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Credit Union
Co-operative Society Limited
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ANNUAL REPORT 2020

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PEACE PARDON FAITH HOPE LIGHT JOY PEACE PARDON FAITH HOPE LIGHT JOY

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 in pardoning that we are pardoned,
And it is in dying, that we are born to
Eternal Life*

DYNAMIC SUPERIOR QUALITY SOUND BUSINESS PRACTICES

Vision

We will be the premier financial co-operative regionally with an international presence exceeding members' economic and social expectations.

Mission

We are a dynamic financial co-operative delivering superior quality service to our membership in accordance with sound business practices.

Core Values

We are a dynamic financial co-operative delivering superior quality service to our membership in accordance with sound business practices.

Strategic Priorities

- *Enhancement of Sales Revenue*
- *Enhancing the Member Experience*
- *Delinquency Reduction and Management*
- *Intensifying efforts towards Member Engagement*
- *Adopting Robust Compliance and Risk Management Arms*

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PRESIDENT'S MESSAGE



RICHARD NORAY
President

Let me begin by recognizing the representatives of the Office of the Commissioner for Cooperative Development (CCD), our Executive Management and staff, representatives of Cooperative Credit Union League of Trinidad and Tobago (CCULTT), representatives of the Association of Cooperative Credit Union Presidents of Trinidad and Tobago (ACCUPTT), representatives of the Central Finance Facility (CFF), Presidents and Directors of representative credit unions here today, representatives of Cuna Caribbean Limited, Specially invited guests, Members, Friends and well-wishers.

Firstly, I wish to report that our credit union's auditors PricewaterhouseCoopers (PwC) have issued an unqualified audit report on the financial statements of Eastern Credit Union and its Subsidiary. This reflects that Eastern Credit Union has implemented and complied with accounting policies which are consistent with the requirements of International Financial Reporting Standards (IFRS).

The AGM of 2020, which commenced on December 5th 2020, was reconvened and concluded on March 27th 2021. The AGM of 2020 resulted in the election of new members to the Board of Directors, a new Chairman and Executive.

The period from the last AGM to date, is just over 7 months for this new executive, however we got to the task at hand right away.

There were several things that we had to address virtually instantaneously and they were, namely:

- Covid-19 – our response to it with the primary goal of assisting our members and keeping branches open to ensure uninterrupted service to our membership.
- ECUs Debit MasterCard and New ATM location – the need to improve our service to our membership.
- Codification – there was a need to codify the rules and of the organization.
- The need to apply Total quality management (TQM).
- Delinquency – our delinquency concerns and the application of TQM to assist in driving it downwards.
- The relationship between ECU and EPL.
- The creation of a past President's Library and Museum
- The need to play our part in the United Nations' Sustainability Development Goals.

COVID-19

The impact of the Covid-19 pandemic on all of us, and in particular, on some of our members was clearly more than what was imaginable. The economic shocks caused by the pandemic resulted in dislocation of jobs and negative financial gaps for our members. As a responsible organization, we had to play our part to reverse this unfortunate situation. Therefore, we implemented measures which were designed to attempt to close the financial gaps and reposition our members in a place of financial certainty.

This was done through giving two moratoriums to our members which left them, for a period of six months, with more income to navigate their way through this negative reality imposed upon them by Covid-19.

The next step was to ensure that the branches were accessible at all times for our members throughout the Covid-19 period. This too was done and continues to be done through effective scenario planning. Today, our members continue to have full access to ECU's branches.

ECU'S DEBIT CARD AND NEW ATM LOCATION

As you recall in 2019, ECU told its membership to look out for the new debit chip cards, and now we are pleased to announce that we are set to roll this out to the membership in the first quarter of 2022. ECU's new debit card will give our members upgraded security features such as chip and pin security, increased integration and access for our members to the local payment network and greater convenience for our membership. Early in our term, our Executive discovered and was successfully able to convert an unutilized piece of real estate which was intended for an Express branch and for which the organization was being billed for on a monthly basis. I am pleased to report that the ATM has been installed and will become operationalized in the coming weeks.

THE NEED TO CODIFY THE RULES

Our credit union has no shortage of laws, rules, policies and terms of references. However, while that must be viewed as a commendable thing to maintain, potentially, high quality governance and structured control, there was a need to bring all of those governance tools into a codified document. The effect of codification is to increase efficiency in decision making and enhancing the quality of decisions to improve the internal workflow of the organization, and increase its ability to respond more quickly to movements or shifts in the external environment. Today, I am pleased to inform our members that such a system now exists.

THE NEED FOR TQM

Total Quality Management (TQM) is a tool that has been implemented in most successful organisations and continues to be incorporated into many organisations today. TQM produces many benefits to organisations, such as to strengthen their competitive position and the elimination of defects and waste. This tool can be very useful to our credit union, and as such, we have begun to implement it in many ways within the organization. In fact, the acting CEO Mrs. Joseph said that it is the first time that the Board and Management are on the same page as it relates to doing the right things, the right way through TQM.

TQM has been used to reduce delinquency and produce the codified document. This management tool will continue to be used to assist in accomplishing higher productivity and higher profitability for our credit union, and by extension, our Membership.

DELINQUENCY

Delinquency is viewed as a major diametrically opposing factor to the effectuation of profits or in our case, to surpluses. In just about all credit unions and other forms of financial institutions, the Covid-19 pandemic led to an increase in delinquency and reduction in revenue. This, naturally, resulted in the outcome of impacting profitability negatively. Our credit union was not spared of this.

The Covid-19 pandemic contributed to moving our delinquency percentage from the teens to just under 30%. This executive felt that this was unacceptable, and together with management, and

applying TQM tools, we were able to craft an approach that was comfortable to our members while at the same time, it drove the delinquency percentage from almost 30% to approximately 19%. I wish to assure our members that by December 31st this year, the percentage will move virtually to a single digit percentage.

THE RELATIONSHIP BETWEEN ECU AND EPL

In order for ECU to continue to grow and expand, it requires a good working relationship with EPL, and equally, for EPL to grow it requires such a relationship with ECU. When this executive came in – in April of this year 2021, we found that there was a relationship between the two organisations that was reasonably good but which we felt needed to become a lot better.

Good working relationships tend to produce more confidence in sharing opinions between leaders and which can result in the outcomes of innovative ideas that can contribute to propelling the organization further forward. A higher level of working relationships can be transformed into effective teamwork or high quality circles that can foster positive synergy and high growth morale which, potentially, can be the foundation for productivity to soar.

Today, we are pleased to inform our members that through the work of this executive, that the relationship between ECU and EPL has shifted from reasonably good to excellent. Now, both organisations are heading in the same direction. We now look forward, with expectations, to see the fruits in the form of increasing productivity, in the not too distant future.

PAST PRESIDENTS LIBRARY/MUSEUM

The way we manage the history of our organization can result in that history being utilized as part of the organisation's resource for now and in the future. Our founders and past presidents history of ECU must be integrated as part of the organisation's institutional memory that flows into the existing management process of the organization.

In order to make sure that their history is accurately captured and integrated into our existing management processes, this executive has decided to establish a library with a museum dimension to it. We have already created a past presidents committee lead by Mr. Thomas Henry to oversee and lead the creation of this most meaningful project. The committee also includes Mr. Gary Cross and Mr. Reynold Cooper. Today we are pleased to report to our members that a location for the library with a museum component, has been identified and agreed upon.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

One of the ways in which an organization can signal its value to its staff and members is through its involvement with the United Nations Sustainable Development Goals (SDGs). When an organisation participates in the SDGs it communicates to the external environment the positive, integrative cultural perspective that it applies internally to its staff and members. In addition, it demonstrates its motives to playing its part in sustainable development, not only for Trinidad and Tobago but for the rest of the world.

In this regard, we have created another committee comprised of past presidents, namely: Mrs. Joy Braithwaite who will chair and lead this committee. The committee also includes Mr. Gary Joseph and Mr. Nigel Mathews. ECU leads the way, and in this regard, it must also lead in such a way.

Finally, the surplus for the year 2020 has been impacted negatively because of several factors. However, we have attributed the dividend decrease majorly to the Covid-19 pandemic and the write off of the architectural drawings cost for the potential housing development known as Las Viviendas.

It was quite concerning to learn that the price that was paid for that drawing was almost equivalent to the price Eastern Credit Union paid for the land itself. The reason for the architectural drawings write-off, was partly because a feasibility study commissioned by the Board of Directors concluded that the original drawings could not work on the land and even with adjustments to the original plans there was a low likelihood of a profitable outcome. The auditors therefore, having read the feasibility study, questioned the value attached to the original drawings.

The drawings cost four million dollars, and based on the feasibility study and the queries from the auditors, the Board agreed that the cost of the drawings should be written off or charged against the revenue as a loss, That reduced ECU's surplus by the extent of the price paid for the drawings. The net resulting effect of that was the surplus had to be reduced by four million dollars. Therefore, the percentage dividends we would have preferred to pay out this year, could no longer be paid out.

However, I wish to reassure all of our members that based on the work that we have already done, we can say with confidence, at this time, that our credit union will pay out a dividend that is closer to three percent next year. Let me further reassure our members that ECU continues to grow from strength to strength. The management tools and approaches that we have already set in motion, after only six months as the executive, would make ECU even more robustly stable as it moves forward to address and overcome all the many challenges that exist within this ambiguous external environment.

Let us continue with our strength through resilience and let us continue the process of reimagining our future together. Thank you all and enjoy the rest of the day.



Richard Noray
PRESIDENT

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Gift of Light

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\$50,000.00
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STANDING ORDERS

FOR VIRTUAL AGM

1. By default, members' microphones and cameras are turned off for the duration of the meeting; except when permitted by the Chairman to make audio/video contributions.
2. To make a contribution a member shall:
 - a. Type in the Q&A to post questions to the Chair;
 - b. Use the "raise hand" function available on the Zoom platform; and
 - c. Wait to be recognized by the Chair.
3. A member can also use the "Chat" feature via "Q&A" to:
 - a. Ask a question;
 - b. Raise a point of order;
 - c. Raise an objection; or
 - d. Signal the need for the urgent attention of the Chair.
4. The moderator shall collate all matters raised via the Chat and transmit same to the Chair.
5. A member shall address the meeting ONLY when called upon by the Chair to do so.
6. A member must:
 - a. Ensure they are named correctly when joining the meeting to be recognized by the Chair.
 - b. Ensure that their contribution is clear and relevant to the subject before the meeting.
 - c. Limit all audio/video contributions; permitted by the Chair; to two (2) minutes.
 - d. Mute their microphone at the end of any audio/video contributions.
 - e. Ensure that their microphone is muted when taking any urgent calls.
 - f. Keep their phones on silent; NOT on vibrate; to prohibit interruption.
7. A member may not speak twice on the same matter, except when:
 - a. They are the mover of a motion – in which they have a right to reply, or
 - b. They need to object or explain (with the permission of the Chair).
8. All debate shall cease when the Chair determines that sufficient discussion has taken place.
9. No speeches shall be made on any matters put to the Chair, that has been carried or denied.

STANDING ORDERS

FOR VIRTUAL AGM

10. A member shall use the “Raise Hand” button ONLY when:
 - a. He/She is the mover/seconded of a motion;
 - b. He/She is raising a point or order;
 - c. He/She requires to object or to explain; or
 - d. He/She requires the urgent attention of the ChairThe member shall identify himself/herself prior to proceeding.
11. A member raising a “point of order” shall state the point clearly and concisely. (A “point of order” must have relevance to the “standing orders”).
 - a. A member shall NOT call another member “to order” – but may draw the attention of the Chair to a “breach of order”.
 - b. In no event shall a member “call” the Chair “to order”.
12. The mover of a “procedural motion” – (adjournment, lay on the table, motion to postpone) shall have no right to reply.
13. A “question” shall 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 the next business or the closure: that the “question be now put” may be moved at any time.
14. Only one amendment should be before the meeting at any point in time.
15. When a motion is withdrawn, any amendment to it fails.
16. The Chairman has the right to a “casting vote”.
17. If there is equality of voting on an amendment, and if the Chair does not exercise a “casting vote”, the amendment is lost.
18. Provisions shall be made for the protection of the Chair from vilification (personal abuse).
19. No member shall impute improper motives against another member.
20. Members are advised to contact the Help Desk for assistance with any technical issues they are experiencing to minimize disruption of the meeting.
21. Members shall conduct themselves in a professional manner. The use of rude or abusive language will not be tolerated during these proceedings. Please refrain from sharing any explicit, violent, or inappropriate content.
22. Electronic recording of these proceedings is prohibited unless prior permission is obtained from the Chairman.

MINUTES

46th ANNUAL GENERAL MEETING

on SATURDAY, DECEMBER 5TH, 2020
at THE REGENCY BALLROOM
HYATT REGENCY TRINIDAD
NO. 1 WRIGHTSON ROAD, PORT OF SPAIN

1.0 CALL TO ORDER/INVOCATION

The President/Chairman, Ms. Janelle Benjamin, called the meeting to order at 10.45 a.m. and extended a warm welcome to all. The meeting was informed that four hundred and three (403) members were pre-registered, and the quorum required is fifty (50).

2.0 1ST CREDENTIALS REPORT

A Credentials Report undertaken at 10.55 a.m. revealed that one hundred and seventy-nine (179) members were present. The meeting was therefore properly constituted.

The National Anthem was played, and the gathering recited the Credit Union Prayer.

3.0 NOTICE AND AGENDA OF MEETING

The Secretary of the Board, Mrs. Kendra Persad, read the Notice and Agenda for the 46th Annual General Meeting. The Notice and Agenda of the meeting was unanimously adopted on a motion moved by Mr. Mahmud Muhammad (Tunapuna Branch) and seconded by Mr. Lindhurst Murray (Tunapuna Branch).

4.0 ACCEPTANCE OF ANNUAL REPORT 2019

The Annual Report 2019 was taken as read on a motion moved by Mr. Mahmud Muhammad (Tunapuna Branch) and seconded by Mr. Richard Griffith (Port of Spain Branch).

[The Chairman issued a call for all Directors not yet seated at the Head Table to do so.]

5.0 ADOPTION OF STANDING ORDERS

The Standing Orders were unanimously adopted on a motion moved by Mr. Don Isaac (Tunapuna Branch) and seconded by Mr. Richard Griffith (Port of Spain Branch).

The Chairman drew members' attention to the following:

- 1) Standing Order 20 which referenced Public Health protocols in respect of the Novel Coronavirus (No. 31) Regulations 2020 to be observed by the membership during the meeting.
- 2) Approval from the Ministry of Health dated November 17th, 2020, indicating that the meeting (inclusive of registration) can only last ninety (90) minutes, which means that the proceedings must end by 11.30 a.m. Also, some time was taken up with the registration.

- 3) The room in which the meeting is being held can only accommodate four hundred and three (403) persons.

Members were requested to:

- Keep their comments brief.
- Utilize the “Comments Form” in the package to register any questions/concerns/comments/observations and leave them at the front desk; feedback will be provided in a timely manner.
- Remain seated at all times during the meeting except if they wished to use the washroom facilities.

6.0 MOTION FROM THE FLOOR

Mr. Louis Lee Sing (San Juan/Barataria Branch) highlighted the following issues:

- The Agenda cannot be completed within the timeframe approved for the meeting.
- Although ECU has two hundred thousand (200,000) members, approval was granted for only four hundred and three (403) persons to be in attendance at the meeting. The others are therefore being disenfranchised and the democratic process is being eroded.

As a consequence of the above, Mr. Lee Sing moved the following motion:

That the Dividends and Resolutions as proposed be approved; that the Reports which chronicle the activities of the last term be adopted; that the 46th AGM be rescheduled to a date to be fixed at a time when the rules and regulations are relaxed to the point where a greater number of members can be in attendance; and that the existing Chairman and Board of Directors and Committees remain in place.

Mr. Trevor Rogers (Tunapuna Branch) seconded the motion.

Mr. Brian Moore (St. Joseph Branch) expressed disappointment with the registration process and what occurred at the venue. He outlined the following concerns:

- Before 10.00 a.m. on day one, registration was closed.
- No employee was present downstairs of the Hyatt on the day of the meeting to apprise the membership of what was taking place.
- Members who had pre-registered were denied entry to the meeting because their names were not on the list.
- Persons were told that no computers were available to verify their membership.

The Chairman indicated that if the dividend is to be approved, then it will also be necessary for the AGM to approve the Financials along with the Resolutions. The Chairman thereafter repeated the motion as presented by member Mr. Lee Sing (San Juan/Barataria Branch) along with the approval of the Financials. The Chairman reconfirmed the mover of the motion which was confirmed by Mr. Louis Lee Sing (San Juan/Barataria Branch) and the seconder of the motion which was confirmed by Mr. Trevor Rogers (Tunapuna Branch).

[Pursuant to a query as to whether all Directors were present at the meeting, the Chairman responded in the affirmative and again called on all Directors to be seated at the Head Table.]

The under-mentioned matters were put to the vote and approved. Sixty-nine (69) members voted in favour and forty-four (44) voted against:

1. **Resolutions**

a) **Patronage Refund**

Be it resolved:

That a Patronage Refund of 3.25% be declared for the financial year ended 31st December 2019 and credited to members' Deposit Accounts.

b) **Dividend**

Be it resolved:

That in accordance with Bye-Law 15(b)(v), a dividend of 1.75% be approved for the financial year ended 31st December 2019 and credited to members' Share Accounts consistent with Bye-Law 25(c)(i); and be it further resolved that dividends due to members whose accounts have become delinquent be credited to their outstanding loan and interest balances.

c) **Special Shares**

Be it resolved:

That in accordance with Bye-Law 6(a)(i) and 6(b)(i), (ii) and (iii), a dividend of 5% be approved for the financial year ended 31st December 2019 and credited to members' Deposit Accounts; and be it further resolved that dividends due to members whose Special Share Accounts are below the required amount be credited to their Special Share Accounts.

d) **Auditors**

Be it resolved:

That the firm PwC be retained as Auditors for the year 2020.

e) **Education Fund**

Be it resolved:

That in accordance with Bye-Law 25(b), 5% of the realized surplus for the financial year ended 31st December 2019 be appropriated to the Education Fund.

f) **Nomination Policy and Procedures**

Be it resolved:

That in accordance with Bye-Law 15(b)(vi), the Nomination Policy and Procedures approved by the Board in accordance with Bye-Law 18(g) a. (xii) at a Special Board Meeting held on February 4th 2020 be ratified.

2. **Consolidated Audited Financial Statements, 2019**

The Consolidated Audited Financial Statements for the year ended 31st December 2019.

3. **Reports**

That the under-mentioned Reports be accepted:
Supervisory Committee Credit Committee Education Committee

4. **46th AGM Rescheduled**

That the 46th AGM be rescheduled to a date to be fixed at a time when more members can be accommodated.

5. **Board/Committees**

That the Board and Committees remain intact.

7.0 **ANNOUNCEMENTS**

The Chairman made the following announcements:

- The Dividend will be paid within two (2) days.
- Members are required to present their chits and collect a takeaway meal; no eating is allowed on the compound.

8.0 **ADJOURNMENT**

On a motion moved by Mr. Trevor Rogers (Tunapuna Branch) and seconded by Mr. Mahmud Muhammad (Tunapuna Branch) the meeting was adjourned to a date to be fixed.

The adjournment was taken at 11.30 a.m.



.....

Kendra Persad (Mrs.)
SECRETARY

MINUTES **ADJOURNED 46th** ANNUAL GENERAL MEETING

on SATURDAY, MARCH 27TH, 2021
at THE GRANDSTAND
QUEEN'S PARK SAVANNAH
PORT OF SPAIN

1.0 **CALL TO ORDER/INVOCATION**

The President/Chairman, Ms. Janelle Benjamin, called the meeting to order at 10.22 a.m. and extended a warm welcome to all. The meeting was informed that two hundred and fifty-six (256) members were registered and in attendance and, therefore, the meeting was properly constituted.

[A recorded version of the National Anthem was played; the Credit Union Prayer was recited and Director Cyril Barran did the invocation.]

[One minute's silence was observed for deceased members.]

2.0 **1ST CREDENTIALS REPORT**

The meeting was informed that two hundred and fifty-six (256) members were registered and in attendance and, therefore, the meeting was properly constituted.

3.0 **NOTICE AND AGENDA OF MEETING**

The Secretary of the Board, Mrs. Kendra Persad, read the Notice and Agenda for the Adjourned 46th Annual General Meeting.

4.0 **ANNUAL REPORT 2020 TAKEN AS READ**

The Annual Report 2020 was taken as read on a motion moved by Mr. Mahmud Muhammad (Tunapuna Branch) and seconded by Mrs. Ann-Marie Arnaud-Thomas (Arima Branch). Mr. David Taitt (St. Joseph Branch) voted against.

5.0 **ADOPTION OF STANDING ORDERS**

The Standing Orders were adopted on a motion moved by Ms. Jacquelyn Humphrey (Port of Spain Branch) and seconded by Mr. Kirk Ferguson (Tunapuna Branch).

The Chairman welcomed members to the Adjourned 46th Annual General Meeting of Eastern Credit Union and advised that the meeting was called to complete the Agenda following the initial meeting held on December 5th, 2020. The under-mentioned approved guidelines from the Ministry of Health were reiterated for the information of members:

- The duration of the meeting is ninety (90) minutes.
- No more than five (500) members should be in attendance.
- Minors under 18 will not be in attendance.

The Chairman also outlined the timelines for items on the agenda and appealed to the membership to observe all Ministry of Health guidelines and protocols.

