our policy, programmes and action plans to meet the demands of the business environment.

4.2.2 Indeed, GECCU was truly the heartbeat of the communities in 2022, both individually and collectively. This report documents the many accomplishments in this respect, as we delivered on our promises to our members and the communities in which they live.

4.2.3 As a Board charged with the responsibility, by you the members, of providing the strategic leadership of the institution, we are cognisant of the major challenges that GECCU continues to face. These range from keeping up with the changes in technological trends for delivering financial services to the changing needs of our members for more timely service, as well as, the higher level of competition faced from other financial institutions for market share.

4.2.4 As a result, we targeted our strategic intervention during 2022 in the following thematic areas:

1) Updating of the Organisational Structure;
2) Digital Transformation to Support Delivery of High-Quality Service to Our Members and Improve Operational Efficiencies;
3) Supporting a Smooth Transition by Members from the Loan Moratorium Programme;
4) Closing the Gaps in the Policy Architecture; and
5) Strengthening our Capacity to Deliver Meaningful Community Services that Enriches Lives and Build a Stronger Vincentian Society.

4.2.5 We worked closely with the CEO, his management team and our ecosystem of committees, to research, plan and deployed the relevant policies, projects and initiatives aimed at fulfilling our goals and objectives for the year.

4.2.6 The successful financial performance is only part of the story of achievements for the year. We are very proud of our efforts to create a nurturing and healthy work environment for our employees, who are at the centre of ensuring our operational goals are achieved. GECCU was able to successfully weather the many storms in 2021 and capitalize on opportunities for growth in 2022, because of this enabling work environment that trained, developed and adequately compensate staff for their hard work.

4.2.7 Our members must know that notwithstanding the very credible financial results we registered again in 2022, we will not become complacent nor commit unforced errors in securing the sustainability of the business model. We will continue to leverage the overall improved economic conditions to strengthen our brand awareness and improve operational efficiency. Furthermore, as we embark on providing more digital services to our members, we will ensure that our core IT systems and operations, are compliant both in terms of our legal obligations and cyber security. The next section will detail all our many accomplishments in 2022.

5.0 REVIEW OF PERFORMANCE: CORE STRATEGIC GOALS

5.0.1 The review of our performance for 2022 will be anchored in the Strategic Plan

2021-2025, which outlined the core strategic goals. These goals form the foundation for assessing our achievements and the sustainability of the business model, over the five(5) years planning cycle. These are as follows:

1) Improve Corporate Governance;
2) Strengthen Financial Performance;
3) Improve Members' Experience;
4) Update Internal Processes;
5) Human Resource Retention and Development;
6) Develop Business Intelligence Function; and
7) Strengthening Our Social Charter and Community Engagements.

5.0.2 These core goals also formed the basis for the development of strategic business objectives and Departments' work plans, as well as the associated Budget for 2022. Each of the core goals will be discussed along with the enabling strategic business objectives that were pursued during the review period.

5.1 CORE GOAL 1: IMPROVE CORPORATE GOVERNANCE

5.1.1 Given the positive governance-performance nexus, the Board continued to place a lot of emphasis on ensuring that GECCU functions and operates based on good governance practices. The Board collaborated with our external regulators, our internal quality assurance agents and the management team, to implement policies and operational changes that strengthen the framework for effective monitoring and control of the credit union.

5.1.2 The following are some of the main highlights of the Board's actions that were geared toward strengthening our governance practices.

5.1.2.1 **Strengthen Compliance Function**

GECCU's compliance framework is in place to ensure that the credit union adheres to all the applicable laws, regulations and internal policies. The function is anchored at the Board level and is supposed to be independent of interference from the CEO or management, as the Compliance Officer is supposed to report directly to the Board. A sound compliance function helps to prevent the materialisation of risks, that could damage the reputation of GECCU and breed mistrust among the membership.

5.1.2.2 The Board acted decisively during the review year to address a number of anomalies identified by the Financial Services Authority (FSA), following an on-site examination of the framework in the week of September 12th-16th, 2022. These specific actions included;

1. Hiring of a dedicated Compliance Office to manage the function as opposed to having it being performed by the Legal Officer;
2. Development of a process to properly document accurately the logging of Suspicious Activity Reports (SARs) using Sharetec;
3. Clearing a backlog of Source of Funds Forms; and
4. Development of an in-house a compliance form for the formal reporting of suspicious activities.

5.1.2.3 In addition, a significant amount of institutional time and resources were dedicated to updating the compliance operating manual, as well as training of staff. The Board is confident that actions taken to improve the framework have strengthened the independence of the function and made it much more robust and transparent.

5.1.3 **Improve the Policy Architecture by Closing Gaps in the Framework**

5.1.3.1 As part of the a more holistic strategic trust aimed at transforming and modernizing the policy architecture, work continued in 2022 on finalising the first tranche of policy documents for the Board's review and approval. The policies targeted for implementation were:

1. Credit Card
2. Procurement
3. Loans
4. Fixed Assets;
5. IT Security; and
6. Disaster Recovery and Business Continuity

5.1.3.2 Unfortunately, due to other competing priorities the Board was not able to review and approve the policies as planned. However, we are committed to starting the review and approval process in the first quarter of 2023.

5.1.4 **Develop Enterprise Risk Management Framework(ERM):**

5.1.4.1 GECCU continues to grow in size and complexity, especially in terms of our geographic coverage, range of products and services and technological development. Therefore, as part of our commitment to ensuring that there are sound business standards and principles in place for the operation of GECCU, the Board remains committed to the establishment of a first class ERM system.

5.1.4.2 An effective ERM framework will help us to better identify and assess strategically significant risk issues. An enhanced ability to better identify and assess ownership of those risks, will enable us to develop more appropriate response strategies and procedures.

5.1.4.3 Once again, the reordering of priorities during the year resulted in no major progress being made on completing this business objective. We are planning to action it in the latter half of 2023, by sending out an invitation to tender for the provision to technical services to set up the policy framework.

5.1.5 **Update Organisation Structure:**

5.1.5.1 During the review year strides were made in completing critical "To Dos" for this business objectives. The final Job Evaluation Report was approved by the Board for implementation. The implementation process for most of these approved activities would be done using a phased approach and is expected to start in 2023.

5.1.6 **Develop Human Resource Capacity of Board and Committees:**

5.1.6.1. During the review year both staff and Board members were exposed to various training exercises. Table 2 below gives more details about the achievements in this regard.

Table 2 : WORKSHOPS/SEMINARS 2022

Seminar Title	Participant	Location	Date	Resourced by
Caribbean Development Education (CaribDe) Programme	Dir. Linus Goodluck	Trinidad and Tobago	January 9 – 15, 2022	CaribDE, CUNA Caribbean
Caribbean Development Education (CaribDE) Programme	Bro. Meriah Samuel	St. Lucia	February 6 – 11, 2022	CaribDE, CUNA Caribbean
Simplified Due Diligence and Institutional Risks Assessment	Dir. Michael Sayers Dir. Cecelia J. Williams	St. Vincent & the Grenadines	November 3, 2022	Financial Services Authority

5.1.6.2 The Board also successfully conducted a number of specific administrative and procedural commitments which was part of its good governance mandate.

5.1.7 **Hosting of 56th Annual General Meeting (AGM)**

5.1.7.1 The 56th AGM was successfully held on Thursday 30th June, 2022 at the Russells Cinema Auditorium. It was the second time that the hybrid format (in-person and virtual) was used. The Board would like to thank all the members who participated, as your presence further strengthened the credibility of the meeting and helped secure an important pillar of the good governance practice. We also expressed sincere thanks to the CEO, his management team staff and all the volunteers for their usual hard work in making such a seminal activity a success.

5.1.8 *Audit of Financial Statements for 2022*

5.1.8.1 The auditing of our financial statements is an important exercise, as part of our good governance practices. It is a major statutory requirement which we must be complied with and it supports transparency and accountability to our members and other stakeholders.

5.1.8.2 The Board appointed Audit Committee along with the management of GECCU were charged with managing this process. Notwithstanding a few spillages overall the exercise was well managed and we were able to meet all the critical deadlines as laid out in the regulations and by-laws to host this AGM.

5.1.8.3 We are pleased to report that our financial statements were given a clean bill of health. The auditors concluded that they were free from material errors and to the best of their knowledge, they represented a "true and fair' view of the financial state of GECCU. We thank BDO for the excellent work they have done since being appointed as the external auditors in 2021.

5.2 CORE GOAL 2: STRENGTHEN FINANCIAL PERFORMANCE

5.2.1 The audited financial statements show that GECCU ended 2022 in a very strong financial position with an improved performance relative to the outturn for 2021. We remained well capitalized; profits were higher in 2022 relative to 2021 and asset growth was good, driven primarily by increases in the loan portfolio and investment securities.

5.2.2 The loan portfolio registered strong growth relative to the outturn in 2021, influenced by strong demand in the consumer and mortgage loans segments. This performance of our main book of business was consistent with the general improvement in economic activity and the introduction of some creative loan products during the year. Once again, we also ended the year in a very good liquidity position. Details about the financial performance are captured in the Treasurer's Report.

5.2.3 The charts and tables below summerise the performance using key metrics from the income statement, balance sheet and the PEARLS framework.

GECCU PERFORMANCE HIGHLIGHTS						
	2022	2021	2020	2019	2018	2017
ASSET GROWTH	$	$	$	$	$	$
Loans-net	186,415,799	168,280,381	167,717,410	164,111,376	150,013,425	137,816,907
Cash Resources	71,778,156	82,972,740	59,705,798	41,198,774	35,626,122	31,782,884
Inventory	7,442,874	7,094,190	7,091,790	6,971,489	6,793,043	6,660,283
Fixed Assets	12,872,751	13,586,403	13,971,097	13,587,104	12,017,716	12,101,360
Investment Securities	90,950,435	65,283,235	53,542,440	52,498,400	46,738,996	36,446,955
Other Assets	1,099,515	541,484	836,316	1,772,476	637,229	220,824
Investment properties	13,631,661	13,283,092	11,958,989	7,344,049	6,999,992	6,885,734
Total Assets	**384,191,191**	**351,041,525**	**314,823,840**	**287,483,668**	**258,826,523**	**231,914,947**
SAVINGS COMPONENTS						
Members' Shares Savings	139,563,006	126,769,521	115,084,280	107,225,783	97,434,046	88,825,864
Members Deposits	180,010,958	164,734,311	144,085,156	129,411,587	117,394,557	104,906,915
Total Savings	**319,573,964**	**291,503,832**	**259,169,436**	**236,637,370**	**214,828,603**	**193,732,779**
INCOME						
Loan Interest	14,925,644	14,112,101	13,820,533	13,938,959	13,036,752	11,588,526
Investment Income	2,891,760	2,782,966	2,533,813	2,184,860	1,675,381	1,639,522
Non-Interest Income	4,002,629	3,608,289	2,801,810	2,679,398	1,867,725	2,008,524
Total Income	**21,820,033**	**20,503,356**	**19,156,156**	**18,803,217**	**16,579,858**	**15,236,572**
EXPENSES						
Marketing, General Admin & other Expense	11,279,070	10,238,629	11,010,542	9,478,112	8,085,758	7,679,982
Interest Expense	6,281,228	5,753,910	4,506,682	4,797,572	4,150,669	3,999,811
Allowances for credit losses - Loans	289,508	942,222	1,524,294	749,054	-	678,930
Allowances for credit losses - Investment	373,436	465,506	497,140	572,527	65,698	-
Total Expense	**18,223,242**	**17,400,267**	**17,538,658**	**15,597,265**	**12,302,125**	**12,358,723**
PROFITABILITY						
Surplus	3,596,791	3,103,089	1,617,498	3,205,952	4,277,733	2,877,849
Other Reserve	**17,282,809**	**14,825,648**	**12,147,606**	**12,133,362**	**9,151,620**	**7,034,555**
Equity Shares	**35,281,425**	**33,905,511**	**33,171,056**	**30,777,723**	**28,319,542**	**25,663,931**
MEMBERSHIP	**51,137**	**49,814**	**48,306**	**46,525**	**44,551**	**42,643**

Table 3: GECCU Financial Performance Indictors 2017-2022

Chart 1 : GECCU Financial Performance Indicators

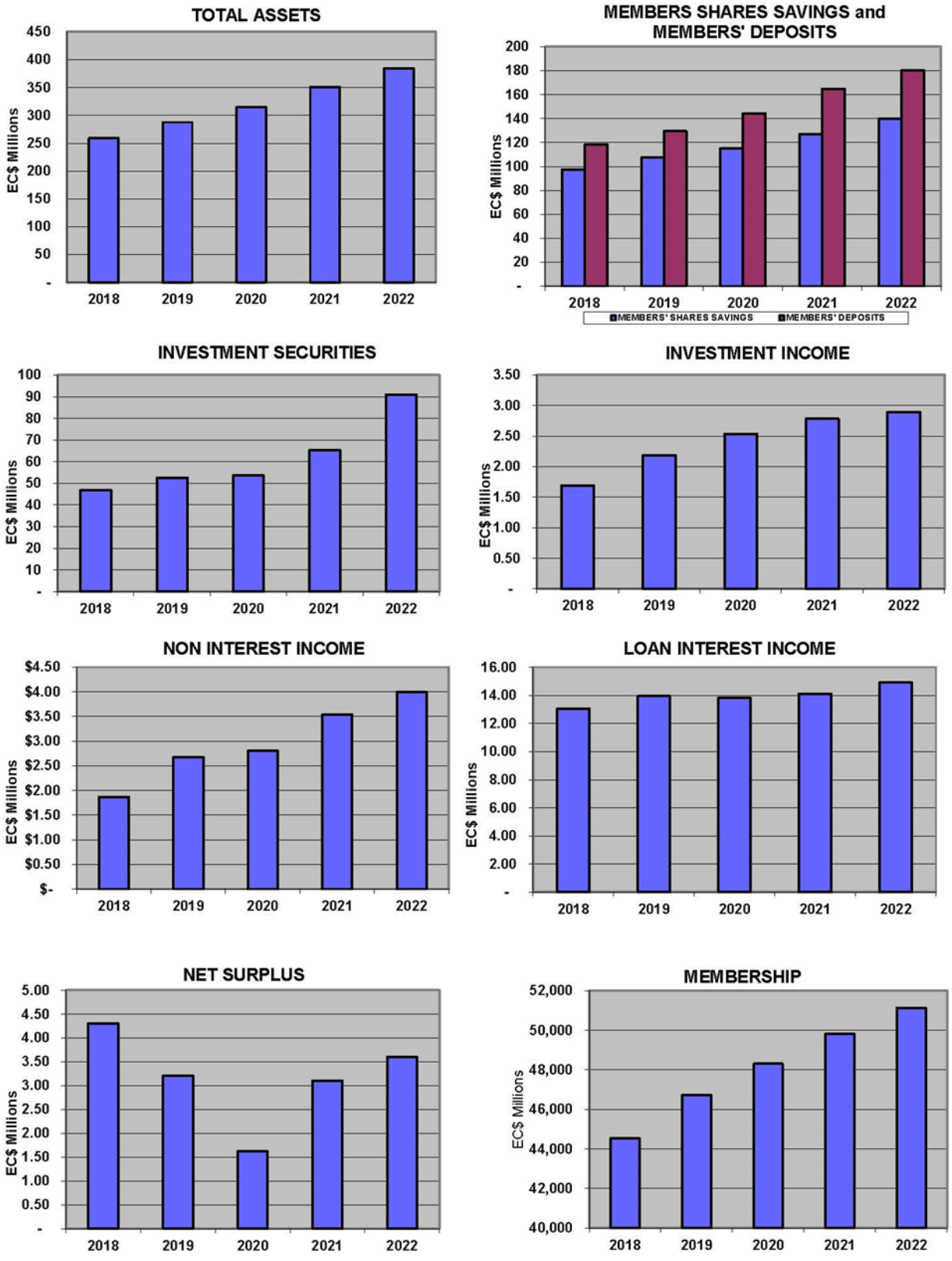


Table 4: Pearls Ratio Indictor

PEARLS Ratios	Goals	31st Dec 2022	31st Dec 2021
P – Protection			
Loan Loss Allowances / Delinquency >12mths *This measures the adequacy of the provision for loans delinquent over 12 months*	100%	91.70%	108.52%
Solvency *The degree of protection for members' shares & deposits in the event of liquidation.*	Min 110%	106.05%	105.92%
E – Effective Financial Structure			
Net Loans / Total Assets *Measures the percentage of total assets invested in Loans .*	Between 70 to 80%	48.52%	47.94%
Financial Investments / Total Assets *Measures the percentage of long-term Investment in Total Assets*	Max 10%	8.13%	6.17%
External Credit / Total Credit *Measures the percentage of Total Assets financed by external borrowings*	Max 5%	0%	0%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio *Measures the percentage of delinquency in the Loan Portfolio .*	Less than 5%	7.46%	8.12%
Non-Earning Assets / Total Assets *This measures the percentage of total assets not producing income .*	Less than 5%	6.99%	9.60%
R – Rates of Return and Cost			
Net Loan Income / Average Net Loan Portfolio *Measures the percentage yield on the Loan Portfolio*	Between 9 to 12%	8.44%	8.36%
Operating Expenses / Average Assets *Measures the cost associated with the management of the C.U assets.*	Less than 5%	3.26%	3.05%
L – Liquidity			
Liquid Investment + Liquid Assets – ST Payables / Total Deposits *Measures the adequacy of liquid cash management to response to Members' short-term requirements .*	Min 15%	40.96%	41.69%
Non-Earning Liquid Assets / Total Assets *Measures the percentage of cash invested in Non earning Assets*	Less than 1%	3.44%	5.68%
S – Signs of Growth			
Net Loans *Measures the percentage growth in Loan Portfolio*	More than 10%	10.78%	0.34%
Total Assets *To measure the percentage growth in Total Assets .*	More than 10%	9.44%	11.50%
Membership *Measures the percentage growth in Membership*	Min 5%	2.66%	3.12%

5.2.4 *Performance of Sub-Offices*

5.2.4.1 Through our network of sub-offices, GECCU continues to ensure that financial services reach marginalised areas and those who are underbanked by the traditional banks. Consistent with the general opening up of the country, as the strict COVID-19 protocols were relaxed, and the overall improvement in economic conditions, there was a noticeable increase in activities at all the sub-offices.

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

Table 5: Sub-Offices Performance 2022

	New Members		Collection		Disbursement	
	2022	2021	2022	2021	2022	2021
Union Is.	46	33	$5,052,221.28	$3,343,849.08	2,593,039.82	$2,129,390.78
Canouan	59	50	$3,921,619.12	$3,678,359.36	$1,418,576.95	$227,837.31
Bequia	108	82	$9,519,453.97	$6,845,497.93	$5,356,141.00	$3,491,244.57
Georgetown	277	255	$11,271,783.58	$8,484,238.70	$3,163,528.20	$2,541,376.20
South Rivers	126	138	$4,670,801.76	$4,262,201.00	$4,913,511.42	$4,883,761.00
Total	**616**	**558**	**$34,435,879.71**	**26,614,146.07**	**$17,444,797.39**	**13,273,609.86**

5.2.4.3 During the review year the following were the main business objectives which were actioned:

5.2.5 *Introduce New Products and Services:*

5.2.5.1 As part of trying to boost volumes and the return on our loan portfolio, we researched, planned and implemented a set of targeted initiatives. These range from the introduction of new loan products to special promotional sale of some existing products such as: car, and land loans. The results from these initiatives were very favourable as they drove the growth in the loan portfolio over the review period. This solid performance is expected to continue over the medium term.

5.2.5.2 The new products were introduced in September, 2022 under our "Credit Repair" month theme. These included;

- ✓ *Credit Combo Option*: A line of credit extended to our members to cover recurring expenses. Its revolving in nature and comes with a reduced rate for members who purchased the GECCUMed insurance product.

- ✓ *Green D.E.A.L*: This involved a rebranding of the Home protection, weathering the storm, Tank loan with an added feature to cover renewable energy products.

- ✓ *PayNSave*: Designed to meet our membership's general needs over three different categories with risk weighted rates starting as low as 5.0 percent.

- ✓ *Land and Car Loan Sale*: These are two of our best selling products. They were given a boost in 2022 with changes to the terms and conditions to accommodate more management payments. Both products have been well patronized.

5.2.5.3 During the year we also added a product and services to the tourism and hospitality industry with the opening up of the *River 14 Recreational Site*, which was officially opened on Thursday, March 10, 2022.

- ✓ *A comprehensive Management of GECCU river 14 Recreational Site:* Plan was developed and ratified by the Board of Directors. This plan is being used to guide the operation of the facility. So far the demand for rental of the facility has been reasonable. However, we are yet to achieve our ultimate goal of making it a self-sustaining venture. We are hopeful that as we roll out different components of the business plan and scale up our marketing campaign that we will be able to at least break even before the end of 2024.

5.2.5.4 *The renewal of GECCUMED:* GECCUMED group insurance, offers coverage for vision, dental and general health, at rates much lower than if the individual member had to purchase the policy on their own. We renegotiated a new contract with our current service provider Sagicor that came into effect on December 1st , 2022. At the end of 2022 there were 768 active persons enrolled in the programme compared with 703 in 2021.

5.2.5.5 The current agreement offers some of the lowest and most affordable health insurance rates in St Vincent and Grenadines. Given the significant size of our membership base, there is still much room for growth. Through a more targeted programme for cross-selling and building more awareness of the benefits of service, we are aiming to add at least another 100 new registrants in 2023. We take this opportunity to encourage those members who haven't signed up for the service yet to do so as soon as possible.

5.2.5.6 The following are some other loans products and services that were also worked on during the review year with plans to implement in 2023:

- ✓ *Establish Small Business Loans Unit*: The project seeks to improve the overall quality of product and services on offer to members with businesses. Significant progress was made during the period, with respect to developing the policy architecture and technical framework that would be used to aid loans officers in doing the underwriting. We are targeting the launch of this service in the latter half of 2023.

- ✓ *Develop Proposal(s) for Affordable Land and Housing Project at Peter's Hope*: GECCU has embarked on a project to provide affordable housing options, on 30 acres situated at Peters Hope. The first phase will result in six(6) acres' being sub-divided for sale under the promotional title of "*Living the Dream"*. During the year the focus was on developing the six acres.

The following projects were completed:

1. The resurvey and layout of forty –seven (47) lots at a cost of $37,600;
2. Road excavation and surface stabilisation at a cost of $85,777;
3. Installation of concrete box drainage system which cost $181,805; and
4. Clearing of the lands at a cost of $20,000.

5.2.5.6.1 The next scope of work would include the installation of utilities and the paving of the road ways, along with other associated works needed to sell the lots as developed lands. This phase of the project should be completed in the first half of 2023. Once these development works are completed, the lands will be put on the market for sale to our members.

- ✓ *Collaboration with ECCB on the implementation of the DCash Pilot Project:* We remain committed to the Eastern Caribbean Central Bank (ECCB) digital EC Dollar Pilot Project. However, during 2022 we experienced some challenges, as the project was placed on hold by the ECCB for approximately three (3) months. It has since been relaunched. We are working with the ECCB team to ensure that our members who have signed up are able to participate fully in the project. To date we have registered eighty (80) members for this new service and value.

- ✓ *River 14 Recreational Site*: The site was officially opened on Thursday, March 10, 2022. A comprehensive Management Plan was developed and ratified by the Board of Directors. This plan is being used to guide the operation of the facility. So far the demand for rental of the facility has been reasonable. However, we are yet to achieve our ultimate goal of making it a self-sustaining venture. We are hopeful that as we roll out different components of the business plan and scale up our marketing campaign that we will be able to at least break even before the end of 2024.

5.2.6 Expanding Membership Base:

5.2.6.1 The sustainability of our credit union depends to a large extent on our ability to attract new members and keep them. They are indeed the heartbeat of GECCU and we recognise their importance through our mantra which speaks about "*Putting Members First"*. Therefore, we strive to provide them with the best services possible, including financial counseling and reach out to hold their hands when the vagaries of life knock them down through some popular social services.

5.2.6.2 Based on the data captured in Table 6, the year 2022 was another successful one for GECCU, in terms of membership growth. At the end of 2022 total membership/depositors stood at 51,137 joined compared with 49,814 at the end of 2021. A total of 1,943 new members joined in 2022 compared with 1,787 in 2021. The number of qualifying members, excluding junior savers and institutions, stood at 45,497, compared with 44,356 in 2021.

5.2.6.3 A breakdown of the new membership by age indicates that junior savers and 16-30 cohort accounted for 61.0 per cent of the new membership compared with 63.0 percent last year. This is consistent with our marketing and education strategy, which continues to be skewed toward targeting those categories.

Table 6: New Members/Depositors by Age

.

Age	2022		2021	
	Number of Persons	Percentage	Number of Persons	Percentage
Junior Savers	565	29	529	30
16 - 30	623	32	598	33
31 - 40	303	16	285	16
41 – 50	239	12	197	11
51 – 60	158	8	131	7
61 and over	54	3	46	2.5
Organizations	1	.05	1	.05
Total	**1,943**	**100**	**1,787**	**100**

5.2.6.4 Some of the specific initiatives which were undertaken in support of this favourable outcome included:

- ü Soliciting the help of Liaison Officers to promote and recruit;
- ü Increased sponsorship of sporting events; and
- ü Intensifying school's outreach programmes.

5.2.6.5 ***Implement Cost Reduction/Containment Strategy***

5.2.6.1 Several initiatives aimed at streamlining and reducing our operating and administrative cost were pursued during the financial year. The success of these programmes are reflected in the reduction in expenditure in these targeted areas for 2022.

5.2.6.2 Our finance cost which includes interest paid on savings and fixed deposits, is one of our largest cost centre. GECCU has always had some of the highest rates, especially on the fixed deposits. We observed during the year that the high levels of liquidity locally and the stymied demand for loans were driving down rates for these products. Therefore, in light of these developments and the need to protect our financial soundness, the Board took the decision to restructure the rates to bring them a bit closer in line with current market rates. It should be noted that notwithstanding this restructuring, GECCU still has very competitive rates for the fixed deposit products.

5.2.6.3 **Increase Traffic to Website/Social Media and Improve Conservation Rate**
A lot of emphasis continues to be placed on our social media strategy, as part of our broader digital marketing programme. We have seen significant growth in traffic to our social media channels while website visits have held steady. This is depicted in Figures 1 and 2 below.

Figure 1: Social Media Visits

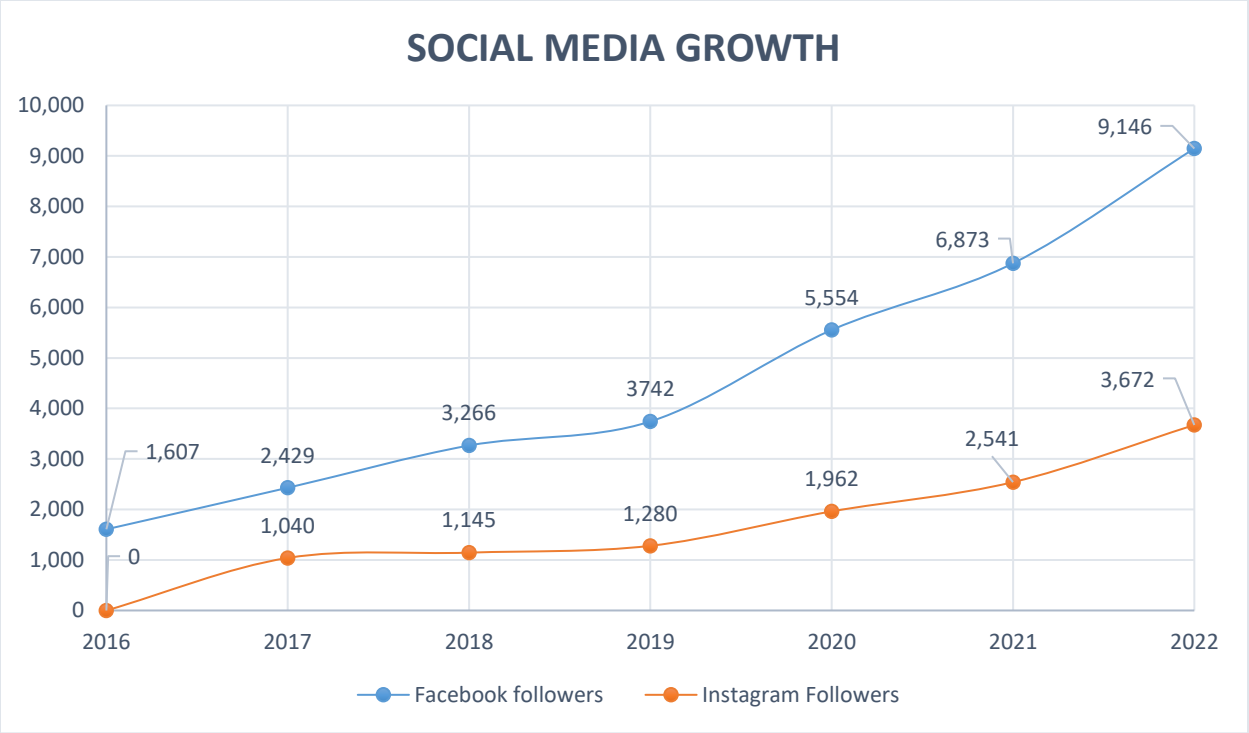
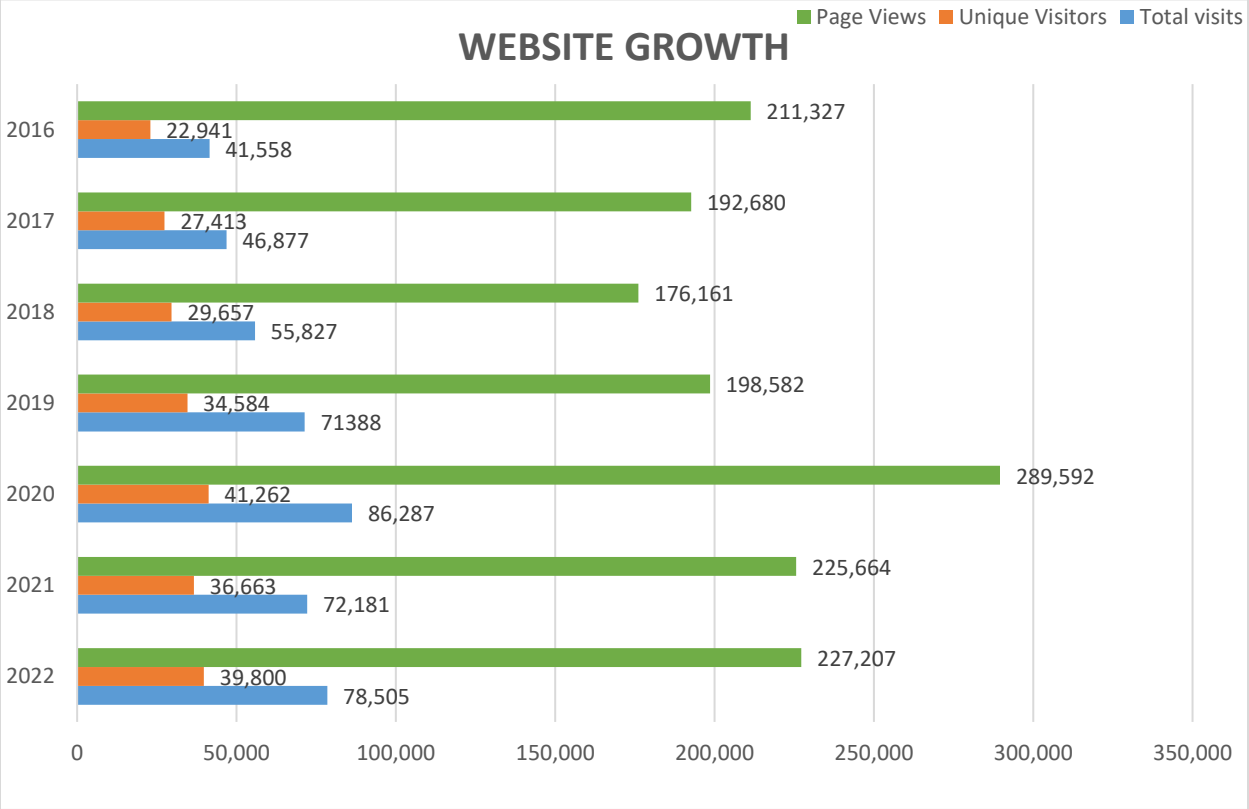


Figure 2: Website Visits



5.2.6.5 Increasing traffic flows to our social media platform and website allows us to not only build brand awareness, it also helps in improving our rankings and gives us access to data that we could be use to provide better service to them.

5.2 CORE GOAL 3: IMPROVE MEMBERS' EXPERIENCE

5.3.1. As noted above, our members are the heartbeat of the institution. We must ensure that their interactions with the credit union are seamless, efficient and fulfilling, whether it is in person or virtually. This requires a clear vision about what the member experience should be, a sound understanding of who our members are and what are their demands.