6.0 **NOMINATING COMMITTEE REPORT**

The Chairman of the Nominating Committee, Director Kendra Persad, presented a summary of the Report. The meeting was also informed of the under-mentioned events which occurred subsequent to the printing of the Brochure:

- Mr. David Taitt, candidate for the Supervisory Committee withdrew his nomination.
- As a consequence of concerns raised by members and research undertaken by the Nominating Committee, the Board agreed to the withdrawal of five (5) selected candidates. It was discovered that these nominees had not met the criterion that they must be members of Eastern Credit Union for at least one (1) year preceding the date of their nominations.

The question was raised whether the eligibility criteria used to determine the list of nominees were in strict conformity with the Byelaws. In response, the meeting was informed that Byelaw 17(iv) provides for members who serve to meet the Fit and Proper criteria as outlined in the Central Bank Act, the Co-operative Societies Act and Regulations, and Board Policies ratified by an Annual General Meeting. Also, the specific eligibility criterion referred to was approved at the Annual General Meeting in 2015.

A member requested that the qualifications and skill sets of nominees should be included in the Nomination Profile in future.

6.1 **Adoption**

The Nominating Committee Report was adopted by majority vote on a motion moved by Mr. Trevor Rogers (Tunapuna Branch) and seconded by Mr. Don Isaac (Tunapuna Branch). Two hundred and thirty-five (235) members voted against.

Mr. Brian Moore served notice that he will be taking up the issue where the Chairman did not verbalize the number of members who had voted in favour of this motion. It should be noted that the Chairman stated the numbers in attendance and the number of members who voted against.

7.0 **2ND CREDENTIALS REPORT**

A Credentials Report at 11.01 a.m. revealed that four hundred and eighty (480) members were in attendance at the meeting.

8.0 **ELECTION OF OFFICERS**

The Returning Officer, Mr. Colin Bartholomew, declared registration closed and conducted the elections process.

8.1 Election Results

The elections results were as follows:

BOARD OF DIRECTORS

Laverne Francis	199	
Melissa Hood-Joseph	191	
Janelle Benjamin	178	
Wendy Williams	144	
Akil Myers	140	(1st Substitute)
Lyndon Williams	129	(2nd Substitute)
Cyril Barran	123	
Nneka Esdelle	99	
Marlon Phillips	55	
Darius Figuera	52	
Francisca Lassalle	35	
Lindhurst Murray	32	
Jameel Mohammed	17	
Keith Risbrooke	06	
Shalima Singh	05	

SUPERVISORY COMMITTEE

Ravina Salisha Bridgelal	185	
Don Isaac	157	
Ann-Marie Arnaud-Thomas	139	(1st Substitute)
Trevor Rogers	67	(2nd Substitute)
Patricia Ward	50	
Camille Lisa Rolingson	45	

CREDIT COMMITTEE

Alpheus Jeffers	214	
Jacquelyn Humphrey	158	
Mahmud Muhammad	144	(1st Substitute)
Jemila Guerero	37	(2nd Substitute)
Charis Caesar-McKenna	29	
Sharmila Dilraj-Boodoo	26	

8.2 Destruction of Ballots

A motion for the destruction of physical and electronic ballots moved by Mr. Mahmud Muhammad (Tunapuna Branch) and seconded by Mr. Cameron Mitchell was unanimously approved.

9.0 GENERAL BUSINESS

The Chairman acknowledged the undermentioned individuals and thanked them for their continued contribution to Eastern Credit Union:

- Mr. Gary Cross - Former President (continues to serve).
- Mrs. Gloria Rolingson - Former President and General Manager and current EPL Director
- Mr. Thomas Henry - Former President
- Mr. Wayne Estrada - Former President and current ECU Director
- Mr. Ronald Bobb - Former President and current ECU Director
- Mr. Charles Mitchell - Former Interim Chief Operations Officer (EPL Properties Ltd.)

The membership was informed that:

- The Chairman of a General Meeting is the President of the organization, even if that person is a candidate in the elections.
- Eastern Credit Union will be launching a health insurance service for members soon. The under-mentioned responses were provided to questions posed:
 - a) The Board will look into the matter of granting some level of flexibility to members' wishing to access their shares.
 - b) A number of mechanisms and initiatives were introduced to improve service quality at Eastern Credit Union. Additionally, the credit union is taking advantage of technology to enhance its outreach to members.
 - c) Moving from share-based lending to deposit-based lending is a matter which requires legislative action. The Ministry responsible for Co-operative Societies in collaboration with the Credit Union Movement is currently looking at matters relating to credit unions and this may be one of the items engaging their attention.
 - d) The issue of Eastern Credit Union's name being constantly pilloried on radio and television is engaging the attention of the Board and ECU's Attorneys.

Members raised the following matters for the Board's attention:

- A Special General Meeting held in 2019 was adjourned and never reconvened.
- The membership should be provided with a breakdown of information regarding Las Viviendas.

10.0 CLOSING OBSERVATIONS

The Chairman thanked the Returning Officer, Mr. Colin Bartholomew, for his service and members for their attendance.

The meeting was adjourned at 11. 57 a.m.



.....
Kendra Persad (Mrs.)
SECRETARY

EXECUTIVE MANAGEMENT



Sherry-Ann Mc Donald-Joseph
Group CEO Acting



Marlon Boucaud
Group Financial Comptroller



Rowan Bartolo
Group Executive Manager, Human Resources



Kester Regis
Group Executive Manager, Marketing, Research and Business Development



Stacey Bravo-Chaitram
Executive Manager, Branch Operations and Financial Advisory Services



Damian Sutherland
Executive Manager, Credit Administration



Dale De Servé
Executive Manager, Information Technology



Cecil Gittens
Security Coordinator



Thayne Borel
Internal Auditor



Jeanne Borneo
Group Executive Manager, Risk Management

BOARD OF DIRECTORS



Richard Noray
President



Ronald Bobb
Vice President



Arvin Isaac
Secretary



Michaela Garcia
Asst. Secretary



Laverne Francis
Executive Director



Maurice Hoyte
Director



Melissa Hood-Joseph
Director



Gerard Mathews
Director



Wendy Williams
Director



Kendra Persad
Director



Wayne Estrada
Director



Janelle Benjamin
Director

1 MEET THE BOARD MEMBERS

Following the 46th Annual General Meeting held on 27th March 2021 the Board of Directors consisted of the following persons:

President	Richard Noray
Vice President	Ronald Bobb
Secretary	Arvin Isaac
Asst. Secretary	Michaela Garcia
Executive Director	Laverne Francis
Director	Maurice Hoyte
Director	Melissa Hood-Joseph
Director	Gerard Mathews
Director	Wendy Williams
Director	Kendra Persad
Director	Wayne Estrada
Director	Janelle Benjamin
1st Substitute	Akil Myers
2nd Substitute	Lyndon Williams

In September 2021 Director Mathews was removed from the Board of Directors following an investigation and findings by the Supervisory Committee. The 1st substitute Mr. Akil Myers was therefore elevated to the position of Director in accordance with the ECU Byelaws.

2 MEET THE EXECUTIVE MANAGEMENT TEAM

Following the 46th Annual General Meeting held on 27th March 2021 the Executive Management Team consisted of the following persons:

Group Chief Executive Officer	Christopher Lewis (Former CEO)
Deputy Chief Executive Officer	Sherry-Ann Mc Donald-Joseph (Ag. Ceo)
Group Financial Comptroller	Marlon Boucaud
Group Executive Manager, Human Resources	Rowan Bartolo
Group Executive Manager, Marketing, Research and Business Development	Kester Regis
Executive Manager, Branch Operations and Financial Advisory Services	Stacey Bravo-Chaitram
Executive Manager, Credit Administration	Damian Sutherland
Executive Manager, Information Technology	Dale De Servé
Security Coordinator	Cecil Gittens
Internal Auditor	Thayne Borel
Group Executive Manager, Risk Management	Jeanne Borneo

There were a number of changes within the Executive Management Team during the fiscal period. The post of Head of IT Operations was vacated by Ms. Charlene Brereton via resignation effective August 4th, 2020, and Mr. Stevin Abdool was appointed to act in this position.

Other changes to the organizational structure included the creation of the position of Executive Manager, Information Technology, and the expansion of the Credit Administration Department to include a Delinquency department.

A Business Unit, aimed at managing the high-value loan portfolio of the organization was launched in 2020, staffed with a Business Unit Manager and a number of trained credit analysts. The responsibility of the unit included assessment, approval and management of the larger value loans of the organization using more stringent parameters for monitoring loan health.

Managing organizational risk in changing times was also a key area of focus and as such the Board successfully approved an updated Organizational Structure, which included provisions for a Risk Department. In May 2020, Ms. Jeanne Borneo joined the organization to fill the position of Group Executive Manager, Risk Management.

On 27th March 2021 the Group Chief Executive Officer, Mr. Christopher Lewis tendered his resignation which became effective on 6th May 2021 and the Deputy Chief Executive Officer, Ms. Sherry Ann Mc Donald Joseph was appointed to act as CEO effective 7th May 2021.

3 BOARD OF DIRECTORS OVERVIEW

The fiscal year 2020 proved to be an unprecedented year in the global, regional and local environment. The organization already positioned to execute its Strategic Plan 2020 - 2022 was faced at the start of 2nd quarter 2020 with managing the impact of the global pandemic and government-sanctioned measures on the membership in real-time. Increased demand for cash, coupled with the debilitating challenges caused by job loss, potential defaults on loans, and restrictions of movement of the members were a number of factors that required a quick and strategic response from the Board of Directors in conjunction with Management who would implement the proposed strategies.

There was consensus by stakeholders that action was required. This action included a campaign that championed a compassionate approach by the organization for members who faced these challenges while simultaneously balancing the organization's loan portfolio. A loan moratorium on principal payments was offered to members with a significant number of members choosing to opt-in while some continued to make regular payments. This initiative was well received by the members particularly since the society boasts a diverse range of membership, employed in a range of sectors significantly impacted by the pandemic.

The Board of Directors tasked with governance in the "new normal" saw the need for a number of changes to the existing framework. One of the most significant changes was the mandate to adapt the existing IT framework to ensure ease of business for the membership in an increasingly relevant virtual space. A number of initiatives piloted by the IT Sub Committee of the Board were approved by the Board and adopted by Executive Management for implementation by staff. These initiatives also catered to staff who

were required to work on rotation from home and the implementation of a VPN policy was most timely.

The AGM 2020, an important annual event for the organization, was also delayed significantly during the course of the fiscal year 2020 from the initially proposed month of April 2020 where it eventually was partially held in December 2020. This resulted in the need for a reconvened meeting in 2021 to complete the business of the organization and responsibility to the membership.

4 FINANCIAL PERFORMANCE OF THE SOCIETY

The Society's financial performance for the year-end 2020 was adversely affected by the prevalence of the Covid-19 pandemic and the restrictions imposed to preserve the health of the Society from the full impact of the virus. The Society experienced a reduction in income due to reduced demand for loans by members and a decline in the performance of the equity market for investments. The total income of the Society declined from \$193.99 million in 2019 to \$ 170.8 million in 2020, a reduction of 12 percent.

The imposed restrictions on some business activity within Trinidad and Tobago during 2020 did create financial challenges for segments of the membership. The challenges faced by these members, in some instances, impaired their ability to maintain their loan commitments. As the Society continues to work with the membership to alleviate this challenge, a provision of \$23.4 million for credit impairment of loans and other financial assets was recognized as an expense in 2020 in accordance with the IFRS 9 accounting standard. The total expenditure of the Society increased from \$152.7 million as of 2019 to 159.9 million in 2020, an increase of 5 percent. Due to the reduced income and provision incurred, the Society recognized a surplus after tax of \$9.96 million in 2020 decreasing from \$40.8 million in 2019, a decrease of 76 percent.

Despite the challenging environment, the Society did achieve growth in assets from \$2.29 billion in 2019 to \$2.33 billion in 2020, an increase of 1.6 percent. Also, the Society increased the loan portfolio by \$59.6 million or 4.5 percent, as at 2020, the loan portfolio increased to \$1.38 billion from \$1.32 billion in 2019. The Society assisted members during 2020 by providing loan moratorium arrangements available to all members and offered loans at reduced rates to provide financing options to members negatively affected by the restriction measures.

The Society continued to attract members' savings by achieving increased deposits of \$545 million in 2020 from \$517 million in 2019, an increase of 5.5 percent. Also, Ordinary Share savings increased from 1.46 billion in 2019 to 1.47 billion in 2020, an increase of 1.1 percent. The Society did experience a decline in its Institutional Capital in 2020, due to dividends declared and paid in 2020 of \$29.8bn exceeding total comprehensive income for the year of \$9.96m. As a result the Institutional Capital decreased to \$176 million in 2020 from \$195 million in 2019, a decrease of 10 percent.

The Society continues to navigate the challenges of the Pandemic and the impact on its operations and the well-being of the membership. The need to maintain institutional capital at an adequate level is paramount to address the uncertainty of the new reality despite the allocation of specific provisions to mitigate the risk associated with the inability of some members to maintain their loan commitments as agreed. In light of its 2020 performance, the Board of Directors now recommends a dividend to the

membership of 1.00 percent on their Redeemable Shares, a dividend of 1.25 percent on their Special Shares, and a Patronage refund of 1.00 percent for the financial year ended 31st December 2020. This will result in a total dividend of \$14.5 million and an interest rebate of \$1.1 million.

Summary of Highlights 2018 - 2020

	2018	2019	2020
Dividend on Special Shares	5.0%	5.0%	1.25%
Patronage Refund	7.5%	3.25%	1.0%
Dividend on Redeemable Shares	2.25%	1.75%	1.0%
Surplus	\$51.6m	\$40.8m	\$9.96m
Institutional Capital	8.8%	8.5%	7.6%

5 IMPROVEMENTS TO INTERNAL OPERATIONS

The Board of Directors in the fiscal year 2020, despite the various challenges on the organization, maintained focus on the pursuit of its strategic objectives while guided by compliance with the respective regulatory bodies and standards. Internal operations saw several improvements which included:

- An improved and Refined IT Framework
- A Risk Management Initiative which saw the implementation of a Risk Department
- An upgrade of POS and Sangre Grande Branch
- The creation of an Express Service Unit in POS

6 DELINQUENCY MANAGEMENT

The area of delinquency was impacted by the Covid-19 pandemic, significant job losses, and reduced income by the membership. In addition, the ECU gave a three-month moratorium for the period March 2020 - May 2020 on general loan payments to members in good for standing and further extended beyond May 2020 to staff until December 2020, as well as for members on a case by case basis. While, all financial institutions continue to feel the impact caused by significant job losses and reduced monthly income across the labour force; resulting from increased sanctions imposed by the government, the Board of Directors noted the increase in the delinquency portfolio and tasked Management to implement a suitable strategy to mitigate the hemorrhage in income. Management's response to this challenge included:

1. The creation of a Delinquency Unit that would be tasked with a more proactive approach to delinquency management. Results would be driven by incorporating industry best practices, performance metrics and key performance indicators. These would be specifically tailored to ECU's Membership and aligned to

the Board of Directors' goal of reducing and maintaining the ratio within a tolerable level, guided by the cooperative principles "Education, Training and Information" and "Concern for Community".

2. A review of the Delinquency Policy and Processes given the current economic environment.
3. The creation of a product specifically designed towards helping the membership reschedule credit facilities given the reduced income and loss of jobs experienced. The product, titled "Flatten the Curve" was premised on the idea that ECU works with our members on a 'one on one' basis utilizing fundamentals of the cooperative principles.

7 PANDEMIC ADJUSTMENTS

The society continues in its efforts to "lead the way" given its important role as the largest cooperative society in Trinidad and Tobago by both membership and asset base. The central focus of the organization has always been its responsibility to its owners, our members. A number of adjustments have been implemented in physical spaces where interaction with the membership and staff is necessary in a pandemic environment. While it is the hope by many that the Covid-19 pandemic will cease, with immediacy from being an impediment in the lives of thousands of our members and by extension citizens of our beloved twin-isle nation, the view is that this may not be an immediate reality and as such adjustments are critical to safeguarding all stakeholders. These adjustments, to a great extent, were actioned by our subsidiary EPL Properties Ltd and include:

- The installation of Sanitizing, Hand Washing and Temperature Check Stations
- Conduct of regular sanitizing exercises
- The installation of signage at ALL branches re: social distancing and wearing of facemasks.
- The installation of plexiglass at interactive points of contact at Branches.

In addition, the Board of Directors remains committed to keeping abreast with the relevant guidelines as expressed by the Ministry of Health and encourages initiatives for vaccination.

8 ATTENDANCE AT VIRTUAL CONFERENCES/WORKSHOPS

The Board of Directors acknowledges that the strength of our society to best serve its membership is rooted in the investment of time, resources, and training in its human resource. While staff training is embodied in the organizational framework of continued development, the Board also sees training and workshops for Elected officials as integral in ensuring good and responsible governance. The shift away from physical gatherings in the fiscal year 2020 has simultaneously seen the increased prevalence of workshops and training in the virtual space. Many organizations have adapted and we wish to commend the Cooperative Credit Union League in particular for the great role they have played in adjusting training and workshops to the online space. This initiative has allowed both staff and elected officials to retain access to continued development despite the constraints of physical gathering.

9 NOTABLE AFFILIATE ORGANIZATIONS

- a) **Co-operative Credit Union League of Trinidad and Tobago (CCULTT)**
Eastern Credit Union retains a supportive relationship with the Co-operative Credit Union League of Trinidad and Tobago, led by Mr. Joseph Remy as President, who also holds the portfolio as President of the Caribbean Confederation of Credit Unions (CCCU) and Director on the World Council of Credit Unions (WOCCU) Board.
- b) **North East Regional Chapter (NERC)**
The North East Regional Chapter (NERC) as one of five (5) local Chapters within the Cooperative Credit Union League has in service, on its Board, five (5) representatives from the Eastern Credit Union Cooperative Society Ltd in the names of Janelle Benjamin, Gloria Rolingson, Ronald Bobb, Wayne Estrada, and Wendy Williams.
- c) **Association of Credit Union President of Trinidad and Tobago (ACCUPTT)**
Eastern Credit Union in its capacity as a member of this esteemed body is actively involved in business and social activities focused on critical issues in the Credit union movement
- d) **Central Finance Facility (CFF)**
The Central Finance Facility coined the Credit Union for Credit Unions plays an important role in its provision of services to Credit Unions. Eastern Credit Union in its capacity as a shareholder to the tune of \$200,000 also holds a portfolio on the Audit Committee of the CFF. The symbiotic relationship between the two bodies creates the ideal platform for the advancement of both organizations while championing the cause of ECU in the Credit Union movement which is rooted in our 48yr history.
- e) **CUNA Caribbean Insurance (CUNA)**
Eastern Credit Union and CUNA have long enjoyed a professional and purposeful relationship, with the latter being responsible for the provision of a key plan to our membership in the form of the Family Indemnity Plan (FIP). This insurance protection offered to our members has significantly impacted the lives of many of our members in unexpected times of need. Through its combined products and services, CUNA has assisted our organization in meaningful ways which have served to ensure peace of mind and finances to our members.

9 ACKNOWLEDGEMENT

It would be remiss of the Board of Directors not to commend the efforts of the Executive Management team, formerly led by Mr. Christopher Lewis (Former Group CEO) who has since pursued other opportunities outside of the organization, and Mrs. Sherry-Ann Mc Donald-Joseph (Ag. CEO) currently at the helm, both of whom played an integral role in the fiscal year 2020 to strategically navigate the organization during unexpected and uncertain times. Their leadership, supported by Group Executive Managers, Executive Managers, and a cadre of Branch Managers and support staff have made serving our membership an ongoing and continuous exercise in the pursuit of excellence even in the face of challenges. It speaks to our resilience as a family and our desire to re-imagine the future where commitment and sacrifice today will yield the ideal future for many future generations of our current membership.

The Board of Directors also wishes to extend commendations to each Board member as well as to our outgoing Directors whose terms of office have come to an end. The Directors include our Vice President Ronald Bobb, Director Kendra Persad, Director Gerard Mathews, and Director Wayne Estrada.

We also wish to thank the members of the Supervisory, Credit, Nominating, and Education Committees for executing their assigned tasks and for upholding the co-operative principles that guide our beloved organization.

10 OBITUARIES

Our sincere condolences to the relatives and friends of those of our members who passed during the calendar year 2020.