5.3.1.1 As part of our empirical and data driven approach to developing policies and action plans, the Education Committee in collaboration with the Marketing Department, conducted an online "*Members Satisfaction Survey*" in the first quarter of 2022. The main objectives of this survey were to:

1. Gather information from members in an effort to improve decision making with respect to service delivery;
2. Understand the changing needs of our members;
3. Build a more personal relationship with the membership through the use of constant communication from surveys; and
4. Collect important information about the positive and negative perceptions that may exist about GECCU.

5.3.1.2 The survey was well supported with over 3,613 respondents, presenting a response rate of about 80.0 per cent. In terms of gender participation, females responded more with 64.0 percent, while the age group 25 to 34 had the highest level of participation with 32.0 per cent of the responses.

5.3.1.3 Some of the more important concerns raised included:

1. Long Lines outside the main office and the congestion that it creates for members;
2. No dissemination of information about topics discussed at the AGM for the members who were unable to attend;
3. ATM service is extremely unreliable as it is often out of service especially around the end of the month when salaries are paid and on weekends;
4. Website is confusing and outdated. An upgrade to the layout and the provision of more information is needed;
5. Use of the ATM card to pay for goods and services; and
6. Create more opportunities through loans for young persons to be homeowners and small business owners.

5.3.1.4 The feedback from the survey provided us with valuable information that helped to inform the development of an action plan to address some of the concerns raised.

5.3.1.5 The following were the main objectives prioritized by the Board for action during 2022:

- ***Expand of Digital Services and Upgrade Digital Payment Capabilities including Cashless Options:***

  - ✓ *Order New ATM Machine*: One of the key concerns raised by the "Member Satisfaction Survey" was the unreliability of the ATM at our Headquarters Building. As a result, the decision was taken to order a second machine to be installed at the Old Headquarters Building. It is expected to be fully operational in the first quarter of 2023.

  - ✓ *Access to International Credit and Debit Cards*: Our members have been demanding access to these services for a while now. The 56th Board has agreed that it is long overdue and has given instructions to the CEO to acquire the cards. Negotiations have started with the Caribbean Credit Card Corporation Ltd, the agency responsible for the issuing of cards to financial institutions in the OECS. We have been informed that there should be some positive results in the latter part of 2023.

- ***Update Mobile and Online Banking Platforms; Removing steps that create friction:***

  As reported at the 56th AGM, some major upgrades were done in 2021 that improved the accessibility and functionality of the platforms. During 2022, no major upgrades were undertaken, instead most of the time was spent working with Shartec to resolve issues with the Mobile application. We are pleased to report that most of these problems that members encountered were resolved.

- ***Facilitate Smooth Transition of Member from Loan Moratorium "Ease the Burden" Programme***

  The programme was authorised by our regulator, the Financial Services Authority (FSA). It started in April 2020 and was scheduled to end in 2021. The programme was put in place to help borrowers and financial institution deal with the financial fallout for their loans portfolio, from the shock of the COVID-19 pandemic and later on, the eruption of La Soufriere. It was rebranded by GECCU as "***Ease the Burden***" programme and it offered members a grace period up to the end of 2021, before they can start repaying their fixed monthly payments. This grace period was further extended by the FSA to end March 2022.

5.3.1.6 A total of 456 members applied for the programme with loan value of $19.93m. Members were given the opportunity to apply for a reduce reduction, interest waivers and rescheduling of payments during the grace period.

5.3.1.7 At the end of the programme there were a total of forty-nine (49) accounts with non-payments, amounting to $1.99 m. GECCU, as part of its strategy to ensure a smooth transition of members from programme, further assisted those who indicated that they wanted to resume full payments. The assistance offered was in the form of interest waivers for thirty-one account holders totaling $145,584. This is another piece of evidence indicating

how GECCU was there for our members to make sure that they were not overwhelmed by the financial challenges they faced, mainly due to forces beyond their control.

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 thrust, we will seek to improve the way GECCU creates and delivers value to our members. Three objectives were prioritized during 2022 are:

1. ***Conduct Workflow Documentation Study****:*
   The majority of work programme activities targeted for implementation under this business objective were deferred, due to reprioritizing of some of the key Departments' Action Plans. We are hoping to get back on track in 2023, with implementation of key projects identified in the 56th AGM Board of Directors Report such as, automation of more processes and more electronic record keeping. However, we did have some success in the implementation of the following projects.

- ✓ *Switch to Google Workspace Platform*:
  This project was successfully implemented in September 2022 at a total cost of $11,595.00. The primary goals of this project was to try and optimise communication in the work space, the way staff collaborated on work assignments and upgrade storage capacity for emails. Under the project, all user emails were migrated to the Platform with the professional service of Bytelands Technologies, a locally registered business.

  GECCU now has access to one of the world's leading Cloud Computing platforms that can be leveraged to revolutionize workflow processes and improve operational efficiency. WE are on the Business Plus plan, which offers each user up to five terabytes (5TB) for storage of emails and other resources.

- ✓ *Setting Up of Spiceworks IT Help Desk Platform using Spiceworks Portal*: The IT Help Desk was operationalized at the end of November 2022. The key goals are:

  - To establish an efficient ticketing/request system
  - To ensure issues/requests are dealt with promptly and efficiently
  - To provide feedback regarding progress of ticket to users
  - To allow for transparency within the IT Department and Organization
  - To keep the IT Department accountable; and
  - To measure the performance and efficiency of the IT Department.

The Spiceworks portal is a professional network for the information technology industry. It offers many useful tools for monitoring and documentation, which the IT Department will explore further.

- ✓ *Upgrading of the Security System and Attendance Management System*: An agreement as signed with Unique Alliance for a complete upgrade of Surveillance, Access Control and Attendance systems at a total cost of $174,758.00. The major components of this project will be executed in 2023.

2. ***Implement Server Virtualisation Project:***
   The Virtualization Project officially started in September 2022 with the signing of the contract and non-disclosure agreement at cost of $24,760.00. The budgeted cost is approximately $273,096.79 .Through this protect, GECCU will transition its Server environment to a fully Virtualized environment. This will allow us to have a faster Disaster Recover (DR) time and create a non-production environment for training and testing purposes. It involves necessary hardware and software procurement, as well as training for staff. It is anticipated that the project will be fully completed by June 2023.

3. ***Establish New Operations Department:***
   Unfortunately, as indicated earlier, the full implementation of the recommendations coming out of the Job Evaluation exercise was delayed, due to the reorderring of work programme activities in some Departments. Hence, the planned activities needed to achieve this business goal were not implemented. We are hoping that work will begin on execution of this goal in 2023.

5.5 CORE GOAL 5: HUMAN RESOURCE RETENTION AND DEVELOPMENT

5.5.1 GECCU's staff complement at the end of 2022 stood at seventy-two (72), consisting of twenty-nine (29) males and forty-three (43) females. Headquarters had the highest number of staff with fifty-three (53) and Georgetown sub-office the second largest, with eight (8).

5.5.2 It was another year where GECCU unequivocally demonstrated its commitment to ensuring that its staff have the necessary knowledge and skill sets needed to execute their duties. A lot of emphasis was also placed on nurturing and supporting employees, as well as ensuring a positive workplace environment.

5.5.3 As shown in the table 7, staff were exposed to a number of training initiatives both internally and externally. A larger number of these sessions were in-person as the restrictions put in place to mitigate the effects of the pandemics were virtually lifted in the latter half of 2022.

In House 2022 (In person)

Seminar Title	Participant(s)	Date	Facilitator
Anti-Money Laundering/Counter Financing of Terrorism	Gian Alexander Leroy Hector Dayne Mc Allister Aneka Neptune Alanis Preddie Trudie Quashie	September 21, 2022	Mr. J-Lany Williams Legal and Compliance Officer
Anti-Money Laundering/Counter Financing of Terrorism	Danez Stowe Adonis Byron Sarah Garnes	November 16, 2022	Mr. J-Lany Williams Legal and Compliance Officer

In House (virtual)

Seminar Title	Participant(s)	Date	Facilitator
Privacy Awareness: The Rule You Need to Know	Tehani Cato Asif Bailey	February 3, 2022	Hitachi Systems Security
Strategic Leadership Symposium for Credit Unions	Selected Staff	February 3, 2022	School of Greatness in collaboration with the Caribbean Confederation of Credit Unions
Strategic Data Analytics	Julian Joslyn Anton Jardine Asif Bailey	February 22, 2022	The Caribbean Confederation of Credit Unions
Fostering True Inclusion for Maximum Impact	Sharlene Charles Karen Mulraine Elias Francis Danny-Lee Francis Julian Joslyn J-Lany Williams Cornelia Moses	February 22, 2022	Tracie Daniels, President, Synergy Consulting
The Future of Money	Elias Francis Maxine Johnney Anton Jardine	February 25, 2022	Rhics Technology Ltd in collaboration with the Caribbean Confederation of Credit Unions
Women in Finance	Maxine Johnney	March 3, 2022	The Caribbean Confederation of Credit Unions
Enterprise Risk Management	Karen Mulraine J-Lany Williams Rohan Stowe	April 6, 2022	The Caribbean Confederation of Credit Unions
Anti-Money Laundering/Counter Financing of Terrorism	Selected staff	April 21, 2022	J-Lany Williams – Legal and Compliance Officer
Women Empowerment Project – Inclusive Financing Seminar	Keisha Johnson Shanaz Greaves Kimesha Browne Sharlene Charles	May 16 – 20, 2022	Centre for Enterprise Development
Anti-Money Laundering/Counter Financing of Terrorism	All Staff	May 16, 2022	Financial Intelligent Unit
Total Quality Management for financial institutions	Sharlene Charles Cornelia Moses	September 19 – 23, 2022	Barbados Institute of Management and Productivity (BIMAP)
IFRS 9 and 17; Updates on upcoming standards IAS 20, 36 and 38	Karen Mulraine Kenneth Thomas	September 20 & 21, 2022	ACCA in partnership with BDO, ICAB, ICABe, ICAC, ICAEC, ICAG, SCAI
Managing the Risk of Digitalization	Rohan J. Stowe Elias Francis	November 1, 2022	Rhics Technology Ltd in collaboration with the Caribbean Confederation of Credit Unions
Understanding Loan Protection (LP) and Life Savings (LS) Insurances	Adinga Findlay Enrico Morris Cornelia Moses Kenneth Thomas	November 16, 2022	SVG Co-operative League Ltd. & CUNA Caribbean Insurance
Anti-Money Laundering/Counter Financing of Terrorism	Treanna Sargeant Colita Mitchell Vennecia Mitchell Keemo Alexander	November 26, 2022	Mr. J-Lany Williams Legal and Compliance Officer

Ex-House

Seminar Title	Participant	Location	Date	Resourced by
Caribbean Development Education (CaribDe) Programme	J-lany Williams	Trinidad and Tobago	January 9 – 15, 2022	CaribDE, CUNA Caribbean
Caribbean Development Education (CaribDE) Programme	Romani Hull	St. Kitts & Nevis	September 26 – 30, 2022	CaribDE, CUNA Caribbean
Mortgage Underwriting Course - Module III	Junelto James	Dominica	November 7 – 11, 2022	Eastern Caribbean Home Mortgage Bank (ECHMB Capital) in collaboration with the Real Estate Institute of Canada

Consultations:

GECCU participated in the following consultations:

Title	Participant	Date	Venue	Hosted by
Transforming Education Summit - Financing of Education	Julian Joslyn	July 21, 2022	Methodist Church Hall	Ministry of Education and National Reconciliation
Simplified Due Diligence and Institutional Risks Assessment	Azariah John Cornelia Moses Melene Nanton Kenneth Thomas J-Lany Williams	November 3, 2022	NIS Conference Room	Financial Services Authority
National Consultation Workshop on Caribbean Digital Transformation Project (CARDTP)	Anton Jardine	December 8, 2022	NIS Conference Room	The Centre for Employment Initiatives

STAFF PROFILE

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

LOANS DEPARTMENT

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

Recoveries Section:

Bro. Keon Findlay	Recoveries Officer

Assistant Recoveries Officers:

Bro. Osbert Cunningham Jr.
Sis. Tonyah Williams

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. Elroy Samuel	Accounts Clerk
Bro. Ricardo Springer	Junior Clerk
Bro. Romani Hull	Junior Clerk
Sis. Winstonique Knights	Junior Clerk/Teller
Sis. Kaliyah Lewis	Junior Clerk/Teller
Bro. Javal Samuel	Junior Clerk/Teller
Sis. Azariah John	Junior Clerk/Teller
Bro. Dayne McAllister	Junior Clerk/Teller
Bro. Trudi Quashie	Junior Clerk/Teller
Bro. Gian Alexander	Junior Clerk/Teller
Bro. Newbomne Joseph	Driver/Office Assistant

Insurance Section:

Sis. Cecile Fraser-Gibson	Insurance Clerk
Bro. Enrico Morris	Junior Clerk

ADMINISTRATION DEPARTMENT

Sis. Cornelia Moses	Operations Officer
Sis. Sharlene Charles	Operations Assistant
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. Gariel Matthias	Junior Clerk
Sis. Grace Guy	Receptionist
Sis. Tracia James	Filing Clerk
Bro. Leroy Hector	Office Attendant

MARKETING DEPARTMENT

Sis. Danny-Lee Francis	Snr. Marketing Officer
Bro. Asif Bailey	Jr. Marketing Officer

INTERNAL AUDIT DEPARTMENT

Sis. A. Karen Mulraine	Internal Audit Manager
Bro. Ashley Ashton	Internal Audit Clerk

I. T DEPARTMENT

Bro. Elias Francis	Data Systems Administrator
Bro. Anton Jardine	Assistant Data Systems Administrator
Sis. Aneka Neptune	ICT Technician

FACILITIES

Bro. G. Anthony Bowman	Facilities Officer

LEGAL & COMPLIANCE

Bro. J-lany Williams	Legal &Compliance Officer

GEORGETOWN OFFICE

Bro. Baldwin Johnney	Administrative Officer
Bro. Keldon Walters	Junior Loans Officer
Sis. Jewel Butler	Junior Clerk
Bro. Imron Greaves	Junior Clerk
Sis. Annecia Richards	Junior Clerk
Sis. Trevonette Johnson	Junior Clerk
Sis. Adonis Byron	Junior Clerk
Sis. Fay-Ann Baptiste	Office Attendant

SOUTH RIVERS OFFICE

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

BEQUIA OFFICE

Sis. Treanna Sargeant	Administrative Clerk
Bro. Danez Stowe	Junior Clerk
Bro. Danny George	Security Staff

CANOUAN OFFICE

Sis. Colita Mitchell	Administrative Clerk
Sis. Sarah Garnes	Junior Clerk

UNION ISLAND OFFICE

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

Staff & Volunteer Awards 2021



Employee of the Year

Sis. Alicia Ashton-Doyle
Administration Department
M.O Junior Employee

Most Outstanding Performers



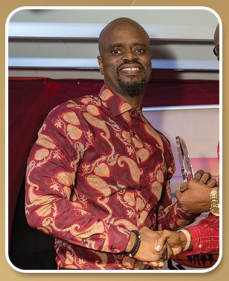
Bro. Anton Jardine
Administration Department
M.O Senior Employee



Bro. Romani Hull
Accounts Dept.



Sis. Andreka Samuel
Member Service Section



Bro. Julian Ivo Joslyn
Loans Dept.



Sis. Treanna Sargeant
Sub-Office

Volunteer Awards



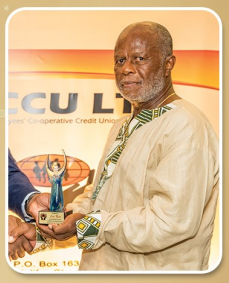
Bro. William Harry OBE



Bro. Stanley Harris



Sis. Myrna Bramble



Bro. Cecil Ryan



Sis. Angela Martin

Years of Service



Sis. Cheryl Bacchus
35 Years



Sis. Sarah Commissiong-Benjamin
30 Years



Bro. Baldwin Johnney
25 Years



Sis. Bernadette John
25 Years



Sis. Danny-Lee Francis
20 Years



Bro. Osbert Cunningham-Jr
15 Years



Bro. Danny George
15 Years

Academic Achievement



Bro. Osbert Cunningham Jr.
BSc. Banking and Finance
Second Class Honours



Sis. Cheryl Bacchus
MSc. Mgmt Studies
H.R Management



Sis. Grace Alison Guy
Cert. Occupational
Health and Safety

5.5.4 The key business goals pursued during the year were:

1. ***Develop and Implement Strategy to Establish an Independent Human Resource Department*:** The proposal was developed internally but was never taken to the Board. This was because other work programme activities were given priority consideration. In addition, the Board had indicated to management that all the plans and initiatives related to the Job Evaluation exercise would have to be deferred to the latter half of 2023.

2. ***Implement Relevant Recommendations from Job Evaluation Study:*** The report was ratified by the 56th Board in 2022, however due to other pressing work programme commitments the Board took the decision to defer review and approval of all related plans and initiatives to the latter half of 2023.

3. ***Update Appraisal System:*** No specific actionable tasks were undertaken in 2022 since work on achieving this objective is linked to the establishment of the new HR department.

4. ***Negotiate Collective Bargaining Agreement with Commercial Technical Allied Worker Union (CTAWU):*** GECCU received a proposal for a new collective bargaining agreement for a three-year period April 2022- April 2024in 2022. Negotiations with the union began in September, 2022. The discussions have been professional and productive. Negotiations are expected to be finalised in early 2023.

5. ***Implement Health and Wellness Educational Initiative:*** As one of the leading corporate entities in St Vincent and the Grenadines, GECCU led by example during 2022, on the matter of having workplace wellness programs for employees' wellbeing and productivity. To this end we completed the following initiative:

   - ✓ We hosted our inaugural wellness event for the entire staff at GECCU. The activity, which was held under the theme 'Wellness Works at GECCU', was hosted on October 20, 2022, a day celebrated across the globe as International Credit Union Day. The purpose of the event was to give staff members an opportunity to relax and experience relief from daily stress.

5.6.1 CORE GOAL 6: DEVELOP BUSINESS INTELLIGENCE FUNCTION

5.6.1 GECCU generates a voluminous amount of data on a daily basis. However we are still very limited in our abilities to extract the full value from the datasets. The main goal in developing this function is to improve our ability to use advanced analytical tools to interrogate these 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 2022 was on building the human capacity. A staff members attended a data analytics training programme held online by the Caribbean Conference of Credit Unions.

- **Development of Centralised Database:** Most of the fundamental actionable activities were deferred until the completion of the Server Virtualisation Project which is slated to be implemented in 2023.

5.7 CORE GOAL 7: ENHANCE SOCIAL CHARTER AND COMMUNITY DEVELOPMENT

5.7.1 As our theme suggest, GECCU prides itself on being a leader in community development and living up to the ethos of its corporate social responsibility function. We believe that strong communities breed well rounded productive citizens, which leads to a prosperous and healthy nation. We continued to make investments in promoting the brand, preserving our cultural identity and enhancing the capacity of communities to generate wealth and healthy sustainable livelihood. During the review year the following were some of the key initiatives undertaken:

- GECCU sponsored the St. Clair Dacon Secondary School's sports meet which was held at the Sir Vincent Beache National Stadium in Diamond on Friday March 12, 2022. The school has had a GECCU-sponsored school co-operative for the past 16 years.
- GECCU sponsored eight young players of the SVG System 3 Sports Academy to attend an annual United States college showcase in Trinidad and Tobago from February 23 – 28, 2022. The showcase was hosted by Gateway Athletics International, a Trinidad-based organization that secures scholarships for athletes.
- GECCU sponsored the St. Vincent Grammar School's 2022 annual inter-house athletics championship which was held on Friday, February 18, 2022, at the Arnos Vale Playing Field. GECCU also provided cash incentives for individual champions.
- GECCU was also a sponsor for the annual National Gospel Festival (NGF).
- GECCU sponsored the La Soufrière Hikers cricket team's participation in the fourth edition of the Vincentian Premier League (VPL) cricket tournament which was held from March 19 - April 3, 2022, at the Arnos Vale Sporting Complex. The sponsorship agreement required the team to embellish GECCU's logo on their training kits and sleeve of their official uniform as well as on the backdrop banner during players' interviews.
- GECCU sponsored the Best Quizzer trophy in the 2022 edition of the Inter School and College Christian Fellowship (ICCUF) Secondary Schools' Bible Quiz Competition.
- GECCU sponsored a charity event titled Jingle Ball for the month of December 2022. The event, which was organized by Awesome Sports International Inc., focused on hosting charity football games to benefit persons in need.
- For the second consecutive year, GECCU sponsored the annual University of the West Indies (UWI) Open Campus Poetry Competition.

.

- One of our flagship event was the sponsorship of the "*Community Service Project*" component of the 2022 Miss SVG show, which was hosted by the Carnival Development Corporation. The objectives of these community empowerment campaigns were to engender a spirit of volunteerism and outreach that will help to build stronger communities; to motivate people to work for the betterment of humanity; to make people aware of the various problems which exist in communities and to awaken the consciousness of contestants and citizens on various projects that can be completed to uplift their communities.

- GECCU sponsored the Playaz Basketball Association's 2022 summer programme which was held in August 2022. The summer program encompassed a wide range of activities that promote holistic development of young people in sports and academics. Marketing Department staff educated the participants about the benefits of being a member of the credit union as well as opportunities and activities that GECCU is involved in. Additionally, five Junior Saver Gift Certificates were awarded at the end of the programme.

- GECCU sponsored a summer program hosted by the 4 D Youth Organisation, a non-profit organisation based in the North Central Windward constituency devoted to assisting at-risk youths within the constituency. The organisation identifies youths who exhibit behavioural issues and also are experiencing financial difficulties.

- The community of Edinboro/Ottley Hall benefited from GECCU's sponsorship of a summer programme which was initiated by retired educator Mrs. Decima Hamilton. The programme was held from July 25 – August 3, 2022 at the Pan Yard in Edinboro under the theme "Loving our Community's Heritage". The objective of the program was to encourage young people to love and protect the rich history of their community.

- GECCU sponsored a summer program on NBC Radio 705 during the month of July 2022. The programme, Summer Adventures, covered fun activities that children participated in across the country during their summer break. The sessions were recorded on location and featured interviews, music and other creative pieces by children, and were aired from August 2 - 30, 2022. Two of GECCU's co-sponsored summer programmes were also featured: Playaz Basketball Camp and Ottley Hall Summer program.

- "Junior Jeopardy", a call in 'question and answer' programme hosted by NBC Radio for students on vacation, was sponsored by GECCU. The sponsorship was geared towards increasing brand awareness amongst youths across the country as well as reaffirming the credit union's presence in youth development throughout St. Vincent and the Grenadines. A total of seven (7) complimentary Junior Savers gift certificates were given away as prizes.

- GECCU's continued thrust in the development of communities was manifested in the sponsorship of the North Windward Netball Tournament for the month of August 2022. The tournament featured teams from villages as far as Owia (over the Rabacca Dry River) to Caratal in Georgetown. GECCU sponsored the winning trophies for the competition which climaxed at the end of August 2022.

- The annual Youth Leadership Symposium was held at the Anglican Pastoral centre on August 30, and 31, 2022, under the theme "Propelling the Voices of Youth in the Credit Union". The main objective of the symposium was to expose GECCU's scholarship holders to the core principles of co-operatives through different topics that will have a positive impact on their lives. These included presentations on topics such as self-defense, mental health and navigating the world after the COVID-19 pandemic. The students were also exposed to team building exercises and a field trip to Dennis Ambrose's farm in Akers Mountain, Layou.

- In summary, we spent a total of approximately $ 140,000 in our community engagements including donations, sponsorship of various events such as sports, culture and other noteworthy community activities. In particular, our approach to our community engagement was focused on targeting those activities that impacted lives of our youths and helped to solved pressing community problems. We are pleased to let our members know that your money was well spent. The resulting benefits from our engagements will far outweigh the initial financial outlay over the medium to long term.

5.7.2 SCHOLARSHIP COMMITTEE'S REPORT

5.7.2.2 ***Annual Scholarships to Secondary School:***

5.7.2.3 During the period under review, thirteen (13) scholarships were awarded to students who were successful in the 2022 Caribbean Primary Exit Assessment (CPEA). This total included a tie in the female category for the fifth position.

- The 2022 scholarship recipients were: -

Girls:	Kuba Francis	- Sugar Mill Academy
	Osanna Sprott	- St. Mary's Roman Catholic
	Sahara Antrobus	- St. Mary's Roman Catholic
	Samara Haynes	- Sugar Mill Academy

Boys: Le Raun Robinson - Biabou Methodist
Jael Forbes - St. Mary's Roman Catholic
Jet Llewellyn-John - Kingstown Preparatory
Rayne Duncan - Bequia Anglican Primary
Jeidon Arthur - Langley Park Government

Grenadines Scholarship:
Northern Grenadines: Chayah Charles – Mustique Primary
Southern Grenadines: Darren George – Canouan Government

5.7.2.4 ***Scholarship Presentation Ceremony***

5.7.2.5 The scholarship recipients were presented with certificates of academic excellence at a brief ceremony held on Wednesday, July 13, 2022, at the Methodist Church Hall, Kingstown. An additional one hundred and thirty (138) students received cash awards of $150.00 each. The theme of the ceremony was "Giving Makes a Difference".

5.7.2.6 ***University Bursary***

5.7.2.7 GECCU continued to assist members with bursaries valued at $3,000.00 for studies at University level. The successful recipients were: Sisters Carisa Blucher, Moesha Gage, Shanell Harry-Dickson and Donella Power. The recipients' academic records were outstanding. A presentation ceremony took place on Wednesday 19th October 2022 at GECCU's Conference room.

5.7.2.8 Scholarships and bursaries amounted to $169,680 as at December 31, 2022.

5.7.2.9 ***Congratulations***

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

5.7.2.11 Congratulations are extended to our scholarship holders who performed creditably at the 2022 Caribbean Secondary Education Certificate (CSEC) and the Caribbean Advanced Proficiency Examinations (CAPE). Special mention is made of Aneilia Cato, Halei Williams-Douglas and Keanu Child, who were among the top performers for St. Vincent and the Grenadines at the CSEC examinations.

5.7.2.12 Given their remarkable performance at the CAPE examination, Danielson Ferguson, Alec Best, Paige Cadogan, Jonoliah John, Keon-J Findlay and Joshua Joseph were among students who received national scholarships and special awards from the Government of St. Vincent and the Grenadines.

5.7.2.13 GECCU continues to be impressed with the performances of its scholars.

5.7.2.14 ***Youth Leadership Symposium***

5.7.2.15 After a two-year hiatus brought on by the COVID-19 pandemic, the annual youth leadership symposium took place on August 30 & 31, 2022 at the Anglican Pastoral Centre, New Montrose. The theme of the symposium was "**Propelling the Voices of Youth in the Credit Union**". The activity was organized in conjunction with the Marketing Department and is detailed in the report of the Education Committee.

5.7.2.16 ***Meeting with Scholarship holders***

- School reports of scholars were reviewed by the Scholarship Committee. The performance and conduct of most of the students were commendable. Seven (7) scholarship holders did not meet the required standard of performance set out in the scholarship guidelines of the credit union; therefore, a meeting was held with those students and their parents.

- Based on the Scholarship Committee's interactions with the students, it was concluded that the scholars needed to develop effective study habits when preparing for examinations. Members of the Scholarship Committee shared study tips and strategies with the students. Members also offered to assist in the creation of study timetables and the arrangement of extra classes for the students. The parents appreciated the credit union's interest in the academic performance of their children.

5.7.3 **SOCIAL DEVELOPMENT COMMITTEE REPORT**

5.7.3.1 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 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 2022.

- Bro. Brian Alexander
- Bro. Linus Goodluck
- Sis. Samantha Robinson
- Bro Devonte Peters
- Sis. Sandra Augustus
- Bro. Michael Da Silva
- Sis. Jonquil Cadougan
- Bro. Douglas Rose
- Sis. Cecelia Williams
- Sis.Jacintha Payne
- Sis. Shineco Sutherland
- Sis. Cecile Gibson (Staff)

5.7.3.2 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.

5.7.3.3 The residual effects of the eruptions of the La Soufriere volcano coupled with the ongoing Covid-19 pandemic have truly exposed the vulnerabilities of our members, who were still navigating economic, health, social, and safety challenges. The committee, therefore, continued the assessment of numerous applications for assistance with housing and medical expenses.

5.7.3.4 APPLICATIONS:

A total of one hundred and seventy-three (173) applications for assistance were brought before the committee in 2022. Of these,109 (63%) were approved, 52 (30%) are pending, and 12 (7%) were denied. The applications that were denied did not meet the requirements for assistance as set out in the Social Development Fund (SDF) Guidelines. Those that are pending are awaiting site visits, additional information, estimates, or other supporting documentation. Table 8 below gives a breakdown and status of the applications that were received and processed by the Committee in 2022.

Table 1: Applications received and processed by the Social Development Committee in 2022

Category	No. received	Approved	Pending	Not Approved
Medical	87	70	11	6
Housing	77	34	40	3
Financial	5	2	1	2
Other	4	3	0	1
Total	173	109	52	12

5.7.3.5 **FINANCIAL STATUS OF THE SOCIAL DEVELOPMENT FUND:**

Table 2 - The following table presents a financial statement of the Social Development Fund at 31st December 2022:

PARTICULARS	EC $
Opening balance as at January 1st, 2022	**2,302,264.20**
Add: SDF contribution for the year	654,920.00
Less: Payments for SDF as at December 31st, 2022	636,184.21
Ending Balance as at December 31st, 2022	**2,320,999.99**

5.7.3.6 OUTREACH ACTIVITIES

5.7.3.6.1 For many members, Christmas is a joyful time spent with loved ones – but for others, it's one of the hardest periods of the year. And, with the current cost-of-living crisis, this meant that the need would have been greater in 2022 for our most vulnerable members. As the Christmas countdown began, the SDC with assistance from the Marketing Department initiated a 'Gift Vouchers' program. This initiative resulted in fifty-five (55) of our members across St. Vincent and the Grenadines being gifted with a $300XCD voucher, as GECCU reached out to the vulnerable at Christmas.

5.7.3.7 **SOCIAL DEVELOPMENT COMMITTEE (SDC) GUIDELINES:** The long-anticipated retreat to review and update the Social Development Committee Guidelines was held on November 7th, 2022, at the Corporative Credit Union League building.

5.7.3.7.1 In addition to the committee members, the CEO, Bro Rohan Stowe was in attendance at the opening, and legal counsel, Bro J-Lany Williams was present for the duration of the retreat.

5.7.3.7.2 Brief remarks were made by Bro Stowe who highlighted seven (7) core values that form the basis for who we are as a Credit Union.

1. Service Excellence
2. Community development.
3. Social Justice
4. Economic Independence.
5. Accountability
6. Teamwork
7. Honesty and integrity

5.7.3.7.3 Presentations were also made by Bro Williams, who continues to play a critical role in the review process. The revised guidelines are expected to be completed by Mid-March 2023 and submitted to the Board for ratification.

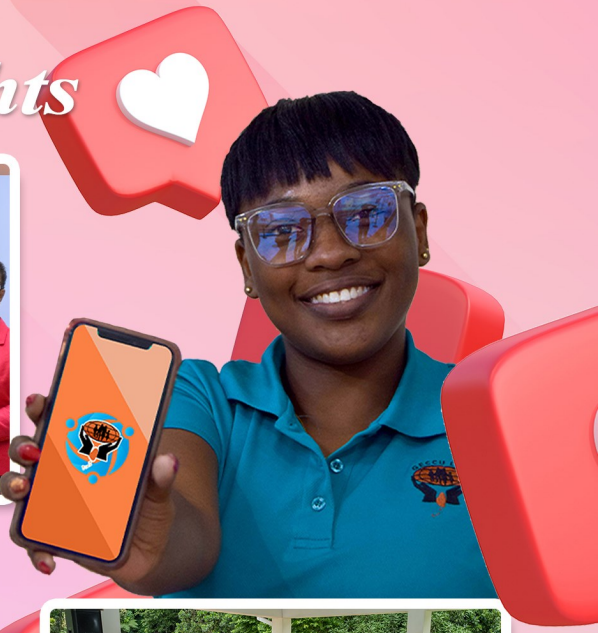
2022 Highlights



CPEA Scholarship Awards Ceremony



University Bursaries Awards





GECCU River 14 Recreational Park

FOLLOW US



Wellness Day Retreat



Miss SVG Community Service Project



SVG Netball Association



Youth Leadership Symposium



Volunteerism and Liaison Officers Training



Playaz Basketball Summer Camp



VPL 4.0 Champions - La Soufriere Hikers

6.0 OUTLOOK AND FUTURE STRATEGIES

6.1 The readings on anticipated growth developments for both the global and local economy is favourable, over the next two years. However most of the important risks are titled to the downside. This means if these risks materialise, the economic and financial conditions could worsen over the outlook period.