Last Name	First Name		Last Name	First Name	
Adams	Hayden	11/7/20	Barrington	Richard	6/14/20
Adams	Roland	5/11/20	Basant	Rohit	4/25/20
Adams	Shawn	11/12/20	Baynes-Sandy	Pinola	8/4/20
Agard	Carlton	8/12/20	Beekley	Jermin	12/19/20
Alexander	Alladin	8/9/20	Benjamin	Rosalind	1/17/20
Alexander	Anne	12/25/20	Benn	Norman	10/31/20
Alexander	Anslem	8/28/20	Benoit-Matthews	Alison	7/16/20
Alexander	Gabriel	10/20/20	Berkeley	Carol	7/6/20
Alexander	Leonard	7/18/20	Besson	Gordon	11/23/20
Alexander	Michael	7/28/20	Blackford	Nigel Ignatius	5/4/20
Alexander-Boyce	Sally	2/19/20	Blenman	Creech	12/30/20
Alexis	Duncan	8/15/20	Bobb	Althea	3/11/20
Alexis	Lystra	8/28/20	Boldan	Andre	8/30/20
Ali	Sharon	4/17/20	Boodoo	Samdaye	2/28/20
Ali	Sheila	3/2/20	Bridgemohan	Ena	3/10/20
Alibey -Pacheco	Rossilyn	2/7/20	Bridgewater	William	11/1/20
Allan	Lester	3/25/20	Broome	Algernon	11/3/20
Almorales	Alvy	3/14/20	Broomes	Aaron	1/15/20
Ammon	Catherine	8/2/20	Broomes	Godrick	3/12/20
Antoine	Patricia	8/27/20	Browne-Tyson	Gale	10/23/20
Antoinette-Cooper	Leslie Ann	4/10/20	Buckmire	Sebastiana P	3/11/20
Arjoon	Vishwanath	7/30/20	Buckradee	Jean	7/12/20
Armstrong	Victor	9/22/20	Burke	Cedric	9/11/20
Asche	Errol	7/1/20	Byron	Veronica	9/3/20
Astudillo	Ann	10/3/20	Cadette	David	5/25/20
Augustine	Doreen Doris	12/22/20	Cadette	Karen	12/14/20
Austin	Petra	5/6/20	Caesar	Clinton	4/27/20
Austin	Thecla	10/23/20	Caines	Gillian	5/7/20
Ayers	Akil	12/1/20	Calderon	Eleutherius	7/14/20
Balfour	Chamilyn	10/19/20	Calliste	Arnold	11/11/20
Baptiste	Nicholas	11/24/20	Carmona	David	8/11/20
Barnes-Lewis	Debra	8/28/20	Carter-Augustin	Bernadette	11/20/20
Barnwell	Grace	3/21/20	Castillo	Bernadine	1/23/20

Last Name	First Name		Last Name	First Name	
Catlyn	Oswald	7/13/20	Drayton	Anton	2/28/20
Chambers	Desmond	9/3/20	Drayton-Thomas	Angela	3/30/20
Chapman-Campbell	Allison	3/8/20	Du Font	Anton	7/4/20
Charles	Annfinelle	7/24/20	Duke	Marlean	3/5/20
Charles	Dennis	8/5/20	Duncan	Euris	4/4/20
Charles	Doreen	1/12/20	Durham	Akil	8/31/20
Chetram	Koolwantie	11/16/20	Edwards	Marina	2/13/20
Chrysostom	Anasthase	10/5/20	Estrada	Ricardo	12/10/20
Clarke	Clevonne	9/2/20	Euzebe	Shaquille	4/1/20
Clarke	Patreece	11/12/20	Ferris-Murray	John	9/25/20
Claxton	Joanne	6/29/20	Fields	Edmund	2/3/20
Clement	Agnes	5/19/20	Figaro	Winston	9/26/20
Clifford	Roxanne	3/12/20	Figueira	Christopher	6/24/20
Cochrane	Earl	8/18/20	Figueroa	Stanley	9/21/20
Cockfield	Prince	11/17/20	Fleischer	Grace	2/3/20
Cordner	Wayne	1/13/20	Forde	Lynton	2/24/20
Coryat	Theresa	4/27/20	Francique-Durant	Antoinette	3/5/20
Cox	Eric	5/23/20	Francis	Dencil	6/7/20
Crawford	Eric	10/31/20	Francis	Sybil	7/23/20
Crichlow	Evans	5/15/20	Francois	David	6/23/20
Crichlow	Kenneth	11/16/20	Francois	Martin	11/3/20
Crosby-Marshall	Mary	6/12/20	Frank	Mary	1/7/20
Cyrus	Lloyd	6/21/20	Franklyn	Nehiletta	7/3/20
Danclair	Clement	11/27/20	Fraser	Winston	7/5/20
Danglade	Kathleen	6/27/20	Frederick	George	7/22/20
Daniel-Wilkes	Judy	11/28/20	French	Aldwyn	12/2/20
Darceuil	Lawrence	8/12/20	Gallan	Annmarie	5/23/20
David	Iva	8/6/20	Garcia	Cassiano	6/4/20
Davidson	Sylvia	4/22/20	George	Amlyn	12/17/20
Davis	Nicole	6/5/20	George	Bernadine	8/21/20
De Coteau	Clint	8/9/20	George	Samuel	9/20/20
Deonanan	Ramlal	9/14/20	George	Winston	11/19/20
Dhani	Kishore	4/19/20	Ghany	Ramish	10/15/20
Dhanisingh	Matthew	6/7/20	Gittens	Jenelle	3/25/20
Dialsingh	Nicky	2/13/20	Glasgow	Obediah	6/28/20
Diaz	Peter	8/9/20	Goddard	Kevon	9/14/20
Dominique	Dennis	8/18/20	Gomes	Claire	5/20/20
Donawa	Kayode	1/15/20	Gonzales	Monica	5/6/20
Dookaran	Patrick	11/24/20	Goolsair	Edward	7/11/20
Dookie	Parmanan	4/18/20	Goonai	Sukhia	6/16/20
Dookie	Roy	3/31/20	Gooray	Vanda	2/10/20
Douglas	Eva	4/25/20	Gopaul	Magdalene	7/2/20
Douglas	Kelvin	4/10/20	Graham	Anthony	10/8/20
Doyle	Earl	8/20/20	Graham	Curtis	7/6/20
Doyle	Mauricia	3/23/20	Greaves	Cecil	9/7/20
Drakes	George	3/14/20	Griffith	Milton	5/25/20

Last Name	First Name		Last Name	First Name	
Guy	Raphael	12/30/20	Joseph	Fitzroy	2/1/20
Hall	Dennis	10/2/20	Joseph	Jennifer	2/12/20
Hamilton	Janice	8/9/20	Joseph	Jewel	5/19/20
Hamilton	Verty	5/25/20	Joseph	Terrence	11/8/20
Hannibal	Claudius Errol	5/15/20	Joseph	Vaughndell	3/9/20
Harper	Cheryl	9/24/20	Julien	Gregory	2/23/20
Harrilal	Calib	7/6/20	Julien	Mary	10/5/20
Harrington	Teddy Samuel	9/3/20	Julien	Nathan	8/22/20
Harrington-Harper	Sophia	5/23/20	Julien	Ria	9/22/20
Henry	Sheila	3/19/20	Jupiter	Selwyn	10/8/20
Herbert	Marge Vena	3/10/20	Kadill	Roopsane	6/27/20
Heywood	Renee	4/1/20	Kalawan	Rookmin	8/14/20
Hill	Zilma	9/11/20	Kent	Roy	9/4/20
Holder	Alexander	3/23/20	King	Venus	8/30/20
Holder	Randolph	1/5/20	Kirton	Joyce	2/26/20
Hood	Joanna	2/23/20	Kissoon	Vijai	3/11/20
Horton	Mavyn	1/31/20	Knights	Patricia	4/23/20
Hosein	Faizal	2/6/20	Koomia	Ramsaran	11/14/20
Hoyte	Germell	1/23/20	La Foucade	Winston	1/26/20
Hughes	Avalon	11/13/20	Lackhai	Nigel	4/22/20
Hunte	Victor Val	12/26/20	Lal	Ramchandar	9/20/20
Hypolite	Kalon	2/13/20	Lalla	Dexter	10/23/20
Jack	Alana	1/9/20	Lamy	Jasmine	3/31/20
Jack	Ynolde	3/4/20	Lashley	Lennox	3/9/20
Jack-Pontiflet	Beatrice	5/22/20	Lawrence	Annette	8/25/20
Jacob	Jenny Lind	6/12/20	Lazarus	Akeem	1/10/20
Jaffier	Allan	10/14/20	Le Gendre	Trevor	12/13/20
Jagroop	Anthony	5/21/20	Leslie	Orin	7/6/20
James	Claudie	8/31/20	Lessey-Harrison	Denise	2/10/20
James	Neil	5/9/20	Lewis	Adlai Anderson	11/14/20
James	Ralph	12/17/20	Lewis	Aldwin	11/18/20
Jibodh	Mahadeo	9/12/20	Lewis	Alfina	4/10/20
Joefield	Eaton	6/26/20	Lewis	Andrea	8/20/20
Joefield	Rosalind	4/3/20	Lewis	Andrew	9/29/20
John	Berthilda	2/11/20	Lewis	Anthony	1/4/20
John	Fitzgerald	4/7/20	Lewis	Ven	4/1/20
John	Samantha	7/28/20	Libert	Ann Marie	1/27/20
Johnson	Anthony	8/10/20	Lindsay	Terry-Ann	5/23/20
Johnson	Cyril	4/26/20	Liverpool	Gertrude	8/7/20
Johnson	Marlene	11/13/20	Lochan	Jameal	2/7/20
Johnson-Jackman	Myrtle	11/11/20	London	Anita	2/9/20
Jones	Frederick	6/24/20	Lopez	Bridget	1/21/20
Jones	Stanley	4/25/20	Lovell	Monica	1/24/20
Joseph	Andrew	4/6/20	Lucas	Lloyd	12/23/20
Joseph	Avion	9/22/20	Lue Lueong	Bernett	10/22/20
Joseph	Denise	2/22/20	Madoo	Rajho	5/7/20

Last Name	First Name		Last Name	First Name	
Mahangi	Rishi	4/15/20	Niles	Merle	7/19/20
Maharaj-Spears	Jean	11/23/20	Noel	Richard	2/19/20
Mahase	Rajesh	11/6/20	Norville	Ulric	7/2/20
Mahes	Geeta	8/4/20	Ogiste	Johnson C	1/26/20
Manolal	Lutchman	9/3/20	Oliver	Zenworth	1/18/20
Mansingh	Cynthia	1/27/20	Ollivierre-Williams	Latoya	1/9/20
Marquis	Tammy	10/4/20	Otten	Paul	1/18/20
Marshall	Desmond	7/31/20	Pandeosingh	Nicholas	8/23/20
Martin	Andy	5/16/20	Paponette	Mary	10/30/20
Mascall	Henrietta	8/15/20	Parahoo	Pashram	4/26/20
Mason	Anthea	1/22/20	Parris	Pauline	12/2/20
Mason	Ruth	1/23/20	Parris	Steve	3/11/20
Matthews	Omari	11/14/20	Pascall	Valerie	5/26/20
Maurice	Cecille	3/31/20	Pasqual	Sharon	8/17/20
Mayo	Santicker	4/24/20	Patrick	Boysie	5/3/20
Mazellie	Leo	11/16/20	Pereira	Gerald	1/7/20
Mc Clean Ali	Sharon J	3/23/20	Pereira	Shauntal	11/27/20
Mc David	Daron	12/15/20	Perreira	Terrance	8/10/20
Mc Dougall-Williams	Sherma	2/24/20	Perrotte	Rose	8/14/20
Mc Fee	Meniva	8/11/20	Persad	Suzanne	8/4/20
Mc Intyre	Susan	2/4/20	Phillip	Goffre	11/24/20
Mc Kellar	Roger	3/21/20	Phillip	Kenrick George	5/1/20
Mc Kenna	Drucilla	5/25/20	Phillip	Maria	12/10/20
Mc Leod	Earl	9/24/20	Phillip	Ricardo	8/30/20
Medina	Cecil	12/17/20	Phillips	Claire Jocelyn	1/20/20
Melony-Joseph	Sheila	11/18/20	Phillips	Leonard	5/14/20
Millette	Esther	1/29/20	Pierre	Veronica	9/24/20
Mings	Rueben	10/4/20	Pillai	Kershwar	2/4/20
Mitchell	Adeline	3/2/20	Plaza	Reginald	11/23/20
Mitchell	Jacinta	4/14/20	Polson	Ogalica	2/14/20
Mohammed	Asthaff	7/6/20	Pooran	Sam	4/23/20
Mohammed	Fareed	3/1/20	Preston	Kristen	5/29/20
Mohammed	Navin	9/5/20	Price	Bridget	3/27/20
Mohammed-Shiwgobin	Michelle	10/15/20	Prosper	Nelinne Amabelle	1/3/20
Moonoo	Naresh	11/2/20	Quashie	Anthony	5/28/20
Moore	Margaret	4/11/20	Quintero	Carmen	9/22/20
Moore	Turnell	4/28/20	Ramdial	Cheryl	3/3/20
Moorley	Krishna	6/1/20	Ramkissoon	Steve	9/3/20
Morrison	Rolston	6/6/20	Ramnarace	Pradeep	11/5/20
Moses	Liz	9/15/20	Ramoutar	Tara	9/19/20
Motilal-Ramdeen	Salima	2/1/20	Ramsingh	Poonwassie	1/16/20
Musa-Morain	Memunatu	12/10/20	Ransome-Francis	Helen	9/11/20
Narine	David	8/24/20	Rechais	Clifton	10/14/20
Nedd	Nalini	10/13/20	Reyes	Anthony	2/7/20
Neptune-Morales	Ann	9/20/20	Reyes	Jerome	7/2/20
Nesbitt	Nestar	6/13/20	Robinson	Desmond	2/20/20

Last Name	First Name		Last Name	First Name	
Robinson	Stacy	12/29/20	Sylvestre	Lennox	4/30/20
Rodney	Alana	11/5/20	Thomas	Angela	10/6/20
Rodney	Emmett	6/2/20	Thomas	Iolanthia	9/14/20
Rogers	Maddan	4/4/20	Thomas	Jacqueline	12/18/20
Rosales	John Richard	6/14/20	Thomas	James	2/16/20
Ross	Rhona	8/20/20	Thomas	Joseph	1/18/20
Rouse	Ian	9/27/20	Thomas	Kew	1/4/20
Saldenha	Michael	4/22/20	Thomas	Pearl	1/11/20
Samaroo	Phoolmanie	10/25/20	Thomas-Toussaint	Alison	11/17/20
Sammy	Indra	10/20/20	Thompson	Carol	1/5/20
Sammy	Peter	9/25/20	Thompson	Sita	12/17/20
Sampson-Spencer	Jacqueline	10/25/20	Toby	Patricia	10/4/20
Samuel	Dean	4/5/20	Toney	Selvon	8/4/20
Samuel	Winston	1/1/20	Toney-Thompson	Judith	6/25/20
Sandiford	Rebecca	10/17/20	Tull	Charmaine	7/19/20
Scipio	Eugene	4/30/20	Urquhart	Doddridge	5/23/20
Scott	Fenwick	9/16/20	Vaal	Joseph	3/16/20
Scott	Georgie	6/22/20	Victor-Dumas	Veronica	4/4/20
Seechan	Cheryl-Ann	1/30/20	Vidale	Selwyn	1/1/20
Seecharan	Balieram	3/23/20	Walker	Grace Catherine	4/26/20
Semper	Denise	10/12/20	Warner	Alec	5/6/20
Serrieaux	Leonora	2/9/20	Warner	Michael	6/21/20
Sharpe	Naulin	12/29/20	Weekes	Natasha	3/5/20
Simeon	Merle	3/10/20	Whiskey	Martin	2/22/20
Simmons	Janice	2/1/20	White	Carl V	11/24/20
Simon	Arnold	8/11/20	Williams	Ann Marie	10/1/20
Simon	Hugh	2/5/20	Williams	Edna	7/16/20
Simon	Joan	12/28/20	Williams	John	4/2/20
Simon	Larie	11/27/20	Williams-Lovell	Debra	1/26/20
Singh	Anthony	9/23/20	Wilson	Colville	3/20/20
Singh	Kamal	10/27/20	Wilson	Dovan	5/29/20
Singh	Sylvester	11/1/20	Wilson	John	5/13/20
Smith	Kenny	8/6/20	Wilson	Lennox	12/19/20
Solozano	Gerard	11/17/20	Wilson	Raymond	8/3/20
Sooklal	Viji	1/30/20	Wilson-Trotman	Ethrine	2/16/20
Sookraj	Sunil	4/18/20	Wolfe	Kenny	7/21/20
Spencer	Christine	4/6/20	Wood-Salomon-Figueir	Nicole	6/24/20
Spencer	Lloyd	9/23/20	Xavier-Greenidge	Marita	1/29/20
Spencer	Vilma	12/6/20	Young	Ainsley	7/5/20
Stewart	Gail	8/16/20			
Stewart	Richard	9/15/20			
Stewart	Selma	11/10/20			
Surujbally	Sasha	11/13/20			
Sylvestre	David	9/21/20			
Sylvestre	Lennox	3/28/20			
Sylvestre	Thaddeus S	1/25/20			

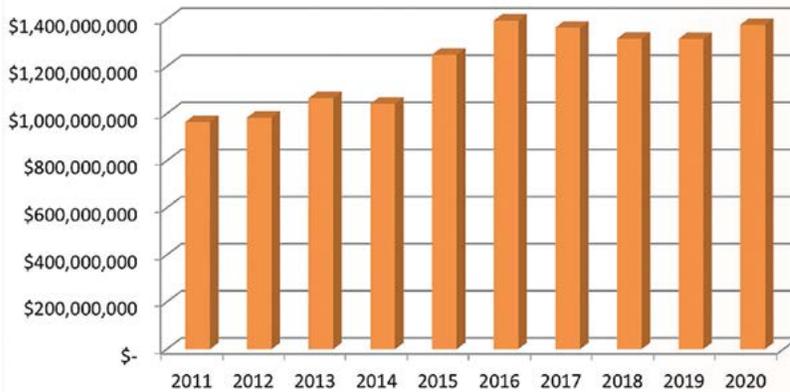
11 CLOSING REMARKS

In closing, the Board of Directors wishes to highlight our theme ***“Strength through resilience, Re-imagining our future together”*** as a bold statement of our aptitude to overcome challenges as an organization. Our strength is nestled in our 202,000 collective membership and our resilience is rooted in our history which is ongoing. Our positive impact today as a cooperative society will create the history we will be proud of in many years to come. As a dominant force in the local and regional landscape, we are reminded to always be visionaries and never lose sight of our role in leading the way. Leadership requires commitment and humility, humility fosters learning and learning creates purpose.

The future of our organization must be purposed on growth and continuity as seen in several of the most successful organizations globally even beyond the sphere of the credit union movement, yet we are reminded to always remain true to our seven cooperative principles and the vision of the movement. The resilience that we are compelled to engage as we continue to better the lives of our membership is an exercise of togetherness as we re-imagine our future together.

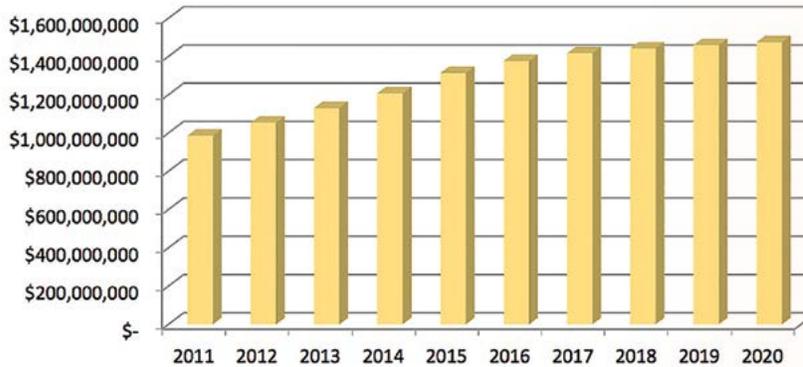
PERFORMANCE HIGHLIGHTS

LOANS TO MEMBERS



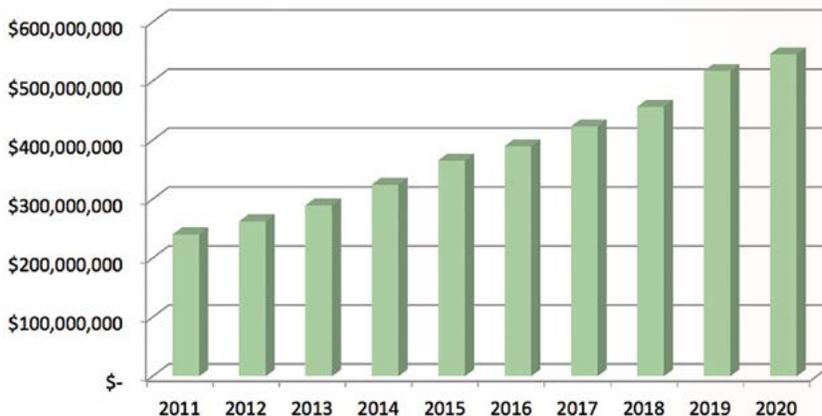
2011	\$ 964,333,637
2012	\$ 982,683,186
2013	\$ 1,065,591,874
2014	\$ 1,041,592,386
2015	\$ 1,249,851,394
2016	\$ 1,394,658,210
2017	\$ 1,364,538,016
2018	\$ 1,317,844,174
2019	\$ 1,317,005,066
2020	\$ 1,376,631,672

SHARES (NON PERMANENT)



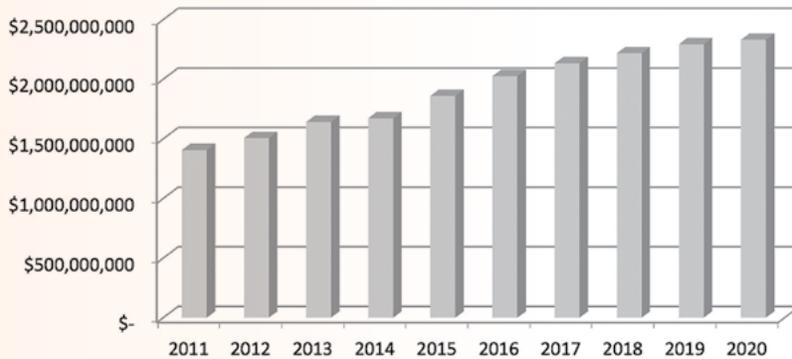
2011	\$ 985,363,468
2012	\$ 1,052,937,796
2013	\$ 1,129,748,846
2014	\$ 1,206,923,148
2015	\$ 1,313,384,628
2016	\$ 1,375,538,754
2017	\$ 1,415,742,793
2018	\$ 1,441,962,387
2019	\$ 1,458,614,606
2020	\$ 1,474,773,679