Global growth is projected to be around 3.0 percent in 2023 with all our major trading partners recording a positive outcome. On the local front, the relatively strong recovery in in 2022 is expected to continue into 2023, with a projected growth rate of around 6.0 percent, according to IMF estimates. At the same time inflationary pressure is expected to moderate significantly, as monetary tightening stance takes effect

6.2 The positive outlook means that a larger segment of our membership will be under less financial stress, relative to their experience over the past three years. This is good news for GECCU, as we seek to improve the quality of our loans portfolio and bring our delinquency rate back in line with the stipulated 5.0 per cent benchmark. We remain optimistic about prospects to grow our loans portfolio, but we are also mindful of all the downside risks that could derail our plans. We have already highlighted some of these key risks and challenges .

6.3 Our strategic thrust for 2023 will continue to be guided by the implementation of the Strategic Plan for 2021-2025. Prioritization of the related Action Plans, will be influenced by business forces that continue to shape the financial sector, as well as the overall macroeconomic environment, both locally and internationally.

In light of the global and industry specific developments which have occurred over the past three years and continue to trend, there are some salient initiatives which GECCU must prioritise for action over the next year. These are as follows:

- Build a strong cybersecurity culture in light of our expanding digital foot print;
- Update our Business Continuity/Disaster Preparedness Plan to take account of the changing nature of the threats and shocks that could negatively impact business operations;
- Develop and implement an appropriate institutional wide risk management framework to help GECCU better manage all its risks;
- Strengthen our data analytics capability to support more empirical decision making;
- Give our members access to "Affordable Housing" by putting on market the lands at the Peters Hope for sale;

- Develop creative solutions for products and services to meet our members' needs and stimulate growth in the loans portfolio, specifically focusing on launching of a suite of products and service for members in the Micro, Small and Medium (MSM) size business sector;

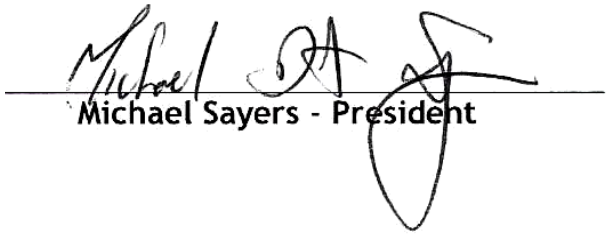
- Continue to close the gaps in our policy architecture;

- Invest more in reorienting operating and administrative processes to reduce the use of paper and improve operational/administrative efficiency;

- Expand our "Brick and Mortar" operations, including the network of ATMs, to better meet our members' needs across the country;

- Reduce our carbon footprint through targeted investments in renewable energy to power our operations and empower our members to also invest in the technology.

Brothers and sisters, we have survived and conquered most of our challenges in 2022 through hard work and solidarity in our belief that GECCU is a positive force in our society that should be preserved. We must remain committed to this ideal, as we continue on our quest to create a "perfect" GECCU. Let's all work together to strengthen the business model and the sense of caring for others in the name of the common good… "A better St Vincent and the Grenadines".



Michael Sayers - President

Appendix 1: List of persons who passed during the year

1. Henry Adams
2. Winfield Alexander
3. Joy Alexander
4. Veronica Ambris
5. Seigbert Andrews
6. James Antoine
7. Alston Antoine
8. Leslie-Ann Arnold
9. Tannesha Ashton
10. Raffic Bacchus
11. William Bailey
12. Julian Bailey
13. Arnold Balkaran
14. Cynthia Baptiste
15. Jennis Baptiste
16. Marlon Billy
17. Cecil Black
18. Norma Blake
19. Nigel Blake
20. Nolecia Browne
21. Wilhelmina Butler
22. Patrick Bynoe
23. Emery Bynoe
24. Edmund Caesar
25. Ena Carr
26. Debra Caruth Maloney
27. Camille Castello
28. Noel Charles
29. Matthew Charles
30. Walter Child
31. Ezekiel Clarke
32. Colin Codougan
33. Lise-Ann Connor
34. Princess Cummings
35. Maefika Cunningham-Duncan
36. Elizabeth Currency
37. Erry Cyrus
38. Michael Da Briel
39. Marcia Da Silva
40. Jeremiah Daniel
41. George Dasouza
42. Terbertus Davy
43. Kimesha De Bique
44. Lloyd De Freitas
45. Junie Delpesche
46. Hugh Desent
47. Anne Dickson
48. Margaret Douglas
49. William Douglas
50. Leonard Douglas
51. Winston Doyle
52. Rodney Duncan
53. Alson Duncan
54. Junney Durrant-Dublin
55. Luenda Edwards
56. Reginald Edwards
57. Mc Nair Fergus
58. Dixie Ann Foster
59. Amy Franklin
60. Greta Franklyn
61. Marie Fraser
62. Silvannus Fraser
63. Isabella Francois
64. Jennifer Froget
65. Pearlina George-Fraser
66. Androcles Gibson
67. Brent Gill
68. Lucy Glasgow
69. Luenda Glasgow
70. Ron Gould
71. Allanie Gurley
72. Silas Hamilton
73. Augustine Harry
74. Withfield Harry
75. Maxian Harry
76. Rallon Haywood
77. Jermin Hazell
78. Okeito Henville
79. Erene Hickson
80. Ted Holder
81. Grethel Hope
82. Randolph Horne
83. Benjamin Horne
84. Shirley Huggins
85. Andrew Jack
86. Samuel Jack
87. Jerome Jack
88. Valaria Jackson
89. Anetta James
90. Arnim James
91. Lindsay James
92. Mark James
93. Phill James
94. Ilma Jobe
95. Dawn John
96. Sherridan John
97. Noel Joseph
98. Parmesta Joseph
99. Raphael Joseph
100. Rosetta Joseph
101. Winifred King
102. Merle Kirby
103. Yuclan La Borde
104. Nathan Lampkin
105. Anthony Lavia
106. Lilan Lavia
107. Anthony Lavia
108. Quelie Leacock
109. Andre Lewis
110. Sadie Lewis
111. Lynford Lewis
112. Paulina Lewis
113. Joycelyn Lewis
114. Patricia Lewis-Gabriel
115. Francis Luke
116. Lisa Malcolm
117. Wilfred Matthews
118. Norman Matthias
119. Winston Mc Barnett
120. Venisa Mc Dowall
121. Irma Mc Milan-Findlay
122. Martha Mckenzie
123. Errol Medica
124. James Miller
125. Trevor Miller
126. Sheril Ann Millington
127. Bertrand Mitchell
128. Alvia Murray

129. Moulton Mayers
130. Alphonso Myers
131. Margaret Nanton
132. Winston Nichols
133. Yvette Nichols-Barnwell
134. Seymorne Oliver
135. Donald Ollivierre
136. Vanrick Ollivierre
137. Lynette Paul
138. Vernon Pemberton
139. Ericson Peters
140. Deryck Phillips
141. Claudia Pierre
142. Lucinda Pitt
143. Joshua Pompey
144. Alston Pompey
145. Shorn Pompey
146. Andrea Providence
147. Elrick Ragguette
148. Pamela Ratti
149. Ronan Rawlins
150. Lenford Richards
151. Susan Richards-Trail
152. Luann Roberts
153. Deborah Roberts
154. Moriesea Roberts
155. Violet Roberts
156. Yvette Roberts
157. Samuel Robertson
158. Beatrice Robertson
159. Kenrick Robinson
160. Laradel Rodgers
161. Betty Rodgers
162. Koama Samuel
163. Richard Saunders
164. Keyon Sayers
165. Agnes Scipio
166. Fan Seaton
167. Ivsow Shallow
168. Monica Simon
169. Elton Simon
170. Othniel Smith
171. Debra Spencer
172. Roslyn Spring
173. Stephanie Stoddard
174. Shelly-Ann Sutherland-Browne
175. Isha Sutton
176. Sarah Tannis
177. Cardon Thomas
178. Josephine Toney
179. Silvy Toney
180. Clinton Tucker
181. Adna Vincent
182. Carton Walker
183. Alexander Welcome
184. Moussa Westfield
185. Calder Williams
186. Cuthbert Williams
187. Sylta Williams
188. Leonora Williams
189. Maelnzy Williams
190. Lyndell Williams
191. Jais-Ann Williams-Patterson
192. George Wilson
193. Horasho Wilson
194. Macdonald Wilson
195. Cole Winston
196. Alrick Wright
197. Lieo Wynne
198. Errol Yorke
199. Sylvia Young



The Treasurer's Report

to the
57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

THE TREASURER'S REPORT
TO THE 57TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

Brothers and sisters, I am pleased to present an overview of GECCU's financial results, which highlights the financial performance of the General Employees Co-operative Credit Union Ltd for the year ending December 31, 2022.

1.1 The performance for the 2022 fiscal year exhibits the credit union's path to recovery. The effort globally to return economic activities to pre-pandemic levels has impacted the credit union positively, even as it contends with the adverse effects of inflation. The significant growth in our loan portfolio and augmented income stream validated the recovery efforts. The impact of this growth was manifested in increased profitability by approximately $493.7k or 16% to $3.6 million. In addition, the credit union maintained liquidity levels and capital adequacy above the statutory requirements.

2.0 FINANCIAL PERFORMANCE

The following is a synopsis of performance for the financial year ending December 31, 2022, with comparatives from the 2021 financial year.

2.1 ASSETS

The credit union's total assets amounted to $384.2 million, increasing by $33.1 million or 9% over the 2021 fiscal year; the asset growth was mainly concentrated in investment securities and member loans. The following influenced the movement in total assets:

1. **Loans portfolio**
   There was a net growth of $18.1 million, or 11%, to $186.4 million, compared to $168.3 million in 2021. Mortgages and consumer loans account for a significant proportion of this growth.

2. **Investment securities.**
   The investment portfolio stood at $91 million at the end of 2022, representing a growth of $25.7 million or 39% compared to $65.3 million in 2021. 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 outflow of $11.2 million in 2022, resulting in a decrease of 13% in cash resources to $71.8 million, relative to $83 million in 2021. The two main contributors to the net cash outflow were disbursements for member loans and purchasing of investment securities. However, the credit union continues to exceed the statutory liquidity requirements considerably.

4. Investment Properties

Investment properties grew by $348.6k or 3% to $13.6 million, compared to $13.2 million in 2021. This upward movement was driven by the increase in the value of the South Rivers - River-14 Recreational Park from an appraisal exercise and expenditure for the renovation of the Bounty building.

5. Property Plant and Equipment

There was a net reduction in property plant and equipment of 713.7k or 5% to $12.9 million, relative to the $13.6 million in 2021 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 2022.

Table 1: Component of Assets

	2022	2021	Increase/ (Decrease) $	Increase Decrease) %-age 2022 over 2021	Increase Decrease) %-age 2021 over 2020
Total Assets	384,191,191	351,041,525	33,149,666	9%	12%
Loans	186,415,799	168,280,381	18,135,418	11%	0.3%
Investment Securities	90,950,435	65,283,235	25,667,200	39%	22%
Cash Resources	71,778,156	82,972,740	-11,194,584	-13%	39%
Investment property	13,631,661	13,283,092	348,569	3%	11%
Property Plant and Equipment	12,872,751	13,586,403	(713,652)	-5%	-3%

2.2 SHARE CAPITAL & MEMBERS' DEPOSITS

Table 2 shows the movement in the deposits and share capital categories. Share capital increased by $1.4 million or 4% to $35.3 million compared to $33.9 million in 2021.

The term deposit increased by $1.8 million or 3%, while the ordinary deposit increased by $13.5 million or 14%. 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

	2022 $	2021 $	Increase/ (Decrease) $	Increase/ (Decrease) 2022 over 2021 (% age)	Increase/ (Decrease) 2021 over 2020 (% age)
Share capital	35,281,425	33,905,511	1,375,914	4%	2%
Members' shares savings	139,563,006	126,769,521	12,793,485	10%	10%
Term deposits	67,667,365	65,856,807	1,810,558	3%	4%
Ordinary deposits	111,359,845	97,881,246	13,478,599	14%	22%

2.3 INCOME

The credit union's total income increased by $1.3 million, or 6%, to $21.8 million compared to $20.5 million in 2021. Loan interest income and other incomes were the primary drivers of this growth. The following were the changes in the different revenue categories.

- The loan interest income reflected an increase of $813.5k or 6% relative to the 2021 fiscal year. The rate reflected the growth experienced in the loan portfolio.
- The returns received on bond and treasury bills contributed to the increase in investment income of $108.8k or 4%. However, the low-interest-rate environment is still challenging the credit union.
- The rise in rental income of $100.2k or 15% resulted from increased occupancy of spaces in our rental properties.
- The increase of $253.8k or 13% in other income over the previous year was mainly due to the rise in income from processing fees and gain from the appraisal of the South Rivers - River-14 Recreational Park.

Table 3: Categories of Income

	2022 $	2021 $	Increase/ (Decrease)	Increase/ (Decrease) 2022 over 2021 (% age)	Increase/ (Decrease) 2021 over 2020 (% age)
Total income	21,820,033	20,503,356	1,316,677	6%	7%
Loan interest income	14,925,644	14,112,101	813,543	6%	2%
Investment income	2,891,760	2,782,966	108,794	4%	10%
Rental income	771,465	671,227	100,238	15%	131%
Death benefit contributions	1,065,680	1,025,380	40,300	4%	4%
Other income	2,165,484	1,911,682	253,802	13%	26%

2.4 EXPENSES

Total expenses amounted to $18.2 million, an increase of $823k or 5% compared to the $17.4 million for the comparative period in 2021. The changes in the individual categories were due to the following;

- Staff costs reflect an increase of $301k or 8%, primarily due to retroactive CTAWU negotiated salary increases and provisions for retirement benefits.
- The increase of $527.8k or 13% in other operating expenses resulted from the resumption of several credit union activities previously affected by restrictions imposed by the pandemic, such as attendance of conventions and training activities overseas.
- The decline in the expected credit losses of $652k or 69% in the loan portfolio was due to the improvement in the credit union's credit risk level.

Table 4: Categories of Expenses

	2022 $	2021 $	Increase/ (Decrease) $	Increase/ (Decrease) 2022 over 2021 (% age)	Increase/ (Decrease) 2021 over 2020 (% age)
Total expenses	18,223,242	17,400,267	822,975	5%	-1%
Interest expenses	6,281,228	5,753,910	527,318	9%	28%
Staff costs	4,009,382	3,708,321	301,061	8%	-16%
CUNA insurance	1,712,899	1,577,194	135,705	9%	10%
Other operating expenses	4,564,594	4,036,771	527,823	13%	-7%
Death benefit payments	992,195	916,343	75,852	8%	12%
Allowances for credit losses - Loans	289,508	942,222	(652,714)	-69%	-38%
Allowances for credit losses - Investment	373,436	465,506	(92,070)	-20%	-6%

2.5 NET PROFIT

A net profit of $3.5 million was realized for 2022, representing an increase of approximately $493.7k or 16% from the profit of $3.1 million reported in 2021.

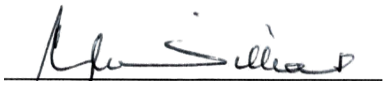
3.0 CONCLUSION

The credit union is optimistic that the novel trend in its financial performance will continue in 2023 despite the rising cost globally and the ongoing war in Ukraine. With the decline of the pandemic and the continuous effort to resume social and other economic activities to normalcy, the credit union intends to capitalize on potential growth opportunities. We anticipate that the Peters Hope Land Development Project will propel our loan growth while meeting members' housing needs. Also, the River 14 Recreational Site, one of our largest social investments, is expected to maintain its popularity.

We are committed to ensuring that GECCU remains a safe, sound and sustainable financial institution in the future; thus, we will continue to take a strategic risk-sensitive approach to decision-making.

I want to thank the Board of Directors, Committees, Management, and Staff for their support in 2022. In addition, I extend special thanks to the staff in the Accounts Department for their unwavering support.

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



Sis. Cecelia J. Williams
Treasurer



GECCU Financial Statements & Auditors' Report

to the

57th 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, 2022

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

Table of Contents	Pages
Corporate Information	1
Independent Auditors' Report	2-4
Statement of Financial Position	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Changes in Members' Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 55

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED

CORPORATE INFORMATION

REGISTERED OFFICE
Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Bro. Michael Sayers	-	President
Bro. Hugh Colin Sam	-	Vice President
Sis. Cecelia J. Williams	-	Treasurer
Bro. Linus Goodluck	-	Secretary
Bro. Gary Matthias		
Bro. Philmore Isaacs		
Bro. Jerold Jackson		
Bro. Kelvin Pompey		
Bro. Renato Gumbs		

CHIEF EXECUTIVE OFFICER
Rohan J. Stowe

SOLICITOR
Baptiste and Company

FINANCIAL INSTITUTIONS
Bank of St. Vincent and the Grenadines Limited
Republic Bank Limited

AUDITORS
BDO Eastern Caribbean
Chartered Accountants

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

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

INDEPENDENT AUDITORS' REPORT

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

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, 2022, 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, 2022, 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 2022 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.

BDO Eastern Caribbean, a network of firms registered in Anguilla, Antigua and Barbuda, St. Lucia, St. Vincent and the Grenadines and Grenada, is a member of BDO International Limited, a UK company Limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

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

BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
May 22, 2023

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2022
With comparative figures as at December 31, 2021
(Expressed in Eastern Caribbean Dollars)

	Note	2022 $	2021 $
Assets			
Cash resources	6	71,778,156	82,972,740
Inventories	7	7,442,874	7,094,190
Investment securities - amortised cost	8(i)	89,913,898	64,239,859
Investment securities - fair value through profit or loss (FVPL)	8(ii)	1,036,537	1,043,376
Loans to members	9	186,415,799	168,280,381
Right of use assets	10	325,996	184,662
Other assets	11	773,519	356,822
Investment properties	12	13,631,661	13,283,092
Property, plant, and equipment	13	12,872,751	13,586,403
Total assets		384,191,191	351,041,525
Liabilities			
Other payables	14	5,529,857	4,094,799
Deferred grant income		-	404,940
Staff pension fund deposit	15	1,125,229	1,063,460
Lease liabilities	16	328,623	192,787
Members' deposits	17	180,010,958	164,734,311
Members' ordinary savings	18	139,563,006	126,769,521
Total liabilities		326,557,673	297,259,818
Members' equity			
Share capital	19	35,281,425	33,905,511
Statutory reserve	20	9,698,182	8,617,759
Social development fund	21	2,321,000	2,302,264
Statutory development fund	22	30,000	30,000
Revaluation reserve		2,718,284	2,718,284
Retained earnings		7,584,627	6,207,889
Total members equity		57,633,518	53,781,707
Total liabilities and members' equity		384,191,191	351,041,525

The notes on pages 9 to 55 are an integral part of these financial statements.

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

Michael Sayers - President

Cecelia J. Williams - Treasurer

GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2022
With comparative figures for the year ended December 31, 2021
(Expressed in Eastern Caribbean Dollars)

	Note	2022 $	2021 $
Income			
Loan interest		14,925,644	14,112,101
Investment interest	23	2,891,760	2,782,966
		17,817,404	16,895,067
Interest expense		(6,281,228)	(5,753,910)
Net interest income		11,536,176	11,141,157
Expected credit losses	24	(617,985)	(1,314,860)
General and administrative expenses	25	(6,265,843)	(5,605,104)
Staff costs	26	(4,009,382)	(3,708,321)
Other operating income, net	27	2,960,664	2,528,293
Operating profit		3,603,630	3,041,165
Net unrealized gain (loss) on FVTPL investments		(6,839)	61,924
Net profit for the year		3,596,791	3,103,089
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net gain in revaluation reserve		-	-
Total comprehensive income		3,596,791	3,103,089

The notes on pages 9 to 55 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, 2022
With comparative figures for the year ended December 31, 2021
(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, 2020		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
Shares issued during the year	19	1,178,857	-	-	-	-	-	1,178,857
Shares repurchased during the year	19	(444,402)	-	-	-	-	-	(444,402)
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
Opening balance		33,905,511	8,617,759	2,302,264	30,000	2,718,284	6,207,889	53,781,707
Net profit for the year		-	-	-	-	-	3,596,791	3,596,791
Shares issued during the year	19	1,774,407	-	-	-	-	-	1,774,407
Shares repurchased during the year	19	(398,493)	-	-	-	-	-	(398,493)
Net increase in social development fund	21	-	-	18,736	-	-	-	18,736
Statutory development fund	22	-	-	-	-	-	(30,000)	(30,000)
Appropriation to statutory reserve	20	-	1,079,037	-	-	-	(1,079,037)	-
Entrance fees	20	-	1,386	-	-	-	-	1,386
Dividends paid		-	-	-	-	-	(1,111,016)	(1,111,016)
Balance as at December 31, 2022		35,281,425	9,698,182	2,321,000	30,000	2,718,284	7,584,627	57,633,518

The notes on pages 9 to 55 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, 2022
With comparative figures for the year ended December 31, 2021
(Expressed in Eastern Caribbean Dollars)

	Note	2022 $	2021 $
Cash flows from operating activities			
Profit for the year		3,596,791	3,103,089
Adjustments for:			
Depreciation	13	804,054	881,886
Depreciation right-of-use assets	10	160,014	152,551
(Gain) loss on disposal of property and equipment	27	4,811	8,861
Net (gain) loss on revaluation of properties	27	(666,963)	(739,011)
Unrealized (gain) loss on FVTPL investments		6,839	(61,924)
Deferred grant income realised	12	366,813	-
Expected credit loss on investments	24	373,436	465,506
Expected credit loss on loans, net of recoveries	24	244,549	849,354
Interest income		(17,817,404)	(16,895,067)
Dividend income		19,076	16,200
Lease interest		5,404	7,983
Interest expense		6,281,228	5,753,910
		(6,621,352)	(6,456,662)
Changes in:			
Loans to members		(18,600,199)	(1,426,783)
Other assets		(416,697)	142,281
Members' deposits		15,289,157	20,611,403
Deferred grant income		(404,940)	-
Staff pension fund deposits		61,769	158,745
Inventories		(348,684)	(2,400)
Other payables		1,379,237	401,171
Members' ordinary savings		12,793,485	11,685,241
		3,131,776	25,112,996
Interest received		18,093,457	16,909,526
Lease interest paid		(5,404)	(7,983)
Dividends received		(19,076)	(16,200)
Interest paid		(6,293,738)	(5,716,158)
Net cash generated from operating activities		14,907,015	36,282,181
Cash flows from investing activities			
Purchase of property, plant, and equipment	13	(100,496)	(506,054)
Addition to investment properties	12	(43,136)	(585,092)
Change in investment securities		(26,047,475)	(12,144,377)
Net cash used in investing activities		(26,191,107)	(13,235,523)
Cash flows from financing activities			
Net increase in social development fund	21	18,736	76,781
Statutory development fund paid	22	(30,000)	(30,000)
Increase in share capital	19	1,375,914	734,455
Net increase in lease liabilities		(165,512)	(165,905)
Entrance fees	20	1,386	1,312
Dividends paid		(1,111,016)	(396,359)
Net cash generated from financing activities		89,508	220,284
(Decrease) increase in cash resources		(11,194,584)	23,266,942
Cash resources - Beginning of year		82,972,740	59,705,798
Cash resources - end of year		71,778,156	82,972,740

The notes on pages 9 to 55 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 registered office is situated in Kingstown, St. Vincent and the Grenadines.

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 May 4, 2023.

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, 2022 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) Changes in accounting policies and disclosures

(i) New accounting standards, amendments and interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Credit Union's annual financial statements for the year ended December 31, 2022 except for the adoption of new standards and interpretations below.

New standards impacting the Credit Union that will be adopted in the annual financial statements for the year ended 31 December 2022, and which have given rise to changes in the Board's accounting policies are:

- **Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)**
  The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- **Reference to the Conceptual Framework (Amendments to IFRS 3).**
  The amendments update 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 1 January 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 1 January 2022.

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

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

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Credit Union has decided not to adopt early.

The following amendments are effective for periods beginning on or after 1 January 2023:

- IFRS 17 Insurance contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for periods beginning on or after 1 January 2024:

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-Current)
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants).

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

4. Significant accounting policies

a. Foreign currency translation

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

Changes in the fair value of monetary securities denominated in foreign currencies classified as 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.

4. Significant accounting policies (cont'd)

b. Cash resources

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

c. Inventories

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

d. Property and equipment

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

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

Land is not depreciated. 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.

4. **Significant accounting policies (cont'd)**

e. Investment properties

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

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

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

f. IFRS 9 Financial 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.

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.

4. **Significant accounting policies (cont'd)**

f. **IFRS 9 Financial Instruments (cont'd)**

Classification categories of financial assets

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 SSPI test if it does not introduce risks or volatility that is inconsistent with a basic lending arrangement. Conversely, financial assets which have SPPI characteristics but are held within the business model whose objective is both to collect the contractual cash flows and to sell the financial assets ("hold to collect" and sell) are subsequently measured at fair value through other comprehensive income (FVOCI).

4. **Significant accounting policies (cont'd)**

f. **IFRS 9 Financial instruments (cont'd)**

Business model assessment (cont'd)

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

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

The SPPI Test

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

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

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

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

Debt instruments measured at amortised cost

Debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost. Interest income on these instruments is recognised in 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.

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

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

- At least a year has passed with no default upon the forborne contract terms
- The customer is likely to repay its obligations in full without realising security
- The customer has no accumulated impairment against 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 12 month expected credit loss	Significant increase in credit risk (SICR) Lifetime expected credit loss	Credit-impaired 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.

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:

	2022 $	2021 $
Deposit with commercial banks	67,412,005	79,997,363
Investment securities	90,950,435	65,283,235
Loans to members	186,415,799	168,280,381
Other assets	773,519	356,822
	345,551,758	313,917,801

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, 2022 and 2021 without taking account of any collateral held or other credit enhancements attached.

Loans and advances to members are summarised as follows:

	2022				
	Consumer $	Computer $	Mortgage $	Student $	Total $
Gross loans	92,693,071	171,231	94,975,415	3,601,410	191,441,127
Interest receivable	464,876	281	388,094	18,040	871,291
	93,157,947	171,512	95,363,509	3,619,450	192,312,418
Less: ECL allowance	(3,868,451)	(1,904)	(1,918,114)	(108,150)	(5,896,619)
	89,289,496	169,608	93,445,395	3,511,300	186,415,799

	2021				
	Consumer $	Computer $	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
	81,610,014	101,042	88,602,262	3,629,996	173,943,314
Less: ECL allowance	(4,085,538)	(1,948)	(1,431,578)	(143,869)	(5,662,933)
	77,524,476	99,094	87,170,684	3,486,127	168,280,381

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.

	2022 $	2021 $
Stage 1		
Consumer loans	83,811,571	71,082,453
Computer loans	170,927	99,276
Mortgage loans	89,218,375	79,939,225
Student loans	3,317,488	3,242,157
Total	176,518,361	154,363,111

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 - 2022				
	Consumer loans $	Computer loans $	Mortgage loans $	Student loans $	Total $
Secured - Past due under 90 days	487,891	-	268,046	13,393	769,330
Unsecured - Past due 30 to 59 days	1,044,895	-	-	-	1,044,895
Unsecured - Past due 60 to 89 days	635,475	-	232,340	-	867,815
Total	2,168,261	-	500,386	13,393	2,682,040

	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

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)

	2022 $	2021 $
Stage 3		
Consumer loans	6,713,239	7,048,893
Computer loans	304	1,538
Mortgage loans	5,256,654	6,367,617
Student loans	270,529	351,179
Total	12,240,726	13,769,227

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

	2022 $	2021 $
Loan commitments and other related obligations	13,515,230	5,430,451

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, 2022 and 2021, based on Moody's ratings or equivalent:

	Cash resources $	Investment securities $	Loans to members $	Other assets $	Total $
At December 31, 2022					
Lower the A-	-	39,112,266	-	-	39,112,266
Unrated	67,412,005	51,838,169	186,415,799	773,519	306,439,492
	67,412,005	90,950,435	186,415,799	773,519	345,551,758

	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

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, 2022					
Other payables	5,529,857	-	-	-	5,529,857
Retirement benefit plan	1,125,229	-	-	-	1,125,229
Lease liabilities	82,156	246,467	-	-	328,623
Members' deposits	125,033,664	54,977,294	-	-	180,010,958
Members' ordinary savings	137,062,128	2,500,878	-	-	139,563,006
	268,833,034	57,724,639	-	-	326,557,673
At December 31, 2021					
Other payables	4,094,799	-	-	-	4,094,799
Staff pension fund deposit	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
	247,772,806	49,046,084	35,988	-	296,854,878

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:

	2022 $	2021 $
Loan commitments and other related obligations	13,515,230	5,430,451

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.

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, 2022					
Financial Assets					
Cash resources	67,412,005	-	-	4,366,151	71,778,156
Investment securities	56,506,956	25,441,747	7,965,195	1,036,537	90,950,435
Loans to members	6,898,718	64,093,821	115,423,260	-	186,415,799
Other assets	-	-	-	773,519	773,519
Total financial assets	130,817,679	89,535,568	123,388,455	6,176,207	349,917,909
Financial liabilities					
Other payables	-	-	-	5,529,857	5,529,857
Staff pension fund deposits	1,125,229	-	-	-	1,125,229
Members' deposits	125,033,664	54,977,294	-	-	180,010,958
Members' ordinary savings	137,281,389	2,281,617	-	-	139,563,006
Lease liabilities	328,623	-	-	-	328,623
Total financial liabilities	263,768,905	57,258,911	-	5,529,857	326,557,673
Total interest re-pricing gap	(132,951,226)	32,276,657	123,388,455	646,350	23,360,236

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, 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

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, 2022, 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 (2021: $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	
	2022 $	2021 $	2022 $	2021 $
Financial Assets				
Cash resources	71,778,156	82,972,740	71,778,156	82,972,740
Investment securities:				
- Amortised cost	89,913,898	64,239,859	89,913,898	64,239,859
- Fair value through profit or loss	1,036,537	1,043,376	1,036,537	1,043,376
Loans to members	186,415,799	168,280,381	186,415,799	168,280,381
Other assets	773,519	356,822	773,519	356,822
	349,917,909	316,893,178	349,917,909	316,893,178

	Carrying value		Fair value	
	2022 $	2021 $	2022 $	2021 $
Financial Liabilities				
Other payables	5,529,857	4,094,799	5,529,857	4,094,799
Staff pension fund deposit	1,125,229	1,063,460	1,125,229	1,063,460
Members' deposit	180,010,958	164,734,311	180,010,958	164,734,311
Members' ordinary shares	139,563,006	126,769,521	139,563,006	126,769,521
	326,229,050	296,662,091	326,229,050	296,662,091

Off-balance sheet instruments

	Carrying value		Fair value	
	2022 $	2021 $	2022 $	2021 $
Loan commitments and other related obligations	-	-	13,515,230	5,430,451

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, 2022				
FVTPL - Corporate equity				
- equity securities	314,675	-	721,862	1,036,537
Total financial assets	314,675	-	721,862	1,036,537

	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, 2021	321,514	-	721,862	1,043,376
Acquisition	-	-	-	-
Gain on revaluation	(6,839)	-	-	(6,839)
At December 31, 2022	314,675	-	721,862	1,036,537

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

	2022 $	2021 $
At December 31, 2022		
Investment properties	13,631,661	13,283,092
Land and building	11,016,349	11,123,530
Total nonfinancial assets at fair value	24,648,010	24,406,622

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**

	2022 $	2021 $
Cash on hand	4,366,151	2,975,377
Current account	8,852,482	16,961,849
Special savings	58,559,523	63,035,514
	71,778,156	82,972,740

The effective interest rate on special savings is 2% (2021: 2%)

7. **Inventories**

	2022 $	2021 $
Balance - beginning of year	7,094,190	7,091,790
Development costs	348,684	2,400
Balance - end of year	7,442,874	7,094,190

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 National Insurance Services (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.