DEPOSITS



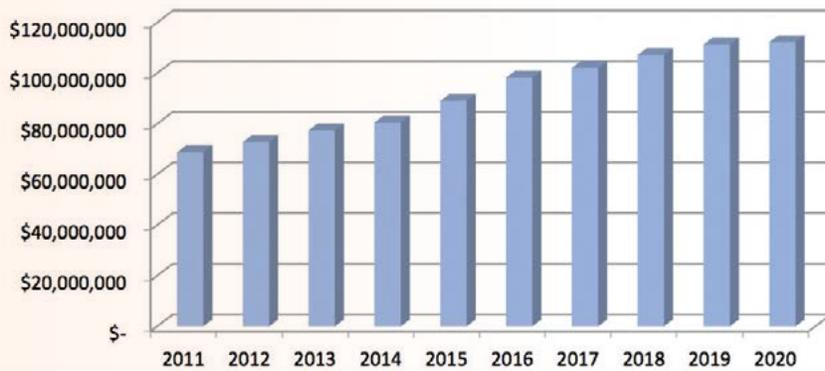
2011	\$ 239,930,293
2012	\$ 261,930,468
2013	\$ 289,275,816
2014	\$ 324,419,614
2015	\$ 365,232,098
2016	\$ 389,348,048
2017	\$ 422,964,506
2018	\$ 456,271,739
2019	\$ 516,925,820
2020	\$ 545,408,517

TOTAL ASSETS



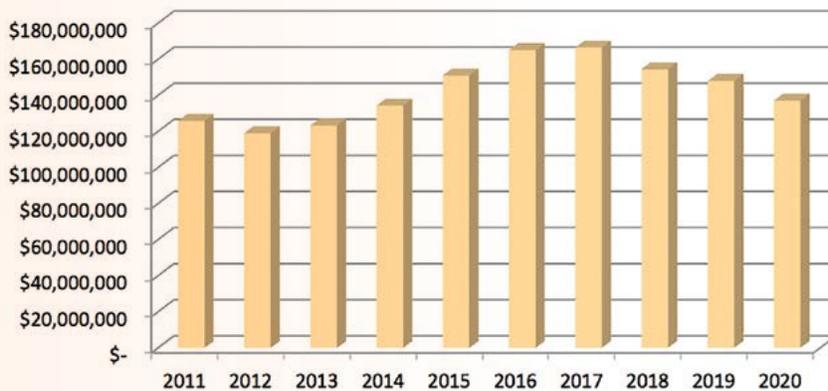
2011	\$ 1,405,773,250
2012	\$ 1,505,759,123
2013	\$ 1,640,991,397
2014	\$ 1,672,222,273
2015	\$ 1,860,458,142
2016	\$ 2,026,548,824
2017	\$ 2,133,025,147
2018	\$ 2,217,108,240
2019	\$ 2,292,897,945
2020	\$ 2,330,724,220

RESERVE FUND



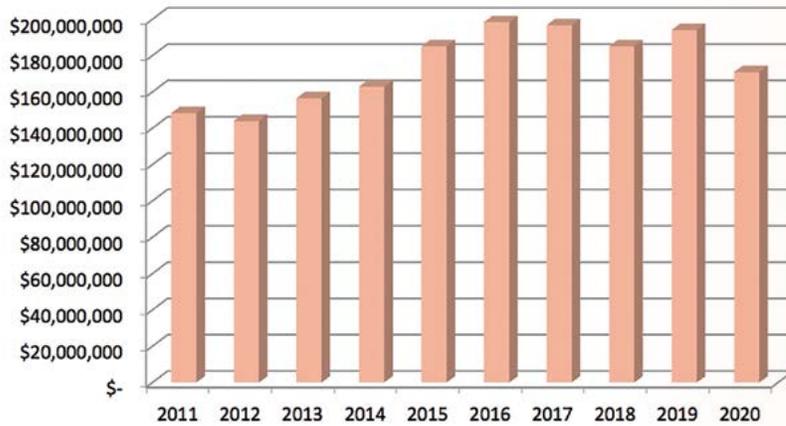
2011	\$ 68,708,811
2012	\$ 72,715,716
2013	\$ 77,425,300
2014	\$ 80,454,269
2015	\$ 88,960,040
2016	\$ 98,155,740
2017	\$ 102,037,227
2018	\$ 107,195,700
2019	\$ 111,279,969
2020	\$ 112,277,038

INTEREST ON LOANS



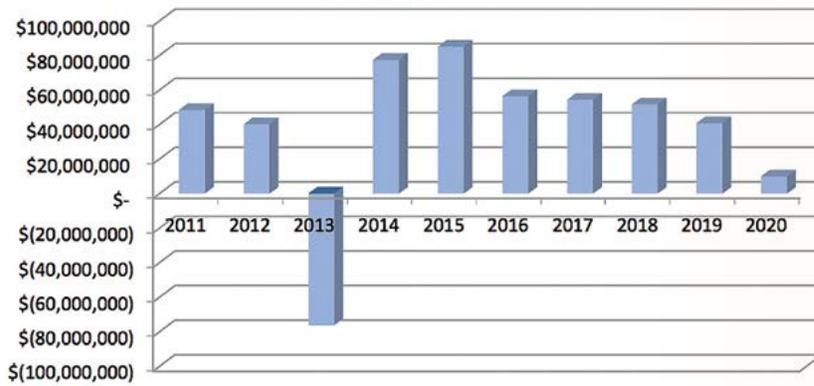
2011	\$ 125,748,385
2012	\$ 118,951,524
2013	\$ 123,223,810
2014	\$ 134,240,606
2015	\$ 150,948,126
2016	\$ 165,020,596
2017	\$ 166,366,226
2018	\$ 154,461,357
2019	\$ 147,883,647
2020	\$ 137,013,720

INCOME



2011	\$ 148,279,466
2012	\$ 143,917,410
2013	\$ 156,362,608
2014	\$ 162,771,032
2015	\$ 185,086,662
2016	\$ 198,272,571
2017	\$ 196,595,489
2018	\$ 185,044,957
2019	\$ 193,990,032
2020	\$ 170,816,852

NET SURPLUS



2011	\$ 48,364,617
2012	\$ 40,057,069
2013	\$ (76,143,849)
2014	\$ 77,354,535
2015	\$ 85,041,620
2016	\$ 56,357,824
2017	\$ 54,242,424
2018	\$ 51,564,174
2019	\$ 40,824,654
2020	\$ 9,959,565

MEMBERSHIP: BOARD APPOINTED COMMITTEES

<p>1</p> <p>WAIVER COMMITTEE Gerard Mathews – Chairman Arvin Isaac Maurice Hoyte Richard Noray (Substitute)</p>	<p>2</p> <p>INFORMATION COMMUNICATION AND TECHNOLOGY COMMITTEE Wayne Estrada – Chairman Arvin Isaac Michaela Garcia Maurice Hoyte Darius Figuera (Co-opted) Kevin Sandy (Co-opted)</p>
<p>3</p> <p>HUMAN RESOURCES / INDUSTRIAL RELATIONS COMMITTEE Arvin Isaac – Chairman Laverne Francis Melissa Hood-Joseph Kendra Persad Akil Myers (1st Substitute) Gloria Rolingson (Co-opted)</p>	<p>4</p> <p>FINANCE, INVESTMENTS AND TENDERS COMMITTEE Ronald Bobb – Chairman Richard Noray Janelle Benjamin Wayne Estrada Lyndon Williams (2nd Substitute)</p>
<p>5</p> <p>CORPORATE GOVERNANCE AND BYE-LAWS COMMITTEE Ronald Bobb – Chairman Gerard Mathews Michaela Garcia Melissa Hood-Joseph Wendy Williams Richard Noray Lyndon Williams</p> <p>Sub-Components:</p> <p>Bye Law Review Sub-Committee Gloria Rolingson, K'Arece Rogers, Kurt Flemming</p> <p>Policy Review Sub-Committee (3 months Tenure) Gloria Rolingson, K'Arece Rogers, Kurt Flemming</p>	<p>6</p> <p>DELINQUENCY COMMITTEE Ronald Bobb – Chairman Janelle Benjamin Kendra Persad Akil Myers (1st Substitute) Kirk Ferguson (Co-opted)</p> <p>7</p> <p>RISK MANAGEMENT COMMITTEE Michaela Garcia – Chairman Richard Noray Arvin Isaac Laverne Francis Wayne Estrada Wendy Williams</p>
<p>8</p> <p>SALES AND MARKETING COMMITTEE Janelle Benjamin – Chairman Maurice Hoyte Laverne Francis Quincy Boodramsingh (Co-opted)</p>	<p>9</p> <p>ECU/EPL MEMORANDUM OF UNDERSTANDING (MOU) Ronald Bobb – Chairman Michaela Garcia Laverne Francis Kendra Persad Wendy Williams Brent Hewitt-Borde (Co-opted) Arvin Isaac Amanda Aguilera-Lobin (Co-opted)</p>

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AGM STAKEHOLDERS COMMITTEE

Maurice Hoyte – **Chairman**
 Melissa Hood-Joseph
 Richard Noray
 Gerard Mathews
 Wendy Williams
 Michaela Garcia

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PROPERTY EVALUATION COMMITTEE

Richard Noray – **Chairman**
 Maurice Hoyte
 Ronald Bobb
 Michaela Garcia
 Brent Hewitt Borde (Co-opted)
 Jameel Mohammed (Co-opted)
 Heather Adams (Co-opted)

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NOMINATING COMMITTEE

Arvin Isaac – **Chairperson**
 Melissa Hood-Joseph
 Gary Cross (Co-opted)
 Ashley Boodoo (Co-Opted)
 Stacy Alleyne (Co-Opted)

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AGM MEMBER FOCUS COMMITTEE (QUARTERLY MEETINGS)

Maurice Hoyte – **Chairperson**
 Melissa Hood-Joseph
 Richard Noray
 Gerard Mathews
 Wendy Williams
 Michaela Garcia
 Gary Cross (Co-Opted)
 Avenida Stewart (Co-Opted)
 Gloria Rolingson (Co-Opted)

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EDUCATION COMMITTEE

Ronald Bobb – **Chairperson**
 Maurice Hoyte
 Arvin Isaac
 K'Arece Rogers (Co-opted)
 Gary Cross K'Arece Rogers (Co-opted)
 Sandra Charles Maxwell (Co-opted)
 Stacy Alleyne (Co-opted)
 David Taitt (Co-opted)
 Dionne Melville (Co-opted)
 Caressa Baptiste-Renaud (Co-opted)

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EPL PROPERTIES LTD – BOARD OF DIRECTORS

Richard Noray – **Chairman**
 Ronald Bobb – **Vice Chairman**
 Arvin Isaac – **Corporate Secretary**
 Maurice Hoyte
 Amanda Aguilera-Lobin (Independent)
 Jameel Mohammed (Independent)
 Brent Hewitt-Borde (Independent)
 Gerard Mathews
 (Shareholders Representative)

BOARD OF DIRECTORS ATTENDANCE AT MEETINGS (APR 2021 – SEP 2021)

NAMES	BOARD			SPECIAL BOARD			EXECUTIVE			SPECIAL EXECUTIVE		
	Pres.	Abs.	Exc.	Pres.	Abs.	Exc.	Pres.	Abs.	Exc.	Pres.	Abs.	Exc.
Richard Noray	9			5			9			3		
Ronald Bobb	8		1	5			9			3		
Arvin Isaac	9			5			9			3		
Michaela Garcia	5		4	4		1	8	1		3		
Laverne Francis	9			5			9			3		
Maurice Hoyte	9			5								
Melissa Hood-Joseph	9			5								
Wendy Williams	8		1	5								
Wayne Estrada	8		1	5								
Kendra Persad	9			5								
Gerard Mathews	8		1	5								
Janelle Benjamin	9			5								
Akil Myers	9			5								
Lyndon Williams	9			5								



Richard Noray
PRESIDENT



When our members need us most we are here!

We Are People Helping People

Eastern Credit Union is also Doing Right for its Members through special loan facilities to help those seriously affected by the impact of COVID-19 .



Individuals may benefit from:

- Loans up to \$30,000.00 with a maximum repayment period of up to 48 months
- A reduced interest rate of 6% per annum
- Only 5% share requirement
- Access to webinar sessions on financial crisis management
- Applications will be accessible via our online platforms (Website and Social Media platforms)

Small Business Owners may benefit from:

- Loans up to \$250,000.00 with a maximum repayment period of up to 48 months
- A reduced interest rate of 6% per annum
- ONLY 5% share requirement
- Access to webinar sessions on financial crisis management
- Applications will be accessible via our online platforms (Website and Social Media platforms)

Special conditions apply . Subject to normal lending criteria

When economic times are tough, your Credit Union is here for you.

KEEP CALM . STAY WISE . BE KIND

For further details contact our Call Centre at
800-4ECU (4328) or 800-LOAN (5626)


www.ecunewexperience.com



SUPERVISORY COMMITTEE



Renatta LaVerne Jones



Dionne Compton



Rhona Adams-Arrindell



Don Isaac



Ravina Bridgelal

OVERALL MANDATE OF THE SUPERVISORY COMMITTEE

The Supervisory Committee (hereinafter referred to as the Committee) is made up of volunteer members elected by you, the membership, who independently evaluate the strength, adequacy, safety and soundness of the Society's operations and activities. The Committee collaborates with the Board of Directors, the Chief Executive Officer and other employees of the Society to ensure that its assets are safeguarded by upholding policies, procedures and regulatory requirements relative to its internal controls and compliance.

The Committee derives its mandate from the:

1. Co-operative Societies Act Ch 81.03
2. Co-operative Societies Regulations 1971, S 50 (3) (c) (ii) – *"In addition to the Board, two committees shall be elected annually by the members namely a Supervisory Committee for the purpose of supervision"*
3. Eastern Credit Union Bye-Law 22 (e) (i) – Supervisory Committee Duties *"Make an examination of the affairs of the Society at least bi-annually, including an audit of its books and if necessary, convene a Special General Meeting and submit its report at such meeting"*
4. Eastern Credit Union Bye-Law 22 (e) (ii) - Supervisory Committee Duties *"Report to the Annual General Meeting"*

SCOPE

As a result of the evolving nature of the Covid-19 pandemic and the rapidly evolving government policies of restrictive measures put in place to contain it since March 2020, the Society was faced with challenges relative to the hosting of its 46th Annual General Meeting for the term 2019-2020, which consequently gave rise to two Annual General Meetings being held: one on December 5th 2020 at Hyatt Regency, Port of Spain and a reconvened Annual General Meeting held on March 27th 2021 at the Queen's Park Savannah, Port of Spain.

In compliance with ECU Bye-Laws 2017, Section 22 (e) (ii) which mandates one of the duties of the Committee as being to report to the Annual General Meeting, for the purposes of providing a comprehensive overview to the membership in light of the extended reporting periods, this report will capture the activities of the Committee for the following periods:

- **REPORTING PERIOD: October 2020 to March 2021**
- **REPORTING PERIOD: April 2021 to September 2021**

The Committee is therefore pleased to provide an independent view and assessment of the Society, as expressed below through presenting key highlights of the periods under review.

REPORTING PERIOD: October 2020 to March 2021

COMPOSITION OF THE COMMITTEE

During this reporting period, the composition of the Committee continued as follows, having been elected at its inaugural meeting held on June 17th, 2019:

Committee Member	Position on Committee
Mr. David Taitt	Chairman
Ms. Anne-Marie Arnaud-Thomas	Secretary
Ms. Dionne Compton	Member
Ms. Rhona Adams-Arrindell	Member
Ms. Renatta LaVerne Jones	Member
Ms. Camille Rolingson	1st Substitute
Ms. Jacquelyn Humphrey	2nd Substitute

GENERAL ACTIVITIES

End of Year Cash Count

At the end of the Financial Year 2020, the Committee along with the External Auditors, conducted Cash Counts at the following branches:

- Tunapuna
- Arima
- Sangre Grande
- San Fernando
- La Joya

No discrepancies were noted and no material weaknesses identified. We thank Management for their continued cooperation.

OBSERVATIONS

46th Annual General Meeting held on December 5th, 2020

Reference is made to the Co-operative Development Division letter dated February 3rd 2021, Ref: MYDNS (CCD) 6/6/119 AW/DCM, captioned "Re: Request for Interpretation of Motion passed at Annual General Meeting on December 5 2020". This guidance and clarification was sought regarding the following motion at the 46th Annual General Meeting (AGM) on December 5th, 2020, which read: "That the 46th Annual General Meeting be rescheduled to a date to be fixed at a time when the rules and regulations are relaxed to the point where a greater number of members can be in attendance and that the existing Chairman and Board of Directors and Committees remain in place." The letter reads:

"The above-mentioned provisions clearly stipulate that elections for members of the Board of Directors, Credit and Supervisory Committees are to be held at the AGM annually. To purport to extend the lives of the existing Board and Statutory Committees, via a motion from the floor of the AGM in the manner indicated is in direct contravention of your Society's Bye-laws, and hence the Co-operative Societies Act and its regulations. The powers conferred upon the Annual General Meeting do not include, on its own accord, extending the life of the Board indefinitely.

The motion put to the membership was therefore in contravention of the Co-operative Societies Act, Chapter 81:03, its Regulations and Eastern Credit Union's own Bye-Laws. Such a motion should have never been put to a vote because it cannot stand and any purported approval of such a motion is null, void and of no effect."

46th Annual General Meeting (Reconvened) held on March 27th, 2021

The Committee received letters of complaint from and would have met with two prospective candidates for Annual General Meeting Election of Officers. The Committee takes this opportunity to apologise to the members who, although having been advised in writing that they had satisfied the eligibility criteria which was expressly stated on the Nomination form, and consequently were featured in the Annual General Meeting Brochure of 2019, were withdrawn due to a Board decision, without any prior official/formal written notice. The Committee acknowledges that those members would have offered themselves for service and so may have felt embarrassed and disadvantaged.

Additionally, at this reconvened meeting, the Committee noted that a breach in procedure relative to the Adoption of the Nominating Committee Report by the membership may have occurred, an observation that was also highlighted verbally by a member who was in attendance. The Chairman would have stated the numbers in attendance and the numbers of members who voted 'against'. No count of the members who voted 'for' or who may have 'abstained' were taken.

As at the time of this report, the Committee is in the process of its investigation into the Nomination process of 2019.

Board and Supervisory Committee Working Relationship

ECU Bye-Laws, 22 (e), sub-clauses (i), (vi) and (vii) provide that the Committee's functions include the review of the activities of the Board, management and staff, and ensuring that policies and procedures are followed in the interest of the general membership. Specifically, this includes the inspection of the Society's records and assets for accuracy and soundness. Access to documents such as Board and Board Sub-Committees' Meeting Minutes was not always provided to the Committee during the period under review, thereby impacting on its ability to deliver on its mandate.

REPORTING PERIOD: April 2021 to September 2021

COMPOSITION OF THE COMMITTEE

At the 46th Annual General Meeting (Reconvened) held on March 27th 2021, four members were elected by the membership. Therefore, during this reporting period, the Committee was comprised of the following members, with Ms. Renatta LaVerne Jones and Ms. Dionne Compton being selected as Chairperson and Secretary respectively, at the Committee's inaugural meeting held on April 1st 2020:

Committee Member	Position on Committee
Ms. Renatta LaVerne Jones	Chairman
Ms. Dionne Compton	Secretary
Mr. Don Isaac	Member
Ms. Rhona Adams-Arrindell	Member
Ms. Ravina Bridgelal	Member
Ms. Anne Marie Arnaud-Thomas	1st Substitute
Mr. Trevor Rogers	2nd Substitute

GENERAL ACTIVITIES

The Committee after being elected into office attempted to set out a work plan for the financial year to ensure that members' assets and savings were at all times safeguarded and protected and also to ensure that the Society was operating safely by following all internal control procedures and policies as well as regulatory mandates. Unfortunately, ongoing Covid-19 government and health restrictions and branch closures stymied these efforts.

Support for ECU Staff Member

In the spirit of the co-operative principles, members of the Committee donated a percentage of their stipend to an ECU staff member's medical bills, as a demonstration of our support and appreciation for that staff member's dedicated service and contributions to the Society. The cherished staff member had suddenly fallen ill. Our love and prayers are with this member at this time.

Statutory and Other Meeting Attendance

For the period April 2021 to the time of this report, the Committee held six (6) Statutory Board Meetings and nine (9) Special Meetings:

NAMES	STATUTORY MEETINGS			SPECIAL MEETINGS		
	Pres.	Abs.	Exc.	Pres.	Abs.	Exc.
Renatta Jones	6	-	-	8	-	1
Dionne Compton	5	-	1	9	-	-
Rhona Adams-Arrindell	6	-	-	6	-	3
Ravina Bridgelal	6	-	-	8	1	-
Don Isaac	5	1	-	5	2	2

As the Covid-19 restrictions continued, all meetings were attended virtually, via the Google Meet platform.

Cash Count

Please note that a mid-year cash count was not conducted due to Covid-19 restrictions and branch closures.

Audit

The Committee during the year under review carried out two audits. The Committee made observations and recommendations to the Board of Directors and Management for consideration.

BOARD SUB COMMITTEES REVIEW

The Committee completed a review and reconciliation of the Board Sub-Committees for the term commencing April 1st 2021 relative to the existing Terms of Reference for these Committees.