8. Investment securities

(i) Debt securities at amortised cost

		2022 $	2021 $
(a)	*Treasury bills*		
	Government of St. Vincent and the Grenadines - 365-day treasury bills	4,963,248	-
	Government of St. Lucia - 365-day treasury bills	1,001,000	1,000,000
	Government of Grenada - 365-day treasury bills	2,116,184	5,034,209
	Government of Antigua and Barbuda - 365-day treasury bills	4,386,456	1,438,857
	Government of Antigua and Barbuda - 180-day treasury bills	982,456	982,956
	Government of St. Lucia - 180-day treasury bills	2,967,363	993,649
	Government of Dominica - 90-day treasury bills	4,987,870	-
		21,404,577	9,449,671
	Interest receivable	165,731	126,413
		21,570,308	9,576,084
	Less: expected credit loss	(445,753)	(216,006)
		21,124,555	9,360,078
(b)	*Bonds*		
	Government of St. Vincent and the Grenadines - 6-year bonds	5,028,160	-
	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	6,090,742	3,785,715
	Government of St. Vincent and the Grenadines - 5-year bonds	7,545,497	7,116,997
	Government of St. Vincent and the Grenadines - 4-year bonds	6,256,979	8,756,979
	First Citizen - 2-year bonds	3,260,280	-
		30,181,658	21,659,691
	Interest receivable	286,655	253,637
		30,468,313	21,913,328
	Less: expected credit loss	(466,556)	(414,162)
		30,001,757	21,499,166
(c)	*Term deposits*		
	Eastern Caribbean Home Mortgage Bank - 1-year corporate paper	8,331,000	3,331,000
	St. Vincent Teachers Co-operative Credit Union - 1-year term deposit	3,509,576	3,374,592
	Bank of St. Vincent and the Grenadines - 1-year term deposit	15,423,936	15,195,996
	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	101,144	100,178
	St. Vincent Co-operative League - CFF deposit	845,049	836,682
	St. Vincent Co-operative League - 1-year term deposit	371,186	367,511
	Colonial Life Insurance Company (CLICO)	4	4
	First Citizen Investment Services - 1-year term deposit	6,508,290	6,508,290
	Ariza Credit Union - 3-year term deposit	3,254,369	3,000,000
	St. Vincent Small and Micro-Finance Co-operative Limited (COMFI)	522,500	522,500
		39,867,054	34,236,753
	Interest receivable	417,197	549,232
		40,284,251	34,785,985
	Less: expected credit loss	(1,496,665)	(1,405,370)
		38,787,586	33,380,615
	Total debt securities at amortised cost	89,913,898	64,239,859

During the year ended December 31, 2022, interest rates varied from 1% to 7% per annum (2021 - 1% to 7.25%).

8. Investment securities

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

	2022 $	2021 $
(a) *Designated as fair value through profit or loss (FVPL)*		
17,355 shares in Bank of St. Vincent and the Grenadines Limited	156,195	157,236
71,222 shares in First Caribbean International Bank Limited	158,480	164,278
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	1,036,537	1,043,376

The movement in expected credit loss allowance is as follows:

	2022			
	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Loss allowance as at 1 January 2022	1,513,038	-	522,500	2,035,538
Provision on additions to investment	1,386,422	-	-	1,386,422
Provision on matured investments	(1,098,877)	-	-	(1,098,877)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
- Increases due to change in credit risk	85,891	-	-	85,891
Loss allowance as at 31 December 2022	1,886,474	-	522,500	2,408,974

	2021			
	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 of 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

9. Loan to members

The Credit Union's loans portfolio as at December 31, 2022 are in the following staging categories.

	2022			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Consumer	83,811,571	2,168,261	6,713,239	92,693,071
Computer	170,927	-	304	171,231
Mortgage	89,218,375	500,386	5,256,654	94,975,415
Student	3,317,488	13,393	270,529	3,601,410
Gross loans	176,518,361	2,682,040	12,240,726	191,441,127
Add: Interest receivable	669,857	29,910	171,524	871,291
Gross loans and interest receivable	177,188,218	2,711,950	12,412,250	192,312,418
Less: ECL allowance	(1,145,379)	(127,399)	(4,623,841)	(5,896,619)
	176,042,839	2,584,551	7,788,409	186,415,799

	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

The average yield on loans for the year was 8.1% (2021: 8.2%).

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

	2022				
	Consumer $	Computer $	Mortgage $	Student $	Total $
Balance, beginning of year	4,085,538	1,948	1,431,578	143,869	5,662,933
Expected credit losses	(217,087)	(44)	486,536	(35,719)	233,686
Balance, end of year	3,868,451	1,904	1,918,114	108,150	5,896,619

9. Loan to members (cont'd)

The movement in the provision for impaired loans 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

10. Right-of-use assets

	2022	2021
	$	$
Cost		
Balance as at January 1	643,306	643,306
Additions	301,348	-
Balance as at December 31	944,654	643,306
Accumulated depreciation		
Balance as at January 1	458,644	306,093
Depreciation charge	160,014	152,551
Balance as at December 31	618,658	458,644
Net book value as at December 31	325,996	184,662

11. Other assets

	2022	2021
	$	$
ATM receivable	55,581	70,062
Rent receivable	365,144	114,037
Prepaid expenses	47,746	49,935
Staff receivables - net	1,862	1,022
Western Union receivable	80,388	33,621
Deposits on fixed assets	84,220	32,466
Others	138,578	55,679
	773,519	356,822

12. Investment properties

	Coombs Building $	Bounty Building $	Reliance Building $	Cane Hall (land) $	River 14 $	Main Office (Upper Halifax Street) $	Total $
Year ended December 31, 2022							
Carrying value, beginning of year	1,308,000	3,157,344	3,382,681	1,276,000	1,129,067	3,030,000	13,283,092
Additions	5,339	37,797	-	-	-	-	43,136
Grant income realised	-	-	-	-	(366,813)	-	(366,813)
Gain/(loss) on revaluation	-	-	-	-	672,246	-	672,246
Carrying value, end of year	1,313,339	3,195,141	3,382,681	1,276,000	1,434,500	3,030,000	13,631,661
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

Investment properties comprise property held for rental and capital appreciation. Rental income from investment properties amounted to $771,465 (2021: $669,727) and direct operating expenses amounted to $115,768 (2021: $6,448). Fair value gain of $672,246 (2021: gain $739,011) has been recognised in other operating income (expense) (see note 27).

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

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, 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
Balance as at January 1, 2022	6,130,521	5,094,907	2,573,217	2,457,972	345,114	165,722	549,214	17,316,667
Additions	-	-	26,940	73,556	-	-	-	100,496
Gain (loss) on revaluation	(5,283)	-	-	-	-	-	-	(5,283)
Disposals	-	-	(222,625)	(25,971)	-	-	-	(248,596)
Balance as at December 31, 2022	6,125,238	5,094,907	2,377,532	2,505,557	345,114	165,722	549,214	17,163,284
Accumulated depreciation								
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
Balance as at January 1, 2022	-	101,898	1,954,414	1,353,262	164,727	155,963	-	3,730,264
Depreciation for the year	-	101,898	222,420	407,462	69,022	3,252	-	804,054
Disposals	-	-	(222,168)	(21,617)	-	-	-	(243,785)
Balance as at December 31, 2022	-	203,796	1,954,666	1,739,107	233,749	159,215	-	4,290,533
Net book value								
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
As at December 31, 2022	6,125,238	4,891,111	422,866	766,450	111,365	6,507	549,214	12,872,751

14. Other payables

	2022 $	2021 $
Accrued expenses	498,590	488,351
ATM payable	1,665,359	562,264
Due to COMFI	282,201	282,201
Accrued vacation liability	119,735	96,727
Accrued pension liability	343,062	394,574
Retirement benefit provision	134,881	-
Member's Insurance deposit payable	596,044	606,776
ECL provision on undisbursed loans	344,639	288,818
Trade and other payables	1,545,346	1,375,088
	5,529,857	4,094,799

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 $1,125,229 (2021: $1,063,460). The deposit earns interest at the rate of 2% per annum.

16. Lease liabilities

	2022 $	2021 $
Balance as at January 1	192,787	358,692
Additions	301,348	-
	494,135	358,692
Less: Lease payments	(165,512)	(165,905)
Balance as at December 31	328,623	192,787

Maturity analysis

	2022 $	2021 $
Less than one year	76,895	156,799
Between one and five years	251,728	35,988
	328,623	192,787

17. Members' deposits

	2022 $	2021 $
Term deposits	67,667,365	65,856,807
Saving deposits	111,359,845	97,881,246
	179,027,210	163,738,053
Interest payable on term deposits	983,748	996,258
	180,010,958	164,734,311

18. Members' ordinary savings

	2022 $	2021 $
Members' ordinary shares	137,062,128	124,487,904
Interest payable on member ordinary shares	2,500,878	2,281,617
	139,563,006	126,769,521

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

	2022 $	2021 $
Authorised number of shares of $1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance - beginning of year	4,206,500	4,082,626
Issued during the year	194,000	186,500
Repurchased during the year	(36,182)	(62,626)
	4,364,318	4,206,500

(ii) Equity shares

	2022 $	2021 $
Authorised number of shares of $1 par value	Unlimited	Unlimited
Issued and fully paid		
Balance - beginning of year	29,699,011	29,088,430
Issued during the year	1,580,407	992,357
Repurchased during the year	(362,311)	(381,776)
Balance - end of year	30,917,107	29,699,011
Total share capital	35,281,425	33,905,511

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

20. Statutory reserve

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

20. Statutory reserve (cont'd)

	2022 $	2021 $
Balance - beginning of year	8,617,759	7,685,520
Entrance fees received in current year	1,386	1,312
Appropriation of statutory reserve	1,079,037	930,927
Balance - end of year	9,698,182	8,617,759

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.

	2022 $	2021 $
Balance - beginning of year	2,302,264	2,225,483
Contribution received	654,920	617,540
Payments from fund	(636,184)	(540,759)
Balance - end of year	2,321,000	2,302,264

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.

	2022 $	2021 $
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

	2022 $	2021 $
Interest on savings account	513,031	733,747
Interest on investments	2,359,653	2,033,019
Dividend income	19,076	16,200
	2,891,760	2,782,966

24. Expected credit losses

	2022 $	2021 $
Loans and advances and undrawn loan commitments	(289,508)	(942,222)
Recoveries	44,959	92,868
	(244,549)	(849,354)
Financial investments	(373,436)	(465,506)
	(617,985)	(1,314,860)

25. General and administrative expenses

	2022 $	2021 $
Advertising	191,172	184,910
ATM card embossing cost	5,345	6,358
Audit fee	92,193	92,220
Bank charges	126,335	105,650
Board and committee expenses	205,810	176,780
Credit Union week	20,794	-
Cleaning expenses	61,555	64,585
Depreciation - property, plant and equipment	804,054	881,886
Depreciation - Right -of -use assets	160,014	152,551
Donations	68,251	19,822
Education and promotion	37,770	15,715
Electricity	147,911	121,251
General insurance	106,063	126,634
Georgetown branch expenses	107,209	93,918
Grenadines branches expenses	200,763	204,359
Heritage month expenses	-	150
Honorarium	9,600	9,600
Insurance on members' shares and loans	1,712,899	1,577,194
League dues	170,205	166,343
Lease interest	5,404	7,983
Licensing fees	335,453	262,473
Meeting expenses	115,433	75,902
Miscellaneous expenses	481	160
Motor vehicle expenses	34,592	25,469
Office expenses	218,271	195,153
Professional fees	21,878	85,649
Property tax	19,602	9,827
Rent	14,550	12,000
Repairs and maintenance	163,436	123,680
River 14 expense	92,949	-
Security	150,439	164,173
Social events	75,590	31,239
Social assistance expense	6,961	8,871
School co-operative expense	2,630	-
Scholarships	169,680	178,439
South Rivers branch expense	101,814	100,065
Stationery, postage, and office supplies	103,106	84,281
Subscriptions and membership dues	5,737	5,881
Telephone and Internet	173,617	195,949
Water and sewerage	17,384	20,665
Convention and summit	208,893	17,319
	6,265,843	5,605,104

26. Staff costs

	2022 $	2021 $
Education assistance	5,792	7,718
Group medical insurance	141,527	132,636
Holiday grant	16,500	3,000
Pension	141,050	171,911
Retirement benefit	134,881	-
National Insurance contributions	136,044	132,075
Salaries, wages, and bonus	3,192,740	3,022,328
Staff training	46,309	27,847
Travel, phone and entertainment allowances	145,352	129,048
Uniforms	32,387	64,958
Utilities and housing allowance	16,800	16,800
	4,009,382	3,708,321
Number of employees as of reporting date	72	69

27. Other operating income/(expenses)

	2022 $	2021 $
Gain on revaluation of investment properties (Note 12)	672,246	739,011
Loss on revaluation of land and buildings (Note 13)	(5,283)	-
Net gain on revaluation	666,963	739,011
Commission income	53,861	50,694
(Loss) gain on disposal of property	(4,811)	(8,861)
Income on death benefit plan - net (Note 28)	73,485	109,037
Rental income	771,465	671,227
Loan processing fees	566,385	397,052
Security processing fees	751,912	451,066
Other incomes	81,404	119,067
	2,960,664	2,528,293

28. Income on death benefit plan - net

	2022 $	2021 $
Members' death benefit contributions during the year	1,065,680	1,025,380
Death benefit claims paid during the year	(992,195)	(916,343)
	73,485	109,037

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 2022 totaled $12,000 (2021: $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).

	2022 $	2021 $
Loans		
Directors and volunteers	3,312,800	3,657,921
Staff	8,232,359	7,451,991
	11,545,159	11,109,912

	2022 $	2021 $
Deposits		
Directors and volunteers	1,918,537	1,828,616
Staff	1,680,769	1,332,638
	3,599,306	3,161,254

b. Key management compensation

	2022 $	2021 $
Salaries	867,559	886,207
National Insurance Services	18,524	18,719
Board honorarium	9,600	9,600
Board and committee allowance	205,810	176,780
	1,101,493	1,091,306

32. Commitments

a. Capital commitments

For the year ended December 31, 2022

As of reporting date, the Credit Union is committed to capital expenditure contracts amounting to approximately $577,528 as follows:

	Total committed balance $
Design of the GECCU Head Office	386,871
Security System upgrade	174,758
Virtualization Project	12,380
Union Island Kitchen Refurbishment	3,519
	577,528

For the year ended December 31, 2021

As of reporting date, the Credit Union is committed to capital expenditure contacts 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
	398,026

b. Loan commitments

Loan commitments in respect of undisbursed loans as at December 31, 2022 amounted to $13,515,230 (2021: $5,430,451).

33. Comparatives

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



The Credit Committee's Report

to the
57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

THE CREDIT COMMITTEE'S REPORT TO THE 57th ANNUAL GENERAL MEETING

1.0 INTRODUCTION

1.1 The Credit Committee is pleased to present its report for the year ended December 31, 2022.

1.2 Bro. Dougal Allen, Bro. Cecil Jackson, Sis. Gemma Mc Cree and Bro. Dimitri Samuel continued to serve on the Credit Committee for the year 2022. At the 56th Annual General Meeting held on 30th June, 2022. Bro. Cecil Jackson was re-elected to serve for another three-year term and Sis. Gertrude Jacobs was elected to serve for a three-year term. The composition of the 2022/2023 Credit Committee was as follows:

- Bro. Dougal Allen - Chairman
- ·Bro. Cecil Jackson - Vice Chairman (July 2022)
- Vestricia Llewellyn – Richards - Vice Chairman (January 2022 – June 2022)
- Sis. Gemma Mc Cree - Secretary
- Bro. Dimitri Samuel - Member
- ·Sis. Gertrude Jacobs - Member (July 2022)

2.0 MEETINGS AND ATTENDANCE

2.1 For the calendar year 2022, forty-two (42) regular meetings were convened.

2.2 The committee's attendance record was as follows:

		2022
Sis. Gemma Mc Cree	Jan-Dec	42
Sis. Gertrude Jacobs	Jun-Dec	18
Sis. Vestricia Llewellyn-Richards	Jan-Jun	23
Bro. Cecil Jackson	Jan-Dec	40
Bro. Dougal Allen	Jan-Dec	42
Bro. Dimitri Samuel	Jan-Dec	33

2.3 A total of fifty-four (54) interviews were conducted for loans applications, twenty-nine (29) of which, included the members' contractors.

2.4 Members of the Credit Committee, as well as in-house staff, conducted twenty-eight (28) site visits to three hundred and twelve (312) 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 Loans 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
- Finalize draft Loans Policy

4.0 LOAN REVIEW AND DISBURSEMENT

4.1 GECCU continued to meet the needs of its membership. Additionally, the committee provided financial counselling, and assisted members in the restructuring of loans.

4.2 Compared to the year 2021, both the number and value of loans processed increased by 39.73% and 101% respectively as summarized in the table below.