The Committee provided the Board with a detailed matrix of its observations, some of which were:

- i. Ensuring Terms of Reference for all Committees are on record and easily accessible;
- ii. Ensuring the annual review and standardization of the parameters of the Terms of Reference as it relates to the requirements needed for co-opting, monthly reporting, handover and establishing a quorum;
- iii. Ensuring compliance with the Terms of Reference as it relates to the composition of the Committees; and
- iv. Ensuring the alignment between the strategic value and importance of Sub-Committees to the Society's goals and strategic direction.

The Committee was heartened by the actions of the Board of Directors as it embarked on and has concluded a codification exercise aimed at addressing some of the issues above.

EXAMINATION OF ELECTED OFFICIALS', CO-OPTED MEMBERS' AND MEMBERS' FILES

ECU Bye-Laws 2017, 22 (e) (vii) establishes one of the duties of the Supervisory Committee as: *"The Committee shall satisfy itself that for each loan proper documents are on file and that each application embodies the purpose for which the loan was made and that the security offered is adequate"*.

The Committee felt it prudent not only to examine the files of Elected Officials for the period but also those of our Co-opted Members. A total of forty-five (45) files were provided and reviewed. The review revealed that five Elected Officials' files were lacking pertinent loan approval information. This was brought to the attention of Management for their rectification.

Provision of Committee Monthly Reports to the Central Bank of Trinidad and Tobago

In August 2021 the Committee provided the following reports, pursuant to a request from the Central Bank of Trinidad and Tobago for "all reports submitted by the Supervisory Committee during the period January 2020 to July 2021", "to facilitate a review of the organisation that is currently in progress":

- **Report of November 2019** tabled at 541st Statutory Meeting of ECU Board of Directors on November 28, 2019;
- **Report of January 2020** emailed to the Board of Directors to be tabled at 544th Statutory Meeting of ECU Board of Directors on February 19, 2020;

- **Report of March 2020** tabled at 547th Statutory Meeting of ECU Board of Directors in May 2020;
- **Report of May 2021** emailed to Secretary of Board on May 26, 2021 for tabling at 559th Statutory Meeting of ECU Board of Directors on May 29, 2021; and
- **Report of June 2021** emailed to Secretary of Board on June 18, 2021 for tabling at 560th Statutory Meeting of ECU Board of Directors on June 26 2021 and reconvened on June 28 2021

Investigative Reports to the Board of Directors

During the period under review, investigations were conducted with reports submitted to the Board of Directors, namely:

- Investigation of Conduct of Directors;
- Investigation of Breach of Confidentiality; and
- Investigation of Professional Conflict of Interest and Non-Compliance with Fit and Proper Guidelines of The Central Bank of Trinidad and Tobago

Suspension of an Elected Member of the Supervisory Committee

The Committee undertook an investigation into the conduct of a Supervisory Committee Member, and the potential breaches relative to **ECU Confidentiality Agreement, ECU Code of Ethics for Board and Committee Members, ECU Bye-Laws 17 (g) (i), ECU Bye-Laws 22 (e) (viii), ECU governance protocols and overall conduct**. The purported actions of the Elected Official did compel the Committee to take protective steps, as we were concerned that the actions of the Elected Official would potentially not only jeopardise the Committee's reputation, credibility and accountability, but be significantly deleterious to that of the Society's.

The Committee first referred the matter to the Commissioner of Co-operative Development for their intervention and arbitration, invoking Section 67 (Dispute) of the Co-operative Societies Act. Thereafter, advice was received from the Co-operative Development Division by letter dated 7th July 2021, reference CDD: L 6/6/119, signed by Commissioner for Co-operative Development (Ag), and so consequently the Committee invoked **Section 22 (e) (iii) of ECU Bye-Laws: "By the unanimous vote of all its members, if it deems such action to be necessary to the proper conduct of the Society, suspend any Board or Committee member and call a Special General Meeting to act on such suspension. The members present at that meeting may by a majority vote, sustain such suspension and remove such Board or Committee member or reinstate such Board or Committee member."**

In the interest of natural justice, procedural fairness and in accordance with the principle and practice of full disclosure, the Elected Official was provided with a summary of all the documentation and principal evidence both in hardcopy and electronically that will be used in this matter.

At the time of this report, the Elected Official has neither acknowledged the receipt of any of the communication sent via email (to both the ECU and private email address on record), nor has the Elected Official collected the formal package left at the offices at La Joya, St. Joseph.

A Special General Meeting will be convened in which the membership will deliberate on this matter.

GENERAL OBSERVATIONS

ECUs Response to Covid-19

As the world continues to face the uncertainties of the Covid-19 pandemic, ECU remained steadfast in supporting our members' needs. In this health and economic crisis, ECU deployed resources to protect both staff and members, ensuring adherence to the advice and guidelines provided by the Ministry of Health. The Committee wishes to highly commend Management for implementing strategies to ensure staff and branches remained safe, operational and open to serve our members. Additionally, in this very important time where communication with our members remains pivotal, whether through traditional (in-branch signage/posters) and/or electronic media (ECU Facebook and website), Management must be commended for:

- Informing members that ECU is open and available to help them through this crisis, whether through special loans, loan payment deferrals for specified periods; and
- Alerting members to ECU's electronic banking resources, internet and mobile banking and ATM facilities as alternatives to in-branch transactions.

The closure of the Barataria branch, while it posed a disadvantage to members, was necessary due to the social distancing requirements as mandated by the Ministry of Health.

Co-operative Societies Regulations S23 – Minutes of Board Meetings

The Committee noted and guided the Board to the *Co-operative Societies Regulations S23, Subsection (c), "Minutes of Meetings"*, which states that the Minutes of Meetings must contain the number of ECU members on record as at the date of the Board Meeting.

Co-operative Societies Regulations S25 – Powers and Duties of the Board

The Committee also highlighted to the Board, the *Co-operative Societies Regulations S25, Subsection (3), "Powers and duties of the Board"*, which states that the Board must ensure that a copy of the most recent financial statement is conspicuously displayed in branches. The Committee advised management of the observed delays in the receipt of this document in order to fulfil its mandate as per ECU Bye-Laws 22 (e) (v).

Delinquency Control and Management

ECU's delinquency portfolio and its management, while it remains within the remit of the Credit Committee and management, continue to receive the attention of the Committee owing to its significant link to the overall financial health of the ECU. It is for that reason, a special effort was made to have a presence at the monthly meetings of the Delinquency Committee.

The Committee notes that in May 2021, in addition to the State of Emergency and curfew measures implemented by the Government to contain a spike in the Covid-19 infection, other health and restrictive measures continued to be in place which adversely affected the Trinidad and Tobago economy and negatively impacted delinquency on loans. As at September 2021, the delinquency percentage stood at 24.2%.

The Committee commends the Collections Department for continuously and aggressively pursuing collections on all outstanding loans and takes this opportunity to encourage members to continue to prioritise making their loan payments on time.

Dividends

Contributing to the reduced dividend was the economic challenges brought about by the pandemic which resulted in reduced income, in addition to the increased impairment provisions. For noting, the Las Viviendas impairment amounted to \$4million, impairment on investments totalled \$0.25million and impairment on loans to members equalled \$19.2million.

EPL Properties Ltd

The Committee continues to pay close attention to the profitability of EPL Properties Ltd, relative to its revenues and overall expenditure and their impact on the Society's financial position.

OUTSTANDING MATTERS

Las Viviendas Housing Development, Valencia

As members may be aware, following the establishment of a Housing Committee in 2013 arising out of a need to provide affordable houses to the membership, a decision was made in 2014 by the then Board, to purchase the property known as Las Viviendas situated in Valencia. In 2015, questions were asked about due diligence with regards to the said purchase which caused the then Board to commission an investigation of the process in that year.

Since that time, the Committee has continued to request an update on this 16-acre venture, which still represents a significant expenditure/investment. The Committee shares the view of the membership that this matter has been going on for far too long and believes the membership should be apprised of all information relative to the newest developments in this matter.

Special General Meeting of December 16, 2019

The Committee continues to remind the Board of the expressed commitments made to the membership on December 16th, 2019 relative to the dissemination of a revised proposed Bye-laws amendment document and the re-convening of the meeting. Members should be notified and or updated on this matter.

GOVERNANCE ISSUES

During the Committee's several investigations for the period, it is important that the following also be raised:

- A. The responsibility and obligation of the Board of Directors, Management and each individual Director of ECU in ensuring compliance with The Central Bank's regulatory guidelines - According to the Central Bank, *"The Board should establish a policy which establishes that the assessment is conducted at the nomination stage; and thereafter, at a minimum on an annual basis; when there is a material change; or when information comes to the attention of the Board to prompt a re-assessment."*
- B. The responsibility of the Board of Directors and Management in:
 - Instituting internal controls and checks to ensure all sitting Directors have signed and submitted Declarations of Ethical Conduct and that proper records of all signed Personal Questionnaire Declaration forms are kept;
 - Assessments of existing policies and control procedures are to be executed

to determine whether they are sufficiently robust to safeguard against error, conflict of interest, self-dealing and fraud and in accordance with existing regulatory frameworks;

- All relevant plans, policies and control procedures that are to be established must be properly explained, administered and monitored both by Management and the Board;
- The development of a Code of Conduct for Board and Committee meetings which will outline board/committee etiquette, the standards of behaviour and professional conduct expected from elected officials both during and outside of meetings, while serving on the Board or Committees. Because of Directors'/ Members' diverse work experiences, personalities and reasons for serving, a code of conduct framework is necessary so as to create a common ground in which all can work in furtherance of the goals of ECU and the best interests of its membership;
- The implementation of training in procedural protocols for Board meetings; and
- The development of a policy mandating and outlining a handover process to successors, upon the change of and or assumption of duties of Board Members into duly appointed roles. This should include a comprehensive handover document and meeting(s) to ensure the smooth transition and to minimize conflicts and uncertainty.

Review and Update to ECU Bye Laws

Over the period, a number of interesting issues arose that point to certain Bye-Laws and policy gaps that should be addressed urgently by the membership. These are:

1. Interpretation: ECU Bye-Laws Section 1 – The word “Officer” should be clearly defined and aligned to the Co-operatives Societies Act and Central Bank of Trinidad and Tobago Guidelines;
2. Qualifications for Board and Committee Member: ECU Bye-Laws Section 17 (a) – can include that an employee of another Society shall not be eligible for election;
3. Fit and Proper Criteria and Nomination Eligibility: ECU Bye-Laws Section 17 (a) (iv) - There should be a documented process for ensuring the Central Bank of Trinidad and Tobago Fit and Proper assessment of candidates is initiated at the Nomination stage to avoid any conflict of interest;
4. Grounds for Conflict of Interest for the Board or Committees: ECU Bye-Laws Section 17 (f) – This should be aligned by incorporating The Central Bank of Trinidad and Tobago’s Conflict of Interest definitions. This should also be done for ECU Code of Conduct for Board of Directors and Committee Members Policy;
5. Grounds for Disqualification of a Board or Committee Member: ECU Bye-Laws Section 17 (h) (i) – can include failure to meet Fit & Proper criteria;
6. Nominating Committee: ECU Bye-Laws Section 24 – This can include guidelines for the composition and establishing the independence of the Nominating Committee. The Supervisory Committee suggests that consideration be given to the Chairmanship of the Committee being a non-Board or Committee member; and the members comprising qualified ECU members; and
7. Establishment of a Disciplinary Policy and Procedure for Elected Officials.

THANK YOU

The Committee wishes to convey its appreciation to you, our cherished members, our management and staff and the Board of Directors, for the role you have played in maintaining confidence in the Society, despite the challenges ECU has undergone since 2020.

We wish to acknowledge the resilience and commitment that members have continuously shown to Eastern Credit Union and the staff for working tirelessly to make sure that the business runs seamlessly.

While in the period(s) under review we could only have concentrated on specific operational compliance issues given the obvious constraint, the Committee will endeavor to carry out assignments which are more substantive in nature to assist all relevant stakeholders. We remain committed to the job you have elected us to do.

The Committee has again determined that ECU is a strong and resilient financial institution. We thank the Board of Directors, management and staff for their cooperation and commitment to sound financial practices. Thank you and God Bless you all.



Renatta Laverne Jones
CHAIRPERSON



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Eastern
Credit Union
Co-operative Society Limited
Licensé, Truë Roy.

CREDIT COMMITTEE



Kirk Ferguson



Mary Thompson



Pat Ward



Elisha Sankar



Mahmud Mohammad

INTRODUCTION

Article 21 (c) of the Bye Laws of Eastern Credit Union (ECU) mandates the Credit Committee *to meet at least once per week or as often as the business may require*. As at January 01st, 2020, the Credit Committee comprised:

Mr. Kirk Ferguson	Chairman
Ms. Mary Thompson	Secretary
Ms. Pat Ward	Member
Ms. Elisha Sankar	Member
Mr. Mahmud Muhammad	Member

Ms. Jemila Guerero served as the only substitute.

The term of the members named above ended on March 27th, 2021.

THE CREDIT COMMITTEE

Section 21 (d) of the Bye Laws of the Eastern Credit Union Cooperative Society Ltd (ECU) states:

All loans shall be approved by the Credit Committee.

However, as a practical matter, the Committee cedes much of its power to specialised units in our Society—selected members of Senior Management, Branch Operations Financial & Advisory Services (BOFAS), the Business Unit, Branch Managers, and Loan Officers. Any member of our Society who wishes to discuss matters directly, or indirectly, related to their loan is free to meet with the members of their Credit Committee at a time of mutual convenience. However, with the onset of the pandemic such meetings have become very rare.

As a consequence of the pandemic, there was a change in the format of our weekly meetings. From April 8th, 2020, a hybrid format was employed: the Chair and Mr. Muhammad were physically present at La Joya while the other members joined virtually. The tangible assistance of the Credit Administration department was always available to us at these weekly meetings.

On behalf of the Credit Committee, I report to the 47th Annual General Meeting on our stewardship.

The economic data used in this report, except where historical figures are referenced, covers the 2020 financial year: Jan 1st to Dec 31st.

REVIEW OF FILES

For the period January 1st, 2020 to March 27th, 2021, the Credit Committee reviewed 1266 files and gave approvals to 910. The breakdown for approvals is as follows:

Table 1

Facility	# of files	Value
Loans	261	\$173 055 952
Share Withdrawals	222	\$2 252 751
Share to Loan Transfers	185	\$7 716 296
Moratorium Requests	242	n.a

A more granular view of the 261 loans approved by the Credit Committee is illustrated Table 2 and Figure 1.

Table 2

Year	# of loans	Loan value
Jan 20	13	\$8,012,025.00
Feb 20	14	\$2,487,067.00
Mar 20	28	\$47,262,913.00
Apr 20	25	\$5,703,233.00
May 20	12	\$1,860,170.00
Jun 20	9	\$3,170,496.00
Jul 20	23	\$7,574,959.00
Aug 20	22	\$7,929,865.00
Sep 20	13	\$40,185,302.00
Oct 20	10	\$5,859,644.00
Nov 20	24	\$15,816,517.00
Dec 20	21	\$6,635,240.00
Jan 21	8	\$3,080,432.00
Feb 21	16	\$6,443,576.00
Mar 21	23	\$11,034,513.00

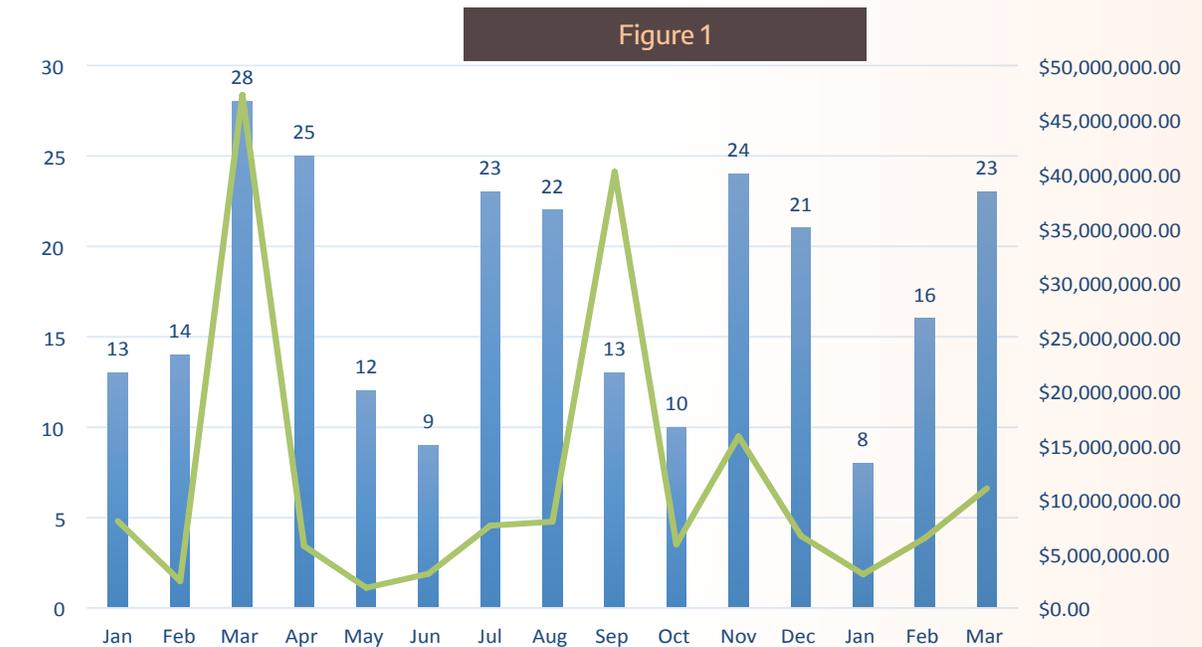


Figure 1 juxtaposes the number of loans (bars) with the loan value (trend line). The data is taken from Table 2.

During the period, we reviewed twenty-five loans whose value each exceeded \$1million. Of these, two loans to the value of approximately \$7.3million were declined, while twenty three loans to the value of approximately \$131.6million were approved.

THE 2020 ECONOMIC ENVIRONMENT

For Eastern Credit Union, the year 2020 was the most challenging year since our April 1973 inception.

On January 30th, 2020, the World Health Organisation declared the novel coronavirus a Public Health Emergency of International Concern, and a global pandemic on March 11th. Two days later, March 13th, the government closed all schools. A lockdown was implemented on March 26th, followed by a closure of the borders on March 28th. These measures remained, in some form or fashion, during the year 2020 and negatively impacted most sectors of the economy. The main driver of the economy, the Energy Sector, underperformed. Declines were experienced in major sectors such as Manufacturing, Construction, Transport and Tourism. In the second quarter of 2020, it was estimated that real Gross Domestic Product (GDP) had fallen by 7.5%.

Lockdowns led to spikes in short-term unemployment figures, though, food price inflation was a modest 2.8%. There were no significant fluctuations in the Exchange Rate. The Credit Committee’s 2019 report noted as “worrying” a public sector debt to GDP figure of 63.7%. In 2020, the figure stood at 80.7%. However, it should be noted that the pandemic triggered a global rise in debt levels as many countries borrowed to stay afloat.

Some of the sundry rates which exist in the financial market were of concern to the Credit Committee; namely, the Weighted Average Lending Rate, the Repo Rate and the Reserve Requirement Rate. These three directly impact the levels of liquidity in an economy.

The Weighted Average Lending Rate for commercial banks declined by 43 basis points to 7.29%. In 2019 this figure was 7.72%.

The Repo Rate, which is set by the Central Bank, influences the rate of interest charged for loans by commercial banks. The higher this rate, the higher the rate charged by commercial banks. On March 17th, this rate was lowered by 150 basis points to 3.5%. It should be noted the Repo Rate held steady at 5% in 2018 and 2019.

Commercial banks are required to hold a percentage of funds in reserve. In March, the Central Bank lowered the Reserve Requirement Rate by 300 basis points from 17% to 14%. This meant that these banks now had more funds available to lend.

In 2019, our report noted the “excess liquidity” present in the financial system, but in 2020 the system was even more liquid. The commercial banks, a major competitor, had excess reserves of \$12.7 billion in December 2020. In December 2019, this figure was \$5.7 billion.

The Central Bank took an additional measure in response to the pandemic. On March 24th, via a circular letter, it gave financial institutions the leeway to grant moratoria on loan payments. Eastern Credit Union made this facility available to our members.

The sequence of events listed above helped shape an economy that featured high levels of liquidity and historically low interest rates; therefore, there was intense competition in the financial sector. Members of the Credit Committee were ever mindful of the economic circumstances of the day and, week in week out, worked with more passion and greater commitment in our service to the membership.

LOAN PORTFOLIO

The loan portfolio comprises the different types of loans and their respective values as they exist on the books of ECU. The 2020 portfolio is represented using tables and corresponding pie charts.

Table 3 illustrates the portfolio ranked by the metric, monetary value. The value of the total portfolio is \$1.3725billion. A marginal decrease compared to the 2019 figure of \$1.375 billion.

The Table lists Housing as our most valuable loan type. This was also the case in 2019 when Housing was worth \$492 million.

The second most valuable loan type is Consumer loans. In 2019, however, Vehicle loans took second place with a value of \$228 million.

Figure 2 is a pie chart representing the loan portfolio in terms of monetary value. The percentage values from **Table 3** were used to segment the chart.

Table 3

Loan Type	\$M	%
Housing	564.8	38.69
Consumer	318.5	21.81
Vehicle	201.9	13.83
Debt Consolidation	118.7	8.13
Business	94.4	6.46
Miscellaneous	55.7	3.81
Ceremonies And Xmas Expenses	38.2	2.61
Education	23.2	1.59
Vacation	21.7	1.49
Medical Expenses	9.2	0.63
Share Investment	6.8	0.46
Legal Fees	3.7	0.25
Insurance	2.1	0.15
Domestic	1.01	0.07
Total	1372.5	100

Figure 2 : Distribution of Loans by Type (\$), 2020

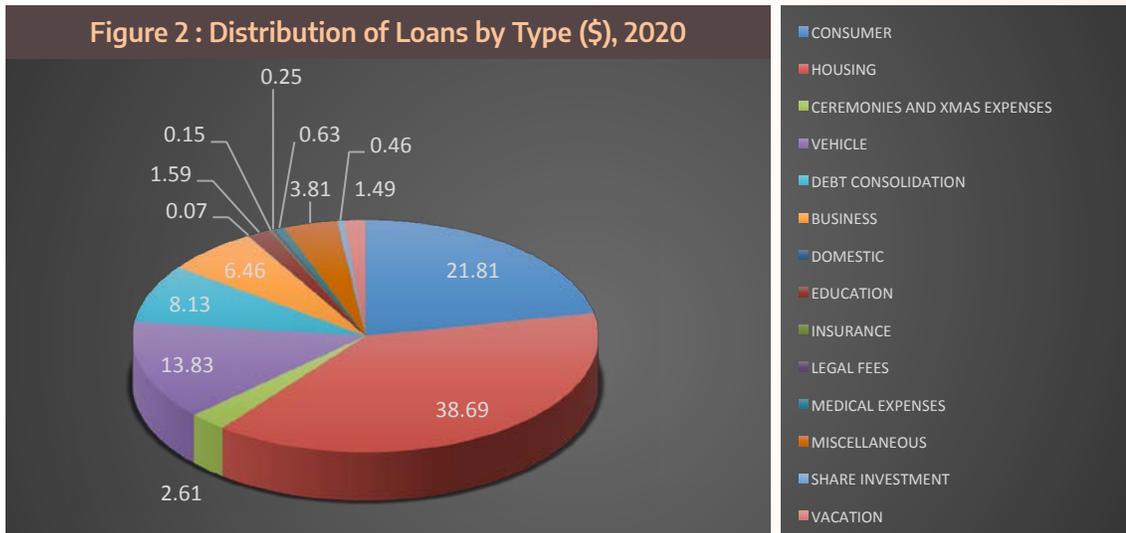


Table 4 illustrates the portfolio ranked by the metric, number of loans. In 2020, there was a total of 28,916 loans on the books of ECU. This is a decrease from the 2019 figure of 29,914 loans.

Table 4

Loan Type	# of loans	%
Consumer	14,903	51.54
Housing	5,112	17.68
Vehicle	2,121	7.34
Miscellaneous	1,871	6.47
Debt Consolidation	1,525	5.27
Ceremonies And Xmas Expenses	1,251	4.33
Education	624	2.16
Vacation	550	1.9
Business	350	1.21
Medical Expenses	271	0.94
Share Investment	174	0.6
Legal Fees	87	0.30
Insurance	46	0.16
Domestic	31	0.11
Total	28916	100.00

The highest number of loans is located in the Consumer loan type. This is consistent with the 2019 record when Consumer loans were the highest at 13,128.

The second highest number of loans is located in the Housing loan type. This also happened in 2018 when there was a total of 4,990 Housing loans.

Figure 3 is a pie chart representing the portfolio in terms of number of loans. The percentage values from Table 4 were used to segment the chart.

LENDING ACTIVITY

A 5-year record of lending activity is shown in Table 5.

The 2020 value of loans decreased by \$59.7 million when compared to the 2019 figure. There were also 998 fewer loans.

Figure 3 juxtaposes the number of loans (bars) with the value of the loans (trend line). The data is taken from Table 5.

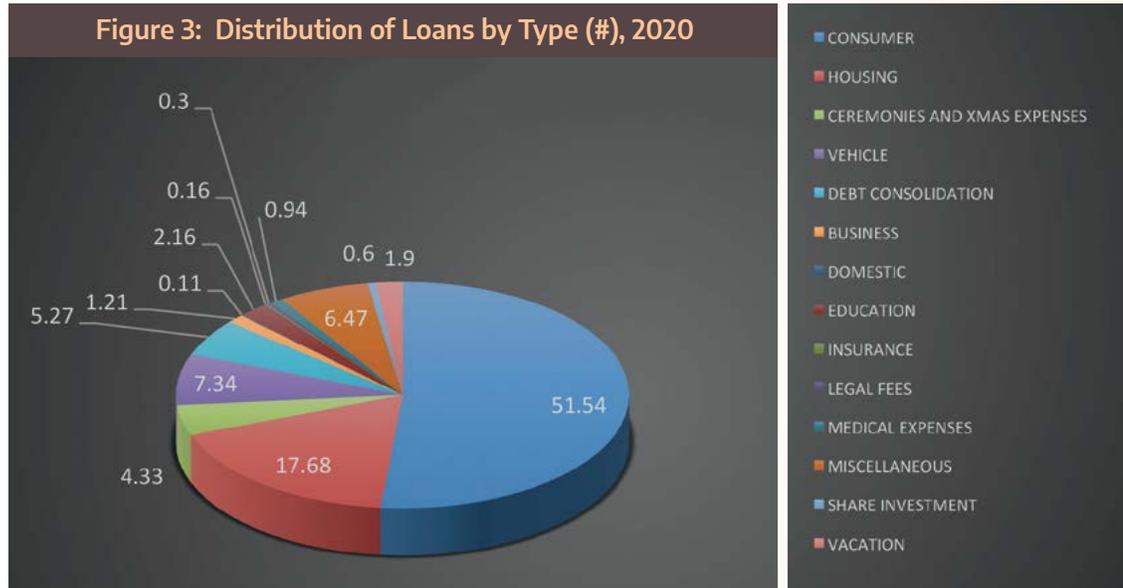
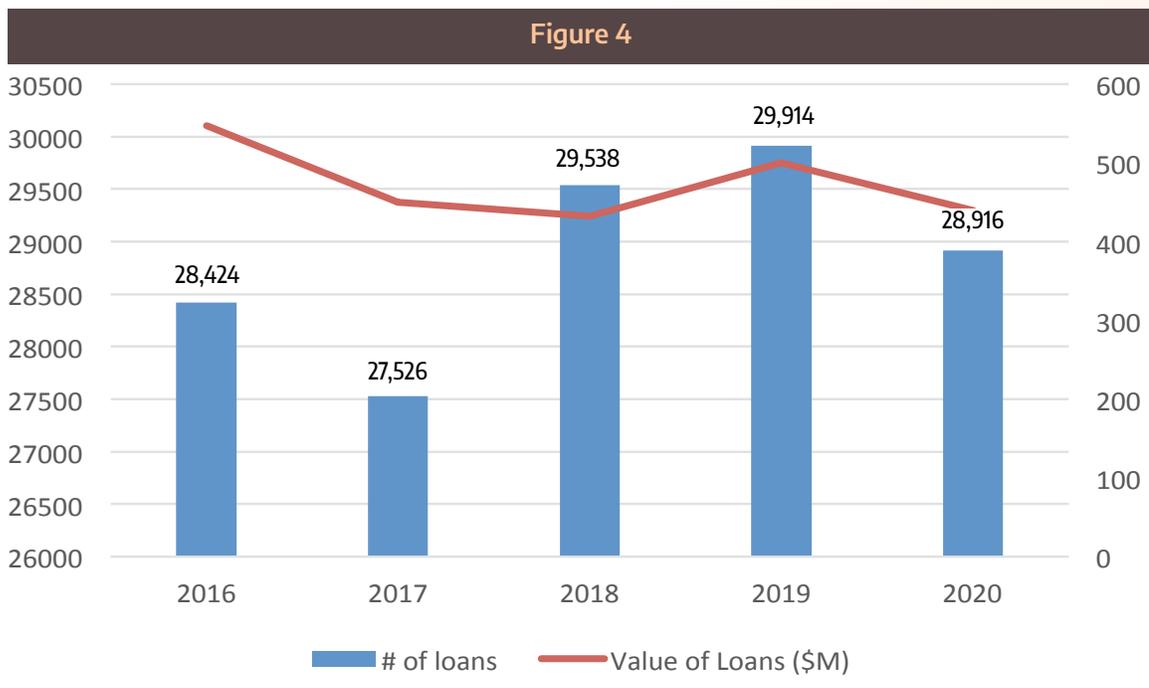


Table 5

Year	# of Loans	Value of Loans Disbursed (\$M)
2016	28,424	546.9
2017	27,526	450.5
2018	29,538	432.3
2019	29,914	499.8
2020	28,916	440.1



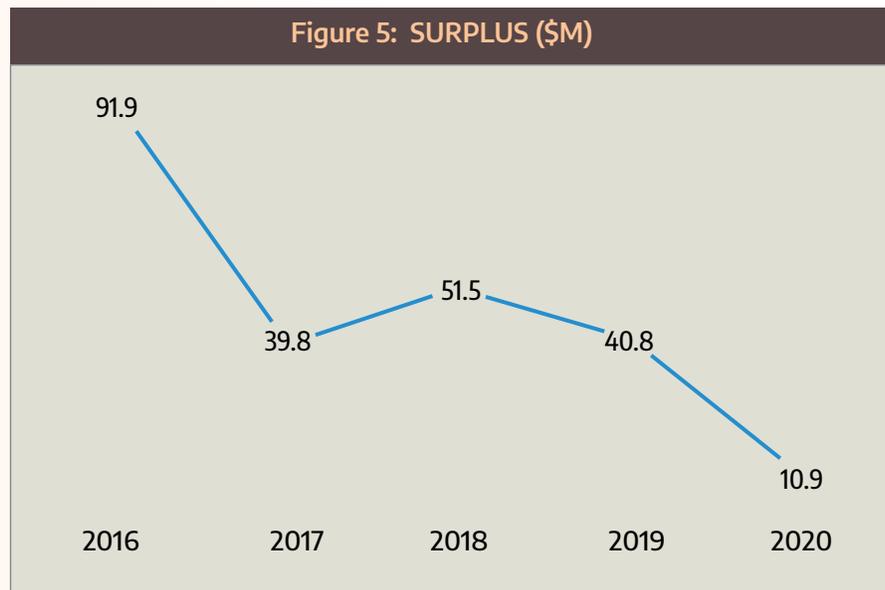
SURPLUS

The surplus figure represents the difference between our Income and Expenditure and is calculated via the Statement of Comprehensive Income.

Table 6

Year	Surplus (\$M)	Increase/Decrease in \$ Value of Surplus
2016	91.9	6.9
2017	39.8	-52.1
2018	51.5	11.7
2019	40.8	-10.7
2020	10.9	-29.1

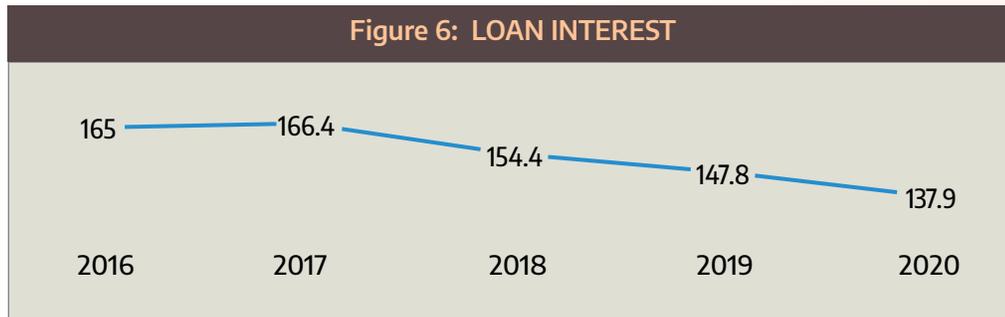
Figure 5 gives a graphical view of this data



LOAN INTEREST

These figures show the actual interest paid to the ECU by all the loans on our books. In 2020, there was a decline in loan interest earned. Table 7 and Figure 6 refer.

Year	Loan Interest Income (\$M)
2016	165
2017	166.4
2018	154.4
2019	147.8
2020	137.9



LOAN PROMOTIONS

In 2020, Credit Administration ran loan promotions for approximately eight weeks, which earned the Society a total of \$ 117,627,649. A breakdown is contained in Table 9.

Promotion Name	Promotion Period	Dollar Value
Vibes & Colour Carnival Loan	January 2nd to February 21st	\$ 3,012,001
Eastern's Eggtra Egg-citing Everything Loan	March 16th to April 20th	\$ 5,286,117
Seasons Change	September 14th to December 31st	\$ 109,329,531

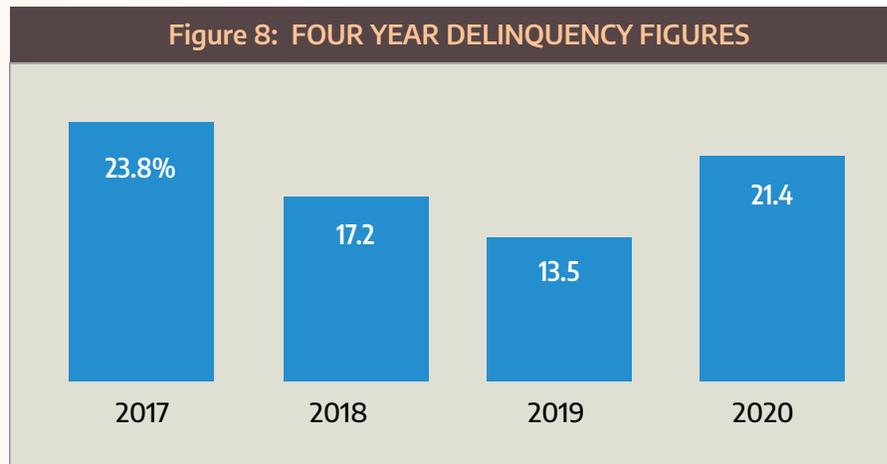
DELINQUENCY

A four year analysis of the delinquency figure reveals a steady decrease for the period 2017 to 2019 but there was an upswing in 2020. Table 10 and Figure 8 refer.

Table 10

Year	Delinquency (\$M)	Delinquency %
2017	345,869,960	23.80%
2018	235,844,637	17.20%
2019	185,780,520	13.50%
2020	312,608,858	21.4%

Figure 8: FOUR YEAR DELINQUENCY FIGURES



RECOMMENDATIONS

The Credit Committee has noted an uptick in instances of Credit Administration offering favourable interest rates to members who so qualify. It is in line with our prior recommendation. We fully endorse this initiative and trust that it will continue.

We expressed our concerns as it relates to “the length of time taken to complete the loan process”. The Credit Committee notes some improvement in this regard via minor, but sustainable improvements, in the loan process.

The Society comprises approximately 202,000 members. In time, the economy will rebound and our membership will be in need of financing. The Credit Committee recommends a marketing program to our vast membership. The core message of such a program should be *this too shall pass* . . . your Credit Union will be there to assist in the rebuilding of your wealth.

CONCLUSION

Dreams can lift us up and make us better.

Forty eight years ago, the dream of the Eastern Credit Union Cooperative Society Ltd was to lift up the marginalized: ordinary citizens who found it difficult to access funding in the traditional financial sector. In this effort we have succeeded, in this effort we continue. As we have expanded into a ten digit financial entity, our target market has, perforce, also expanded. The Society, with much forethought and judiciousness, continues to pursue business from members who do not usually consider credit unions as a primary source of funding. We have confidence in the excellence and capacity of Credit Administration and all of our employees to manage this thrust.

But what of our initial purpose? A purpose best summed up in the aphorism—***Not for profit, not for charity, but for service.*** We want to give the assurance to the membership that those whom you have elected to serve on this Credit Committee have not forgotten that truth; it is the glue that keeps us together; it is our core principle; it guides us meeting after meeting. That truth lifted the members of our first branch, located at #13 Second Street, San Juan and what started in the East, today lifts up members all over this twin island country.

On behalf of the Credit Committee, we wish to thank the Board, the Supervisory Committee and all employees of the ECU. We thank those who in the past laid the foundation upon which this house was built. We have every confidence in the future and our ability to attract and retain new members. We thank the membership who have stuck with us from the aftermath of the 70s Revolution to the challenge of the Covid-19 pandemic.

My colleagues and I close by, encouraging our membership to stay safe, stay optimistic, and stay true to your credit union.



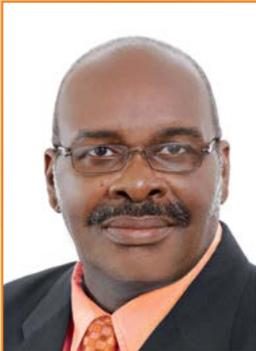
Kirk Ferguson
CHAIRMAN

CREDIT COMMITTEE ATTENDANCE (JAN 01, 2020 – MAR 27, 2021)			
NAMES	Pres.	Abs.	Exc.
Kirk Ferguson	70		
Elisha Sankar	61	9	
Mary Thompson	66	4	
Mahmud Muhammad	66	4	
Pat Ward	64	6	

Following the 46th Annual General Meeting held on 27th March 2021 the Credit Committee consisted of the following persons:

Kirk Ferguson	Chairman
Jacquelyn Humphrey	Secretary
Mary Thompson	Member
Elisha Sankar	Member
Alphieus Jeffers	Member
Mahmud Muhammad	(1st Substitute)
Jemila Guerero	(2nd Substitute)

EDUCATION COMMITTEE



Ronald Bobb



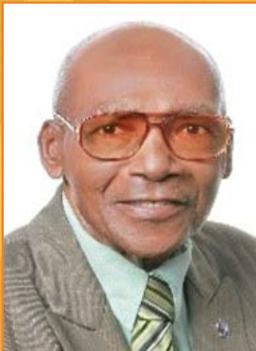
K'Arece Rogers



Arvin Isaac



Maurice Hoyte



Gary Cross

Following the re-convened Annual General Meeting held at the Queen’s Park Savannah on 27th March, 2021 and consistent with the Society’s Bye-laws Article 23 (f), the members of the Committee for the 2021 period, 1st April to 30th September, 2021 were selected by the Board of Directors, as follows:

Mr. Ronald Bobb	Chairman
Ms. K’Areece Rogers	Secretary
Mr. Arvin Isaac	Member
Mr. Maurice Hoyte	Member
Mr. Gary Cross	Member

The undermentioned members were co-opted to serve alongside the committee.

Ms. Sandra Charles-Maxwell
 Ms. Stacy Alleyne
 Mr. David Taitt
 Ms. Dionne Melville
 Ms. Carissa Baptiste-Reneaud

The Committee is charged with the responsibility of educating and training the membership to improve their standard of living. In this regard, the Committee hosted webinars to address the financial and social needs of the members.

The following highlights the activities undertaken by the Education & Bye-laws Committee.

SEA MOTIVATIONAL WORKSHOP

The workshop was held on Friday 11th June, 2021. The date was adjusted due the postponement of the SEA Exams, which took place in July, 2021.

The theme of this year’s workshop was “I am Resilient”. This was the first time in its twenty-year history, the format had to be changed from an in-person sessions, due to the Covid-19 regulations.

It was the first time a fully digital workshop was done and was aired on CNC3 television which had a viewership of five thousand persons. This meant that it would have reached many more students if it was held in person.

Key highlights included:

Host: Errol Fabien

Freetown Collective: Motivational Speakers Muhammed Muwakil and Lou Lyons spoke on the importance of school/education and the positive impact on their lives.

DMad Company: Skit on working through Covid burnout and staying safe.

Inter Caribbean Children’s Ministries: Puppet skit “Listen to Your Parents”

DMad Company: Skit on bullying

Maria Peters: Spoken Word, “I am Resilient”

Freetown Collective: Song, “Can You Feel the Love”

After the initial broadcast, the video was uploaded to Eastern Credit Union’s Social Media platforms for ease of access to interested viewers. Thus far, a total of four thousand, six hundred persons have accessed this broadcast on the social media platforms.

CREATING YOUR EDIBLE GARDEN & ECONOMICAL MEAL PREPARATION

To assist members in developing their own gardening and meal preparation skills, the webinar was held on 10th June, 2021. Three excellent facilitators in the discipline presented and fielded questions, these facilitators were:

- Ms. Gabrielle Mollineau – Nutritionist
- Mr. Ronald Yearwood, Founder of Upsame – Controlled Environment Agriculture
- Mr. Alpha Senon, Founder of Whyfarm – NGO-Traditional Methods of Growing facilitated this session and fielded questions

ESTATE PLANNING

The Estate Planning webinar was reintroduced by the Committee, to allow members and non-members of the Credit Union the opportunity to learn about securing one’s estate in the future. We had the privilege of the webinar being hosted by **Ms. Sonji Pierre-Chase, Attorney-at Law**, from the firm Johnson, Camacho and Singh made the presentation and fielded questions. Her topics included:

- Will Preparation
- Role of Executor
- Accurate Bequest

A total of two hundred and forty-five persons attended the webinar. Thus far, a total of four thousand, nine hundred persons have since viewed this session on social media.

SANCTUARY SERIES

The Society continues to use i95.5FM to communicate to its members on a weekly basis. This medium has become more important considering the constraints placed by the Covid-19 regulations.

INTRODUCTORY SMALL BUSINESS WORKSHOP PROGRAMME

To assist members and non-members in developing their skills and earning income, especially those who may have lost their jobs or got reduced incomes, as a result of to the Covid-19 restrictions due to the pandemic, the Committee re-introduced this seminar. It was held on Thursdays 2nd, 9th, 16th, and 23rd and 30th September, 2021 from 5:30pm to 8.00pm.