4.3 The table 1 shows the Total Loans Processed in 2022 in comparison to 2021.

Particulars	2022		2021			
	No. Of loans	Value ($ M)	No.	Value ($M)	No. (%)	Value (%)
Total loan applications processed	7775	65.7	5837	46.1	33.20%	43%
Total loan applications approved	7637	62.4	5762	41.9	32.54%	49%
Total loan applications deferred	42	1.7	61	1.6	-31.15%	6%
Total loan applications not approved	96	1.6	14	2.6	585.71%	
Total loans disbursed	7563	60.4	5727	41.7	32.06%	45%
Total loans approved but not yet disbursed	74	2	35	0.2	111.43%	900%

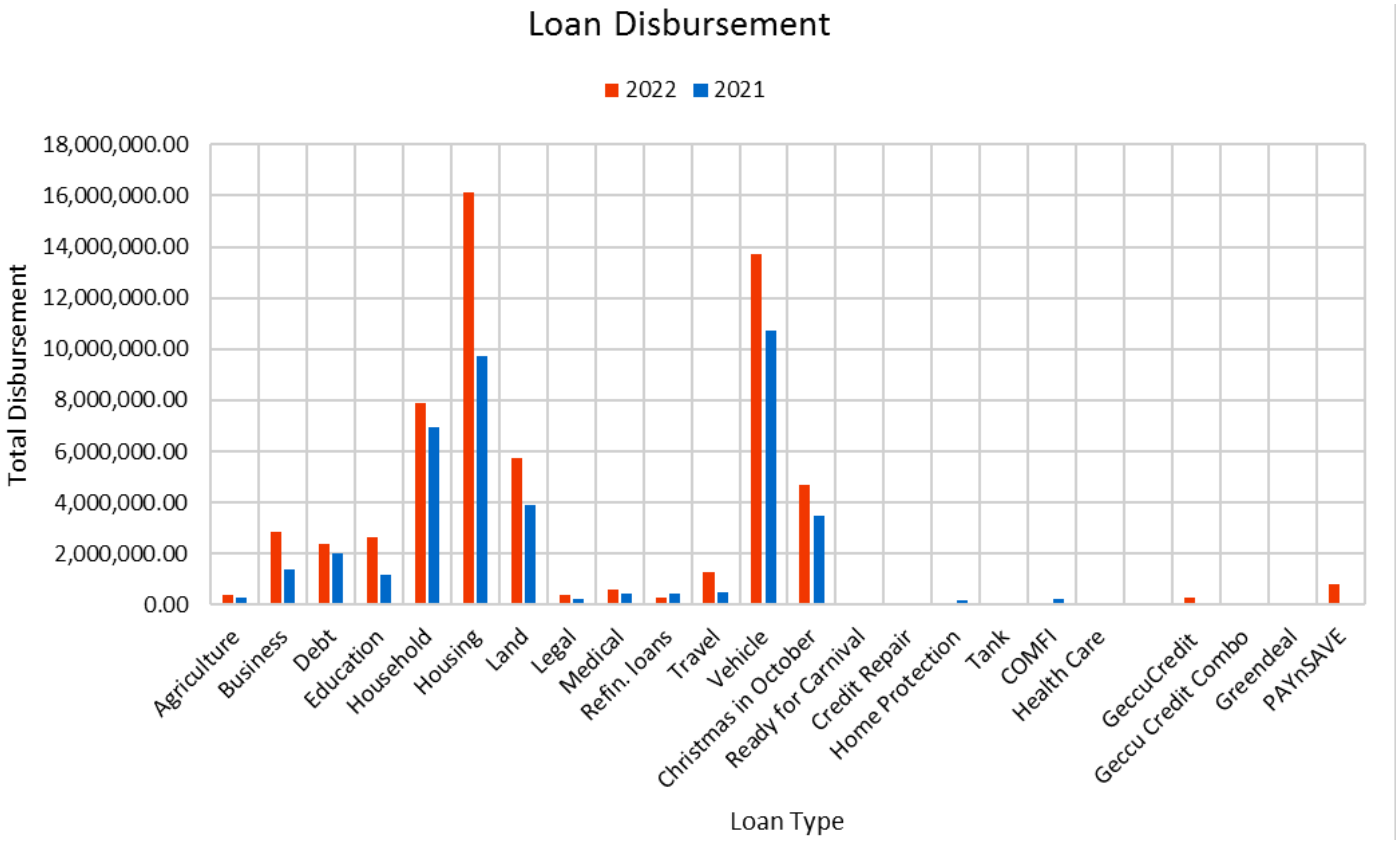
4.4 The table 2 below shows loans disbursed by categories in 2022 and 2021

4.4.1 Overall, the number of loans disbursed increased by 32%, and the value of the loans also increased by 44% or $18.7 million. It was noted in 2022, there was an increase in the disbursement of funds for most categories of loans.

	JAN-DEC 2022			JAN-DEC 2021			% change (Value)
Type	No. of Loans	Amount ($)	% of Total Loan Value	No. of Loans	Amount ($)	% of Total Loan Value	
Agriculture	101	0.4	1%	94	0.3	1%	33%
Business	257	2.8	5%	160	1.4	3%	100%
Debt	343	2.4	4%	247	2.0	5%	20%
Education	473	2.6	4%	287	1.2	3%	117%
Household	2825	7.9	13%	2385	6.9	17%	14%
Housing	624	16.1	27%	457	9.7	23%	66%
Land	80	5.8	10%	58	3.9	9%	45%
Legal	43	0.4	1%	29	0.2	1%	100%
Medical	246	0.6	1%	221	0.5	1%	20%
Refin. loans	22	0.3	0%	35	0.4	1%	25%
Travel	279	1.3	2%	110	0.5	1%	160%
Vehicle	960	13.7	23%	796	10.7	26%	25%
Christmas in October	1146	4.7	8%	818	3.5	8%	18%
Ready for Carnival	30	0.1	0%	0	0.0	0%	10%
Credit Repair	1	0.0	0%	2	0.0	0%	-40%
Home Protection	5	0.1	0%	9	0.2	0%	-62%
Tank	2	0.1	0%	0	0.0	0%	5%
COMFI	0	0.0	0%	19	0.3	1%	-100%
Health Care	3	0.1	0%	0	0.0	0%	100%
GeccuCredit	39	0.3	0%	0	0.0	0%	30%
Geccu Credit Combo	13	0.1	0%	0	0.0	0%	7%
Greendeal	1	0.0	0%	0	0.0	0%	1%
PAYnSAVE	70	0.8	1%	0	0.0	0%	80%
Total	**7563**	**60.4**	**100**	**5,727**	**41.7**	**100**	

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

Graph 1- Loans Disbursed by Type



5.0. MORTGAGE FINANCING PROGRAM (MFP)

5.1 The total value of the mortgage (housing) portfolio stood at $94,975,741.80 as at December 31 2022, representing 50% of the total loan portfolio of the organization.

5.2 For the period under review, a total of 43 mortgages were approved, which amounted to $11,623,977.00. This represented a 63% increase in the monetary value when compared to 2021. Housing accounted for 18% of approved loans by value.

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

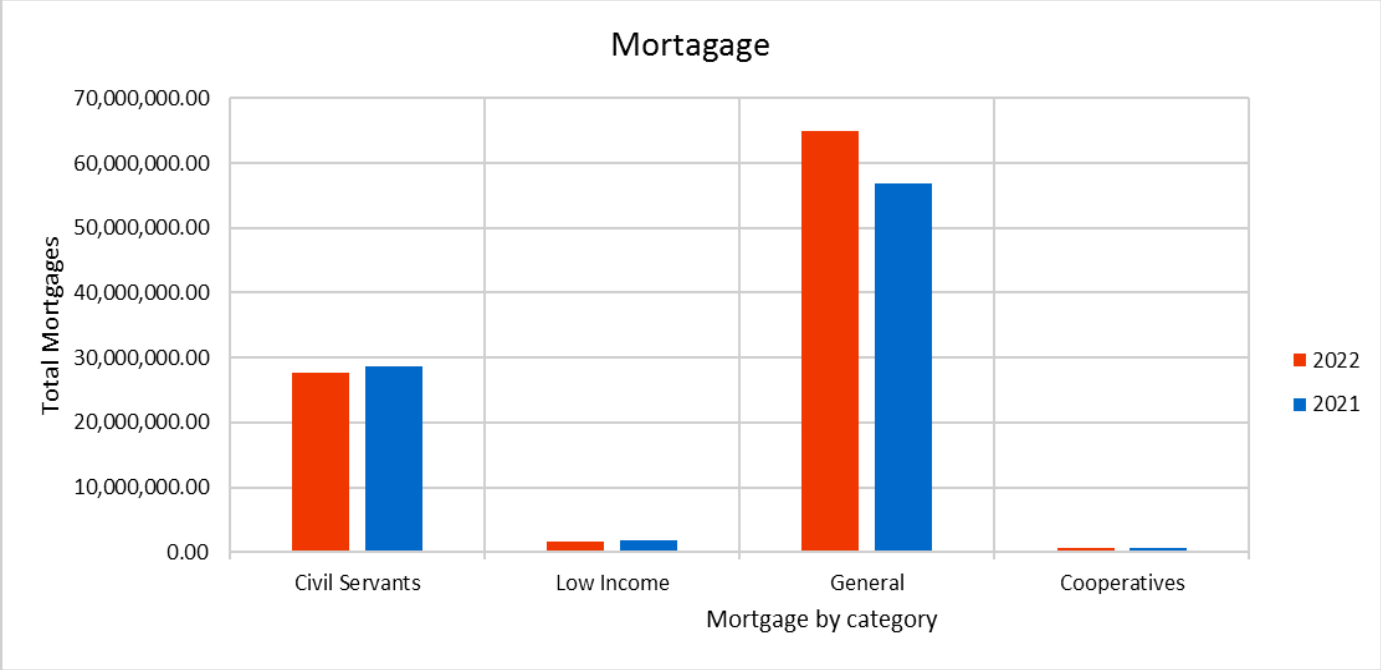
5.4 The table 3 below shows the number and the value of the mortgage portfolio for the year 2022 in comparison to the year 2021.

Table 3: Mortgage portfolio by Category

	2022			2021		
Category	No. of Loans	Value ($M)	% of Total Loan Value	No. of Loans	Value ($M)	% of Total Loan Value
Civil Servants	162	27.6	29%	170	29.0	34%
Low Income	22	1.7	2%	26	2.0	2%
General	374	65.0	68%	333	57.0	61%
Cooperatives	1	0.7	1%	1	0.8	3%
Total	**559**	**95.0**	**100**	**530**	**88.0**	**100**

5.4.1 The distribution of the mortgage portfolio for the fiscal year 2022 is presented in the bar chart below.

Graph 2: Mortgage portfolio by Category



6. 0 DELINQUENCY STATUS

In 2022, the delinquency rate decreased to 7.46% from 8.12% in 2021. The Credit Committee notes the decrease in the delinquency rate from the previous year. This decrease was attributed to a more robust collection process. 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

7.1 The committee is pleased that GECCU has continued to make meaningful and positive changes in the lives of its members throughout the year. As GECCU continues to play a leading role in the financial sector, it is ever mindful that the recent crises – Covid-19, volcanic eruption, war in Ukraine, have brought greater scrutiny to the credit union movement in terms of how it identifies and manages risk, and administers its investments. The committee is cognizant of the fact that the recent events demand greater strategic focus, innovation, discipline and efficiencies in every sector of the credit union's operation. In spite of these challenges, GECCU continues to be seen by its members and other stakeholders as a stable and well managed financial institution.

7.2. 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

57th ANNUAL GENERAL MEETING

of the

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

THE SUPERVIORY & COMPLIANCE COMMITTEE'S REPORT TO THE 57th 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 2022.

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 byelaws 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, byelaws, 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 56th Annual General Meeting held on June 30th, 2022, Sis. Yolande Barbour and Sis. Gatlin Roberts were re-elected to serve for another period of three (3) years.

2.2 The other members of the Committee are:

Sis. Louisa Martin-James
Sis. Joeleen Doyle
Sis. Marcelle Burgin

2.3 At the first meeting after the 56th AGM, Sis. Yolande Barbour and Sis. Gatlin Roberts were elected as Chairperson and Secretary respectively. It was decided that regular meetings would continue on the second and fourth Tuesday of each month.

2.4 Attendance at meetings held during 2022 were as follows:

Sis. Yolande Barbour	24 meetings
Sis. Gatlin Roberts	24 meetings
Sis. Louisa James	23 meetings
Sis. Joeleen Doyle	22 meetings
Sis. Marcelle Burgin	24 meetings

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;
- Reviewed existing policies;
- Monitored the effectiveness of safeguards to protect member's 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 Bank Reconciliations;
- Visited Sub Offices;
- Site visit of Peter's Hope Project;
- River-14 Recreational site visit;
- Reviewed available minutes of the Board of Directors and Board appointed Committees;
- Reviewed the External Auditor's Management Letter;
- Met with the Board of Directors and observed a meeting of the Credit Committee;
- Reviewed ATM deposits for Source of Funds;
- Reviewed the collective bargaining agreement;
- Reviewed the various policies, most of which have either expired or are in draft format.

4.0 SUB OFFICE OPERATIONS

4.1 Visits were made to Sub Offices to ensure adherence to GECCU's policies, that the working conditions were conducive and that controls were in place.

a. In Bequia, concerns were raised about inadequate storage, resulting in boxes of files being left on the floor which, in the event of flooding, could be damaged by water. The matter was brought to the attention of the Board, who have committed to rectifying the issue.

b. At the Union Island office there were missing ceiling tiles, inadequate storage for files and out of service air conditioners. Our subsequent visit (2023) revealed that the storage issue was rectified.

4.2 It was observed that there was 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. Steps have been taken recently to rectify this situation.

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 most parties were compliant with their reporting obligations. However, some Committee's minutes need to be more thorough and reflective of the discussions held and decisions made during each meeting. Importantly, all minutes should be ratified and signed by the president/chairperson and secretary and **lodged** at GECCU's office.

6.0 LOANS & DELINQUENCY

6.1 The Committee continues to be concerned that the delinquency rate is greater than the stipulated 5% benchmark. However, we are cognizant of the fact that we are still recovering from the effects of the current global economic climate and the inability of some members to meet their obligations as they become due.

The Credit Union must be applauded for managing the same over the reporting period despite the many challenges presented. However, there are still some members who have not serviced their loans for an extended period and the recoveries department must be commended for their accelerated effort to reach out to those defaulters.

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 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. A visit was made to the site to assess the progress to date.

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 undertaken 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 set-up and execution of the 56th AGM which was conducted in a very seamless and professional manner. GECCU must be commended for the online voting platform which was developed for the 55th AGM and is still in place for the benefit of its overseas members.

10.2 GECCU should be commended for:

- The introduction of the Wellness Day for the staff;
- The sponsorship of the Miss SVG 2022 Community Service Project;
- Milestone attainment of 50,000 members.

11.0 ACKNOWLEDGEMENT

11.1 We would like to place on record our appreciation for the contribution made by the former Assistant Internal Auditor , Sis. Shanet Small. We thank her for her service to GECCU.

We are also pleased to note the engagement of a Compliance Officer and wish to congratulate Bro. Kenneth Thomas on being appointed to the position.

11.2 The members of the Supervisory and Compliance Committee are grateful for the opportunity to serve this noble institution. We would like to thank the Board of Directors, Committees and Staff for their continued cooperation thus facilitating the execution of our tasks.

.....

Sis Yolande Barbour
Chairperson

.....

Sis Gatlin Roberts
Secretary



Serving Officers

57th ANNUAL GENERAL MEETING
of the
GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU)

SERVING OFFICERS 2022/2023
TO THE 57th ANNUAL GENERAL MEETING

BOARD OF DIRECTORS

*Bro. Michael Sayers
Bro. Hugh Colin Sam
Bro. Linus Goodluck
Sis. Cecelia J. Williams
*Bro. Gary Matthias
Bro. Philmore Isaacs
*Bro. Jerold Jackson
Bro. Kelvin Pompey
Bro. Renato Gumbs

CREDIT COMMITTEE

*Bro. Dougal Allen
Sis. Gemma Mc Cree
Bro. Dimitri Samuel
Bro. Cecil Jackson
Sis. Gertrude Jacobs

SUPERVISORY & COMPLIANCE COMMITTEE

Sis. Yolande Barbour
Sis. Marcelle Burgin
*Sis. Louisa Martin-James
Sis. Gatlin Roberts
Sis. Joleen Doyle -

(*) Indicates members due to retire at this meeting

NOTES

Miss SVG Community Service Projects!



Miss CEDCO - Shannan John
Promoting Safety and Reduce Crime



Miss Lotto - Jada Ross
1000 Acts of Kindness



Miss Flow - Shanyah Peters
Healthy Steps towards Healthy PEPS



Miss Play 4 - Pallavi Browne
Literacy through Transformative Teaching



Miss Intransit Exports - Rockel Coombs
Sports Involvement



Miss Davyn - Shadyn McLean
Vincy Biz Hub



Miss St. Vincent Brewery Ltd. - Arielle Ollivierre
Advocacy for the Differently Abled



Miss Massy Stores Ltd. - Tanique Swift
Geriatric Care

Putting Members First!

Kingstown

Halifax Street
info@geccu.com

Georgetown

Commercial Road
gtownoffice@geccu.com

South Rivers

3 Rivers Road
southriversoffice@geccu.com

Bequia

Port Elizabeth (Bayshore Mall)
bequiaoffice@geccu.com

Canouan

Grand Bay
canouanoffice@geccu.com

Union Island

Clifton
unionoffice@geccu.com

SCAN ME

WWW.GECCU.COM

@geccultd