The modules include:

- Pursuing the Business Plan for Results
- Accounting, Record Keeping, Managing the Finances & Cash Flow Budgeting
- Financial Management for Micro Business
- The Magic of Marketing
- Financing of Micro Enterprise within the Credit Union System

The facilitators for these modules were

- Mr. Colin Bartholomew
- Mr. Rainier Bisnath
- Ms. Natallia Carimbocas.

As our term comes to and end, the Committee is very pleased with what it was able to accomplish over this short period. We are satisfied with the activities we were able to develop on your behalf, which we trust you were satisfied. It has been our pleasure to meet and engage with you at our events, and we do hope, that you will continue to participate in our upcoming educational events, activities and initiatives, solely designed to meet and combat some of the needs and challenges you have at present and in the coming year.

In closing, I want to thank the Education Committee for their dedication, the Management Representatives for their commitment and support, and you the membership for your attendance at these activities during the term.

Regards,



.....
Ronald Bobb
CHAIRMAN – Education Committee

HIGHLIGHTS

FROM THE EDUCATION COMMITTEE
Eastern Leading the way in environmental rejuvenation and technological advancement of members



Zooming Back To School Prizegiving iPad



Seedling distribution
Credit Union Day,
Tunapuna branch



Education grant token
for SEA members



Tobago seedling
distribution, Credit
Union Day 2021



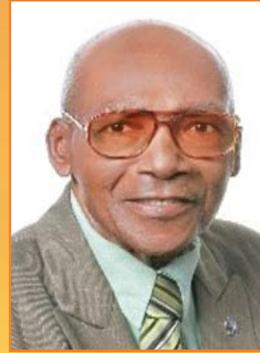
NOMINATING COMMITTEE



Director Arvin Isaac



Director Melissa Hood-Joseph



Gary Cross



Stacy Alleyne



Ashley Boodoo

April 2021 – October 2021

1 INTRODUCTION

The Nominating Committee of Eastern Credit Union Co-operative Society Limited (ECU) for the term 2020 - 2021 comprised the following persons:

Director Arvin Isaac	Chairman
Director Melissa Hood-Joseph	Member
Mr. Gary Cross	Member
Ms. Stacy Alleyne	Member
Ms. Ashley Boodoo	Member

2 COMMITTEE'S MANDATE

The strength of an organization is rooted in the commitment of both the persons that serve and the persons that are served. The mandate of the Nominating Committee to select suitably qualified members, willing to serve the organization, requires a level of oversight that would consider a mix of academic qualifications, experience and availability. The Committee in its analysis of the existing nominating structure and the Total Quality Management direction of the organization found it necessary, with the approval of the Board, to place greater attention on the ideal mix of candidates.

The reality of an aging membership requires a proactive approach by the organization to focus on continuity and succession planning and as such the Committee saw its role in piloting this approach as a pivotal step for the organization.

3 NOMINATIONS

Eligibility Criteria

In accordance with Bye-Law 24 (a), the Nominating Committee has responsibility for *the selection of suitable members who are willing to be considered for election to the Board, Credit, and Supervisory Committees.*

A nominee must:

- a. Be over the age of 18
- b. Be a citizen of Trinidad and Tobago or a person lawfully admitted to permanent residency who is ordinarily a resident of Trinidad and Tobago
- c. Be a member in good standing, i.e. a member who has not violated the terms of his loan contract
- d. Contributed at least \$500 in shares during the period January 1st, 2020 – December 31st, 2020
- e. Meet the Fit and Proper criteria under the Central Bank of Trinidad and Tobago Act, the Cooperative Societies Act Chap 81:03, and Regulations and Board Policies as ratified per ECU Bye-Law 15 (b) (vi)
- f. Not be an undischarged bankrupt.
- g. Not an employee of Eastern Credit Union
- h. Not be of unsound mind and has not been convicted of
 - i. An indictable offence
 - ii. A criminal offence involving dishonesty in connection with the promotion or management of a corporation or co-operative
 - iii. An offence involving fraud

April 2021 – October 2021

- i. Not be an officer of another credit union, which includes the Chairman or President, secretary, treasurer, member of the Board, or other person empowered under the regulations or under the bye-laws of a society to give directions with regard to the business of that society
- j. Not have litigation against Eastern Credit Union

A grace period of three years must elapse before former employees of the Eastern Credit Union become eligible to serve as elected officials.

Nominations were opened on 3rd May 2021 and were closed on 21st May 2021. Invitation notices were published in the print and electronic media, Eastern Credit Union's website and social media and at all Eastern Credit Union branches, inviting eligible members to serve on the Board, Credit Committee, and Supervisory Committee.

The Nomination Policy and Procedures AGM 2019 document which was improperly presented to the membership at the Annual General Meeting of Saturday 5th December 2020 will be revisited/reviewed and be properly brought to the membership at a Special General Meeting in 2021 so as to be implemented for the next Nomination period.

4 PROCESS FOR SELECTION

Twenty-eight (28) members submitted Nomination Forms to serve the organization. Fourteen (14) for the Board of Directors, nine (9) for the Supervisory Committee and five (5) for the Credit Committee.

The following process took place on receipt of the Nomination forms:

- Committee representatives met with the Internal Auditor and handed over all applications for assessment and verification of eligibility. Results from the Verification Process revealed the following:
 - i. Four candidates did not save a minimum of \$500.00 on shares as of the Financial Year 31st December 2020
 - ii. One candidate had no proposer on the form, no date or name on the declaration form
 - iii. One candidate had no seconder on the form
 - iv. Two candidates proposed themselves
- All application forms were subsequently screened to ensure compliance with the Society's Bye-Laws and Eligibility Criteria. From this initial amount, twenty (20) persons met the criteria and eight (8) persons did not meet the criteria. Interviews were conducted virtually, in keeping with restrictions established by the Ministry of Health on gatherings in excess of five persons.
- Candidates were interviewed during the period 6th July 2021 and 9th July 2021 for the Credit Committee, Supervisory Committee and Board of Directors. The interview process consisted of a series of questions from which feedback from candidates was sought and noted. Checks were done subsequently by requesting supporting academic credentials as well as verifying responses stated in the interview with resumes and other supporting documents in keeping with honesty and transparency

April 2021 – October 2021

detailed in the ECU Code of Ethics for Elected Officials and the Central Bank of Trinidad and Tobago Fit and Proper Guidelines 2019.

Further to the interview process (2) additional candidates were not recommended by the Committee.

1. One candidate was not further recommended based on concerns arising from the Nomination Interview which was eventually forwarded to the Supervisory Committee and Board of Directors.
2. One candidate was seen by the Committee, to be in contravention of Bye-Law 18b of the ECU Bye Laws and this matter was forwarded to the Board and was deliberated.

For AGM 2021, nine (9) persons were recommended for the Board of Directors, four (4) persons for Supervisory and five (5) persons for the Credit Committee.

5 DUE DILIGENCE

Six guiding principles of Total Quality Management include a process approach, member focus, an integrated system, continual improvement, fact-based decision making, and communications. These principles provided the approach used by the Committee to ensure due diligence throughout the Nomination process.

6 ORIENTATION

Virtual Nomination Training Workshop

The Committee conducted its Virtual Nomination Training Workshop which was held on 23rd and 27th July 2021. The focus of the orientation was on Leadership, Governance, and the Credit Union Act/Bye-Laws and was facilitated by Mr. Colin Bartholomew, an experienced stakeholder in the Credit Union Movement.

7 RECOMMENDATIONS

BOARD OF DIRECTORS AGM 2021

1. Amanda Aguilera-Lobin
2. Heather Alicia Adams
3. Cyril Barran
4. Ronald Bobb
5. Quincy Boodramsingh
6. Wayne Estrada
7. Shania Francois
8. Akil Myers
9. Kendra Persad

April 2021 – October 2021

SUPERVISORY COMMITTEE AGM 2021

1. Linda Darabie
2. Renatta Laverne Jones
3. Marilyn Michael
4. Shelly-Ann Sealey-Lewis

CREDIT COMMITTEE AGM 2021

1. Nneka Esdelle
2. Jemila Guerero
3. Dionne Candice Melville
4. Mahmud Muhammad
5. Elisha Sankar

8 NOTE OF THANKS

The Nominating Committee wishes to extend thanks to the following officers whose term of office ends at the 47th Annual General Meeting:

BOARD OF DIRECTORS

Ronald Bobb
Wayne Estrada
Gerard Mathews
Kendra Persad
Akil Myers (1st Substitute)
Lyndon Williams (2nd Substitute)

SUPERVISORY COMMITTEE

Dionne Compton
Renatta Laverne Jones
Rhona Adams-Arrindell
Ann Marie Arnaud-Thomas
Trevor Rogers

CREDIT COMMITTEE

Kirk Ferguson
Mahmud Muhammad
Mary Thompson
Elisha Sankar
Jemila Guerero

April 2021 – October 2021

9 CONCLUSION

The Nominating Committee 2020 - 2021 wishes to thank the Board of Directors for the support given toward fulfilling the mandate of the Committee by accepting the selection of suitably qualified nominees to serve the membership. In my capacity as Chairman, it would be remiss of me not to thank the members of the Nominating Committee, Management stakeholders and support staff of the committee for their sterling contributions during the term.

In closing, the committee wishes to advise the membership that good governance guides financial stability and is the catalyst for the continued growth of the organization. Eastern Credit Union Co-operative Society Limited is strong, resilient and continues to lead the way.

Regards,



.....
Arvin Isaac
CHAIRMAN – Nominating Committee

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STATEMENTS ON ACCOUNTS - Obtain statements on your accounts



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RESOLUTIONS

1. PATRONAGE REFUND

Be it resolved:

That a patronage refund of 1% be declared for the financial year ended December 31, 2020 and credited to members' Deposit Accounts.

2. DIVIDEND

Be it resolved:

That in accordance Bye-Laws 15(b) (v) a dividend of 1% be approved for the financial year ended 31st December 2020 to be credited to members' shares Share Accounts consistent with Bye-Law 25 (c) (i); and be it further resolved that dividends due to members whose accounts have become delinquent be credited to their outstanding loan and interest balances.

3. SPECIAL SHARES

Be it resolved that in accordance with Bye-Laws 6 (a) (1), 6 (b) (1), (ii) and (iii), a dividend of 1.25% be approved for the financial year ended 31st December 2020 and credited to members' Deposit Accounts; and be it further resolved that dividends due to members whose Special Share Accounts are below the required amount to be credited to their Special Share Accounts.

4. AUDITORS

Be it resolved:

That the firm PwC be retained as Auditors for the year 2021.

5. EDUCATION FUND

Be it resolved:

That in accordance with Bye Law 25 (b) 5% of the realized surplus for the financial year ended 31st December 2020 to be appropriated to the Education Fund.

6. BYE-LAW AMENDMENTS

Be it resolved:

That in accordance with the Legal Notice.289 dated August 7th, 2020, reflecting the amendment of the Cooperative Societies Act 81:03 and the amendment of the Finance Bill No.25 of 2019 that Bye Laws 10, Bye Law 13, Bye Law 15a, Bye Law 15b (i) be amended.

7. PURCHASE OF PROPERTY

Be it resolved:

That in accordance with Bye Law 9a (iv), the investment to purchase the property situated at 18 – 20 Park Street, POS be approved.

NOMINEE PROFILES

BOARD OF DIRECTORS



1

AMANDA AGUILERA-LOBIN

Place of Employment: National Insurance Board

Job Title: Business Analyst

Qualifications/Experience:

- Master of Business Administration (Distinction) - Specialization in Finance (2020)
- Bachelor of Business Administration - Marketing with Entrepreneurship (2015)
- Director at EPL Properties Limited (2021 - Present)
- Member of MOU Committee (ECU/EPL) (2021 - Present)

ECU Orientation/Training: Yes

Membership: Active



2

HEATHER ALICIA ADAMS

Place of Employment: Land and Engineering Surveying Services Ltd

Job Title: Senior Operations Manager

Qualifications/Experience:

- Diploma - National Technician's Draughting and Building 2000
- Certificate - Corporate Governance for the Aspiring Director (2021)
- Certificate in Project Management
- Member of Property Evaluation Committee (ECU) (2021 - present)

ECU Orientation/Training: Yes

Membership: Active



3

CYRIL BARRAN

Place of Employment: Auditor General Department

Job Title: Audit Director

Qualifications/Experience:

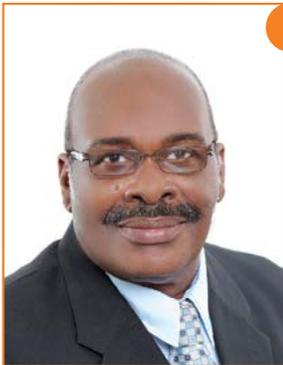
- ACCA Certified (2003)
- Certificate in Labour Relations and Personnel Management (1992)
- CCCU Leadership Conference (2018)
- Director (ECU) – 2017-2021

ECU Orientation/Training: Yes

Membership: Active

NOMINEE PROFILES

BOARD OF DIRECTORS



4

RONALD BOBB

Place of Employment: n/a

Job Title: Retired

Qualifications/Experience:

- Certificate – Administrative Corporate Secretaryship (2005)
- Certificate – Local Government Studies (2002)
- President (ECU) – 2008 - 2010
- Director (ECU) – 2016 - present

ECU Orientation/Training: Yes

Membership: Active



5

QUINCY BOODRAMSINGH

Place of Employment: Concepts and Services Company Ltd.

Job Title: Accountant

Qualifications/Experience:

- Bachelor of Science Accounting (2009)
- Diploma: Accounting – CAT (2002)
- ECU Credit Union Orientation 2021
- Member of Sales & Marketing Committee (ECU) – 2021 - present

ECU Orientation/Training: Yes

Membership: Active



6

WAYNE ESTRADA

Place of Employment: n/a

Job Title: Retired

Qualifications/Experience:

- Certificate Sales & Marketing (2003)
- Certificate in Marketing & Public Relations (2004)
- Certification in Loma 1, 2 & 3 (2001 - 2003)
- Past President (ECU)
- Director (ECU) – 2015 - present

ECU Orientation/Training: Yes

Membership: Active

NOMINEE PROFILES

BOARD OF DIRECTORS



7

SHANIA FRANCOIS

Place of Employment: North Central Regional Health Authority

Job Title: Pharmacist

Qualifications/Experience:

- Bachelor of Science Pharmacy (2020)
- Advanced Proficiency Diploma (CAPE) (2015)
- Certificate: Excel Skills for Business Essentials
- Certificate: Managing your Money: MBA insights for undergraduates

ECU Orientation/Training: Yes

Membership: Active



8

AKIL MYERS

Place of Employment: Water and Sewerage Authority

Job Title: Superintendent

Qualifications/Experience:

- Master of Business Administration – Specialization in Marketing (2016)
- B.Sc. Environmental Natural Resource Management (2013)
- Alternate Director (ECU) – March 2021 - September 2021
- Director (ECU) – October 2021 - Present

ECU Orientation/Training: Yes

Membership: Active



9

KENDRA PERSAD

Place of Employment: Ministry of Education

Job Title: Teacher

Qualifications/Experience:

- Postgraduate Diploma in Education (2011)
- Bachelor Science Behavioural Science (2001)
- Director (ECU) (2018 - Present)
- Certified Caribbean Development Educator

ECU Orientation/Training: Yes

Membership: Active

NOMINEE PROFILES

SUPERVISORY COMMITTEE



1

LINDA DARABIE

Place of Employment: COSTAATT

Job Title: Adjunct Lecturer

Qualifications/Experience:

- Master of Arts Educational Psychology
- Bachelor of Science Sociology Hons
- ECU Credit Union Orientation 2020
- ECU Credit Union Orientation 2021

ECU Orientation/Training: Yes

Membership: Active



2

RENATTA LAVERNE JONES

Place of Employment: n/a

Job Title: Consultant

Qualifications/Experience:

- Bachelor of Law (LLB)(Hons)
- Bachelor Spanish & Latin American Studies (Hons)
- Member of Supervisory Committee (ECU) – 2019 - 2021
- Chairman of Supervisory Committee (ECU) – 2021 to present

ECU Orientation/Training: Yes

Membership: Active



3

MARILYN MICHAEL

Place of Employment: Self Employed

Job Title: Management Consultant

Qualifications/Experience:

- MBA Business Administration
- National Diploma in Industrial Relations
- Certificate in Business Communication
- ECU Credit Union Orientation 2021

ECU Orientation/Training: Yes

Membership: Active

NOMINEE PROFILES

SUPERVISORY COMMITTEE



4

SHELLY ANN SEALY-LEWIS

Place of Employment: Smith-Robertson & Company Ltd

Job Title: Customer Service Representative

Qualifications/Experience:

- Co-operative Credit Union League of TT - Certificate in Supervisory Management (2021)
- Certificate in Entrepreneurship
- Certificate in Computer Literacy

ECU Orientation/Training: Yes

Membership: Active

CREDIT COMMITTEE



1

NNEKA EDELLE

Place of Employment: The National Gas Company of Trinidad and Tobago Ltd.

Job Title: Human Resources Officer

Qualifications/Experience:

- Certificate in Human Resource Management (2019)
- ACCA (2018)
- Intensive Credit Risk Analysis
- ECU Nominee AGM 2020

ECU Orientation/Training: Yes

Membership: Active



2

JEMILA GUERERO

Place of Employment: College of Labour and Co-operative Studies

Job Title: Quality Assurance Officer

Qualifications/Experience:

- MBA Finance (2020)
- BSc (Hons) Management Studies (Minor in Mathematics) (2005)
- Certificate in Introduction to Credit Union Management (2019)
- Alternate Member Credit Committee (ECU) – 2019 to present

ECU Orientation/Training: Yes

Membership: Active

NOMINEE PROFILES

CREDIT COMMITTEE



3

DIONNE MELVILLE

Place of Employment: Housing Development Corporation

Job Title: Mortgage & Rental Administration, Clerical Officer II

Qualifications/Experience:

- Associate Degree Human Resource Management
- Certificate in Human Resource Management
- ECU Credit Union Orientation (2021)
- Member - Education Committee (ECU) – 2021

ECU Orientation/Training: Yes

Membership: Active



4

MAHMUD MUHAMMAD

Place of Employment: n/a

Job Title: Retired

Qualifications/Experience:

- Diploma in Public Relations (2005)
- Professional Certificate in Event Management (2009)
- Member Credit, Supervisory and Education – 2012 - 2017
- Alternate Member Credit Committee (ECU) – 2019 to present

ECU Orientation/Training: Yes

Membership: Active



5

ELISHA SANKAR

Place of Employment: EasiPharm Ltd.

Job Title: Senior Manager

Qualifications/Experience:

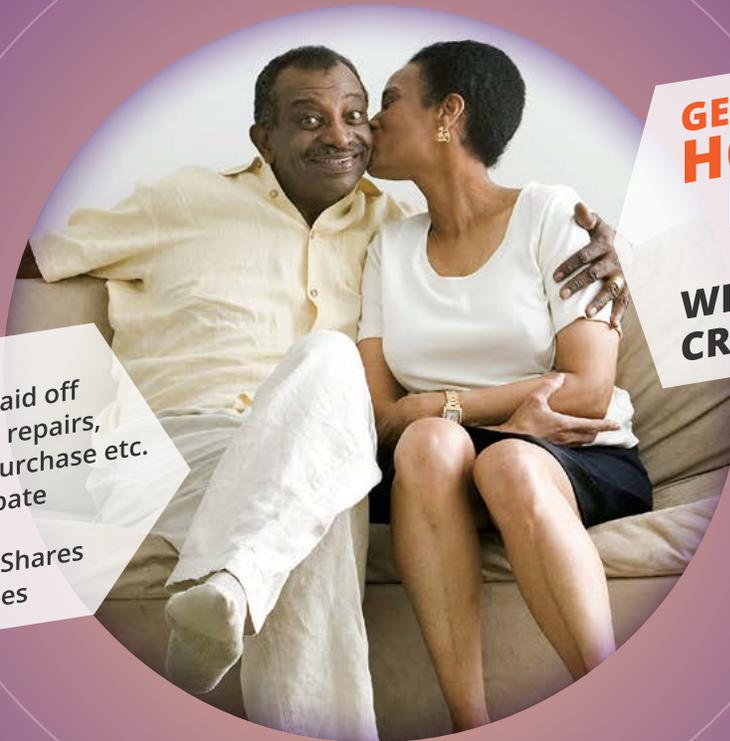
- Six Sigma Green Belt Specialization (2021)
- Bachelor of Science Pharmacy (2020)
- Bachelor of Science Economics (2009)
- Member Credit Committee (ECU) – 2019 to present

ECU Orientation/Training: Yes

Membership: Active

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**Eastern
Credit Union**
Co-operative Society Limited
LEADING THE WAY®

REPORT 2020

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

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**Eastern Credit Union Co-operative Society Limited
and its Subsidiary**

Statement of Management Responsibilities

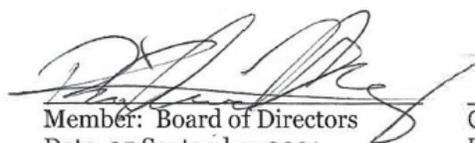
Management is responsible for the following:

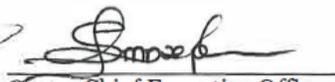
- Preparing and fairly presenting the accompanying consolidated financial statements of Eastern Credit Union Co-Operative Society Limited and its Subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group’s assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

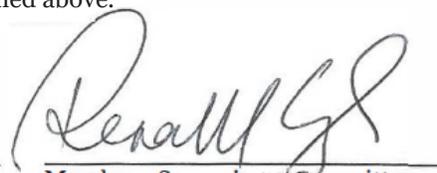
In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.


Member: Board of Directors
Date: 25 September 2021


Group Chief Executive Officer
Date: 25 September 2021


Member: Supervisory Committee
Date: 25 September 2021



Independent auditor's report

The Members
Eastern Credit Union Co-Operative Society Limited

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Eastern Credit Union Co-Operative Society Limited (the Society) and its subsidiaries (together 'the Group') as at 31 December 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

Management is responsible for the other information. The other information comprises the Eastern Credit Union Co-operative Society Limited and its subsidiary Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt



Independent auditor's report (continued)

Other information (continued)

In connection with our audit of the consolidated 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 [consolidated] financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Eastern Credit Union Co-operative Society Limited and its subsidiary Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent auditor's report (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Port of Spain
Trinidad, West Indies
29 September 2021

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2020 \$	2019 \$
Assets			
Cash and cash equivalents	5	387,377,754	433,632,216
Investment securities – amortised cost	6	342,421,598	314,782,572
Investment securities – fair value	7	79,987,314	81,423,982
Loans to members	8	1,376,631,672	1,317,005,066
Investment properties	9	15,768,119	19,663,157
Accounts receivable & prepayments	10	23,035,097	19,080,796
Deferred charges		1,140,589	1,139,020
Inventories	11	581,724	544,402
Intangible assets	12	3,815,998	4,843,840
Right of use asset	13	7,804,756	5,686,097
Property plant & equipment	14	92,159,599	95,096,797
Total assets		2,330,724,220	2,292,897,945
Liabilities and members' equity			
Liabilities			
Accounts payable and accruals	15	119,066,268	110,038,190
Finance lease liability	16	8,592,253	6,011,384
Members' deposits		545,408,517	516,925,820
Members' shares (non-permanent)	17	1,474,773,679	1,458,614,606
Corporation tax payable		1,790	1,803
Deferred taxation	18	6,694,900	5,900,962
Total liabilities		2,154,537,407	2,097,492,765
Members' equity			
Members' shares (permanent)	17	24,256,556	23,601,898
Reserve fund	19	112,277,038	111,279,969
Education fund	20	21	--
Undivided earnings		39,653,198	60,523,313
Total members' equity		176,186,813	195,405,180
Total liabilities and members' equity		2,330,724,220	2,292,897,945

The notes on pages 11 to 74 are an integral part of these consolidated financial statements.

On 25 September 2021, the Board of Directors of Eastern Credit Union Co-Operative Society Limited and its Subsidiary authorised these financial statements for issue.


Member: Board of Directors


Group Chief Executive Officer


Member: Supervisory Committee

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

		Year ended 31 December	
	Notes	2020 \$	2019 \$
Income			
Interest on loans		137,013,720	147,883,647
Investment income	23	18,133,428	26,358,012
Rental income		829,425	1,547,311
Other income	24	14,840,279	18,201,062
		170,816,852	193,990,032
Expenditure			
Administrative expenses	25	52,555,937	57,299,796
Impairment losses	8	23,435,436	13,422,035
Board and committee expenses	26	2,124,511	2,021,431
Finance cost		6,332,744	5,540,516
Marketing expenses		3,922,570	6,381,277
Personnel costs	27	71,578,663	68,029,409
Total expenditure		159,949,861	152,694,464
Net surplus before taxation		10,866,991	41,295,568
Taxation	28	(907,426)	(470,914)
Net surplus for the year		9,959,565	40,824,654
Other comprehensive (loss)/income		--	--
Total comprehensive income for the year		9,959,565	40,824,654

The notes on pages 11 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Members' Shares Permanent \$	Reserve Fund \$	Education Fund \$	Undivided Earnings \$	Total \$
Balance as at 1 January 2020	23,601,898	111,279,969	--	60,523,313	195,405,180
Increase in Members' Shares (Permanent)	654,658	--	--	--	654,658
Total comprehensive income	--	--	--	9,959,565	9,959,565
Appropriations:					
(i) to Reserve Fund	--	995,957	--	(995,957)	--
(ii) to Education Fund	--	--	312,850	(312,850)	--
	24,256,556	112,275,926	312,850	69,174,071	206,019,403
Entrance fees	--	1,112	--	(1,112)	--
Education supplies and expenses	--	--	(312,829)	312,829	--
Dividends and interest rebate paid	--	--	--	(29,832,590)	(29,832,590)
Balance as at 31 December 2020	24,256,556	112,277,038	21	39,653,198	176,186,813

The notes on pages 11 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Members' Shares Permanent \$	Reserve Fund \$	Education Fund \$	Undivided Earnings \$	Total \$
Balance as at 1 January 2019	22,786,546	109,254,179	--	84,666,395	216,707,120
Restatement		(2,058,479)		(18,526,309)	(20,584,788)
Balance as at 1 January 2019 – restated	22,786,546	107,195,700	--	66,140,086	196,122,332
Change on initial application of IFRS 16	--	--	--	(198,050)	(198,050)
Adjusted Balance as at 1 January 2019	22,786,546	107,195,700	--	65,942,036	195,924,282
Increase in Members' Shares (Permanent)	815,352	--	--	--	815,352
Total comprehensive income	--	--	--	40,824,654	40,824,654
Appropriations:					
(i) to Reserve Fund	--	4,082,465	--	(4,082,465)	--
(ii) to Education Fund	--	--	1,880,286	(1,880,286)	--
	23,601,898	111,278,165	1,880,286	100,803,939	237,564,288
Entrance fees	--	1,804	--	(1,804)	--
Education supplies and expenses	--	--	(1,880,286)	1,880,286	--
Dividends and interest rebate paid	--	--	--	(42,159,108)	(42,159,108)
Balance as at 31 December 2019	23,601,898	111,279,969	--	60,523,313	195,405,180

The notes on pages 11 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	2020 \$	2019 \$
Operating activities:		
Net surplus before taxation	10,866,991	41,295,568
Add items not involving cash:		
Bad debts written-off/expense	10,855	76,371
Depreciation	13,026,877	12,617,137
Impairment losses	23,435,436	13,422,035
Interest expense on finance liability	1,067,231	693,975
Loss on disposal of property plant & equipment	--	(37,833)
	48,407,390	68,067,253
Changes in non-cash working capital amounts:		
Net change in accounts receivable, prepayments and deferred charges	(3,966,725)	6,831,604
Net change in inventories	(37,322)	(156,578)
Net change in accounts payable and accruals	9,028,078	(7,164,630)
Net change in members' loans	(78,816,000)	(13,243,006)
Taxes paid	(113,501)	(117,111)
	(25,498,080)	54,217,532
Cash (used in)/generated from operating activities		
Investing activities:		
Net change in property plant & equipment	(12,208,339)	(17,940,587)
Net change in intangible assets	1,027,842	791,468
Net change in investment property	3,895,038	(218,046)
Net change in investment securities	(30,448,398)	(119,316,871)
	(37,733,857)	(136,684,036)
Cash used in investing activities		

The notes on pages 11 to 74 are an integral part of these consolidated financial statements.

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Cash Flows (continued)

(Expressed in Trinidad and Tobago Dollars)

	Note	2020 TTD	2019 TTD
Financing activities:			
Interest paid on finance lease liability		(1,067,231)	(892,026)
Decrease in finance lease liability		2,580,868	6,011,384
Dividends and interest rebate		(29,832,590)	(42,159,108)
Increase in members' shares		16,813,731	17,467,571
Increase in members' deposits		28,482,697	60,654,081
Cash provided by financing activities		16,977,475	41,081,902
Net change in cash		(46,254,462)	(41,384,602)
Cash beginning of year		433,632,216	475,016,818
Cash end of year		387,377,754	433,632,216
Represented by:			
Cash and cash equivalents	5	387,377,754	433,632,216

The notes on pages 11 to 74 are an integral part of these consolidated financial statements.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements 31 December 2020

(Expressed in Trinidad and Tobago Dollars)

1 Registration and objectives

The Society is registered under the Co-operative Societies Act Chapter 81:03. Its objectives are to promote the economic welfare of its members, encourage the spirit and practice of thrift, self-help and co-operation and promote the development of co-operative ideas. Its registered office is situated at La Joya Complex, Eastern Main Road, St. Joseph. Its fully owned subsidiary, EPL Properties Limited, incorporated in Trinidad and Tobago, is included in these consolidated statements.

2 Significant accounting policies

a. *Basis of financial statements preparation*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements are prepared under the historical cost except for the measurement at fair value of hold to collect investments.

b. *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of Eastern Credit Union Co-operative Society Limited and its wholly owned subsidiary, EPL Properties Limited (The Group). The Society has the power to govern the financial and operating policies of EPL Properties Limited so as to obtain benefits from its activities.

The results of EPL Properties Limited are included in the consolidated Statement of Comprehensive Income from the date of incorporation. Where necessary, adjustments are made to the financial statements of EPL Properties Limited to bring the accounting policies used in line with those used by Eastern Credit Union Co-operative Society Limited.

All inter-company transactions and balances have been eliminated on consolidation.

Investment in subsidiaries

Subsidiaries are all entities, (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

c. *Use of estimates*

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. See Note 4.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

d *New standards and interpretations*

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2020.

- Amendments to IFRS 3 – Definition of a Business (effective 1 January 2020)

The amendments were issued by the IASB to define a business in IFRS 3 Business Combinations for entities to determine whether an acquisition of a set of activities and assets constitute a business or not. The amendments clarified the main requirements for a business, removed the assessment of whether market participants are capable of replacing any missing elements, added guidance to help entities assess whether an acquired process is substantive, narrowed the definition of a business and of outputs and introduced a fair value concentration test. The Group had no acquisitions in 2020 that required the application of the amendment.

- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate Benchmark Reform (effective 1 January 2020)

The IASB amended IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, to conclude Phase one of its work in respect to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments enable entities to utilise hedge accounting during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR). In 2020 this amendment was not material to the Group.

- Amendments to IAS 1 and IAS 8 – Definition of material (effective 1 January 2020)

The IASB issued this amendment to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify aspects of the definition. The new definition states that 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of these financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition is not expected to have a significant impact on the Group's Financial Statements.

- The Conceptual Framework for Financial Reporting (effective 1 January 2020)

The IASB issued the Conceptual Framework for Financial Reporting in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements of a standard. The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. This amendment had no significant impact on the Group's Financial Statements as the existing standards can be applied to the transactions of the Group.

The following standards, amendments and interpretations to existing standards are not yet effective for accounting periods beginning on or after 1 January 2020 and have not been early adopted by the Group.

- Amendment to IFRS 16 – Covid-19 related Rent Concessions (effective 1 June 2020)

The IASB in May 2020 amended IFRS 16 to provide relief to lessees for applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors. The Group had no rent concessions in 2020 due to the pandemic.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

d. *New standards and interpretations (continued)*

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021)

The amendments arise due to global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates (IBOR) with alternative benchmark rates. These amendments are intended to reduce the uncertainty which could arise from the transition and allow companies to account for this change in existing contracts and the details of hedging relationships.

- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2021)

The amendment clarifies those costs that comprise the costs of fulfilling a contract.

- Annual improvements to IFRS Standards 2018-2020 (effective 1 January 2022)

These improvements are part of the IASB's process to make non-urgent but necessary amendments to IFRS Standards.

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use. (effective 1 January 2022)

The amendment is to provide guidance on the accounting for the sale proceeds and the related production costs of items produced and sold prior to the making an item of Property, Plant and Equipment available for its intended use.

- Amendments to IFRS 3 Reference to the Conceptual Framework (effective 1 January 2022)

- IFRS 17 Insurance Contracts and amendments (effective 1 January 2023)

This new standard is intended to increase the transparency and improve comparability of the financial reporting of insurers.

- Amendments to IAS 1 Classification of liabilities as current or non-current (effective 1 January 2023)

The amendment is to promote consistency in the financial reporting and to clarify the requirements to determine if a liability is current or non-current.

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its Associate or Joint Venture. (effective Optional)

This amendment resolves differences in accounting for loss of control of a subsidiary by a parent company in a transaction with an associate company or Joint Venture

The Group is in the process of assessing the impact of the new and revised standards not yet effective on the Financial Statements, we do not anticipate a material impact.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

e. *Property, plant & equipment*

Property, plant & equipment are stated at historical cost less accumulated depreciation. Depreciation is provided using the straight line method.

The following rates are considered appropriate to write-off the assets over their estimated useful lives are applied:

Buildings	-	2%
Furniture, fixtures and fittings	-	10%
Office and other equipment	-	10 - 25%
Computer hardware	-	10 - 25%
Motor vehicles	-	25%
Leasehold improvements	-	20%

No depreciation is provided on land and capital work-in-progress.

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

f. *Financial instruments*

(i) *Financial assets*

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories.

- Fair value through profit or loss (FVPL)
- Amortised cost

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) The Group's business model for managing the asset; and
- (ii) The cash flow characteristics of the asset.

Based on these factors the Group classifies its debt instruments into one of the following three measurement categories:

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. *Financial instruments (continued)*

(i) *Financial assets (continued)*

a. *Amortised cost*

Financial assets are measured at amortised cost if the assets are held to collect the contractual cash flows and the cash flows represent solely payments of principal and interest (SPPI), and the Group has not designated the assets as FVPL. The carrying amount of these assets are adjusted by an expected credit loss allowance recognised and measured in note 3 (ii). Interest income from these financial assets are included in income using the effective interest rate method.

b. *Fair value through profit or loss*

Any financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at Fair value through profit or loss and is not part of a hedging relationship is recognised in the profit or loss statement within 'Investment Income' in the period in which it arises. Interest income from these financial assets are recognised in 'Investment Income' using the effective interest rate method.'

Business model

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objectives is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows from the sale of assets. If neither of these is applicable then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for the assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Reclassification

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the comparative periods.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. Financial instruments (continued)

(i) Financial assets (continued)

b. Fair value through profit or loss (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Example of equity instruments include basic ordinary shares.

The Group subsequently measures all equity instruments at fair value through profit or loss. Gains and losses on equity investments at FVPL are included in the 'Investment Income' line in the statement of profit or loss.

The following therefore summarises classifications of Financial Instruments in the business models applied by Eastern Credit Union.

Hold for Trading (FVPTL)	Hold to Collect (Amortised Cost)
Mutual funds	Cash
Equity instruments	Term Deposits
	Government and Government Guaranteed
	Bonds/Notes
	Corporate Bonds/Notes
	Accounts Receivables
	Loans

Impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without due cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 3 (ii) provides more detail of how expected credit loss allowance is measured.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to members. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. *Financial instruments (continued)*

(i) *Financial assets (continued)*

Modification of loans (continued)

- Whether any substantial new terms are introduced, such as profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The impact of modifications of financial assets on the expected credit loss calculation is discussed in note 3 (ii).

Derecognition other than a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. *Financial instruments (continued)*

(i) *Financial assets (continued)*

Measurement methods

Initial recognition and measurement

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date on which the Group commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets or financial liabilities that are not designated at fair value through profit or loss are recognised initially, they are measured at fair value of the consideration given plus or minus transaction costs that are incremental and directly attributable to the acquisition of the asset.

Financial assets or financial liabilities that are designated at fair value through profit or loss are recognised initially at fair value of the consideration given, the transaction costs attributable to the acquisition are expensed in profit or loss.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments valued at FVOCI which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price in initial recognition, the Group recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest methods of any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expired life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. *Financial instruments (continued)*

(i) *Financial assets (continued)*

Measurement methods (continued)

Amortised cost and effective interest rate (continued)

For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit impaired (see note 3 (ii)) at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3') for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of expected credit loss provision).

(ii) *Financial liabilities*

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

Derecognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Accounts payable

Accounts payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Members' deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest. Members' deposits bear interest at rates that are not significantly different from current market rates and are assumed to have discounted cash flow values which approximate carrying values.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

Members' shares

Members' shares (permanent) are classified as equity and members' shares (non-permanent) are classified as liabilities and stated at fair value. In accordance with the Society's bye-laws, shareholdings comprise the following:-

- (i) Section 6 (b) requires every member, not being a minor, to purchase four (4) special shares at twenty-five dollars (\$25.00) each. These shares are classified as Members' shares (permanent). and
- (ii) Section 7 requires that every member shall purchase at least one (1) ordinary share valued at five dollars (\$5.00) each. These shares are classified as Members' shares (non-permanent).

g. *Leases*

A contract or parts of contracts, that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised or a termination option will not be exercised.

At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, unless the lease term is 12 months or less. The commencement date of a lease is the date the underlying asset is made available for use. The lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. The lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance. The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment.

Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. In general, a corresponding right-of-use asset is recognised for an amount equal to each lease liability, adjusted by the amount of any pre-paid lease payment relating to the specific lease contract. The depreciation on right-of-use assets is recognised in income.

Impairment of the right-of-use asset

Right-of-use assets are subject to existing impairment requirements as set out in 'Property, plant and equipment' (see Note 2 f).

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

h. *Revenue recognition*

Loan interest

Interest charged on all loans to members is calculated between 0.50% to 1.75% per month on the outstanding balance at the end of each month in accordance with Section 12 of the Bye-laws and the General Loan Policy. Loan interest is accounted for on the accrual basis.

Investment income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis.

i. *Dividends payable to members*

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the lowest value of shares held in each month. Dividends that are proposed and declared after the reporting date are not shown as a liability in accordance with IAS #10 but are disclosed as a note to the consolidated financial statements.

j. *Foreign currency*

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

k. *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

l. *Employee benefits*

Employee Benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. These include wages, salaries, National Insurance contributions, paid annual leave and sick leave and non-monetary benefits such as medical care for current employees.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

i. *Employee benefits (continued)*

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. These can be classified as Defined contribution plans or Defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group pays monthly pension contributions on behalf of employees to an Annuity Plan managed by an Insurance Provider which is recognised as a defined contribution plan. Expenses related to this plan are recognised as personnel costs.

Defined-benefit plans

Defined-benefit plans are post-employment plans other than defined contribution plans. Accounting for defined benefit plans is complex because actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses. The Group recognises as a defined benefit plan an obligation for permanent employees who attain a minimum of 15 years of continuous employment referred to as a Terminal Benefit. Eligible employees are paid these benefits upon resignation or retirement.

As at 31 December 2020, the Group has made a reliable estimate of the ultimate cost of the benefit that employees have earned for their service in the current and prior periods. In deriving this estimate the group made assumptions in respect to future salary increases; employee turnover and mortality. The ultimate cost of the benefit was discounted in order to determine the present value of the defined benefit obligation and the current service cost.

The Group does not set aside specific assets to meet the terminal benefit obligations. The liability recognised in the statement of financial position in respect of this obligation is the present value of the obligation.

The amounts recognised by the Group in profit or loss include the current service cost; any past service cost and gains or loss on settlement. The Group recognises in other comprehensive income any actuarial gains and losses.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

m. *Intangible assets*

Intangible assets comprise separately identifiable items arising from computer software licenses. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight line method over the period the benefits from these assets are expected to be consumed, generally not exceeding 10 years. Intangible assets with an indefinite useful life are not amortised. At each date of the consolidated statement of financial position, intangible assets are reviewed for indications of impairment or changes in the estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

The Group chooses to use the cost model for the measurement after recognition.

Intangible assets with indefinite useful life are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. However, expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets when the following criteria are met –

- It is technically feasible to complete the software and use it
- Management intends to complete the software and use it
- There is an ability to use the software
- Adequate technical, financial and other resources to complete the development and to use it.
- The expenditure attributable to the software during its development can be reliably measured.

The software development costs are amortised using the straight-line method over their useful lives but not exceeding a period of 10 years.

n. *Investment property*

Properties held for long term rental yields and capital appreciation, which is not substantially occupied by the Group are classified as investment properties. Investment properties comprise land and buildings and are stated at historical cost less accumulated depreciation as provided on a straight line basis.

Eastern Credit Union Co-Operative Society Limited and its subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk, price risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(i) *Interest rate risk*

The Group is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

(a) *Bonds*

The Group invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments.

The market values of the floating rate bonds are not very sensitive to changes in interest rates. The market values of the fixed rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market value will not impact the Statement of Comprehensive Income.

The Group actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

As at 31 December 2020, if interest rates had been 1% higher/lower with all other variables held constant, net equity would have been \$3,423,197 (2019: \$3,147,826) lower/higher, mainly as a result of lower/higher unrealized losses/gains on fixed rate investments.

(b) *Loans*

The Group generally invests in fixed rate loans to members for terms that average five years, however, mortgage loans can extend to a maximum of twenty-five (25) years. These are funded mainly from member deposits and shares and loan repayments.

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(i) *Interest rate risk (continued)*

Interest rate sensitivity analysis

The Group's exposure to interest rate risk is summarised in the table below, which analyses financial assets and liabilities at their carrying amounts categorised according to their maturity dates.

	Effective Rate	2020			Non-Interest Bearing \$	Total \$
		Up to 1 year \$	1 to 5 years \$	Over 5 years \$		
Financial assets						
Cash in hand and at bank	1.17%	311,980,973	--	--	75,396,781	387,377,754
Investment Securities	3.28%	124,660,437	87,276,583	164,628,687	45,843,205	422,408,912
Loans to members	10.17%	365,971,754	728,519,010	282,140,908	--	1,376,631,672
Accounts receivable	--%	--	--	--	21,521,709	21,521,709
Total financial assets		802,613,164	815,795,593	446,769,595	142,761,695	2,207,940,047
Financial liabilities						
Accounts payable and accruals	--%	--	--	--	119,066,268	119,066,268
Finance Lease Liability	9.13%	3,094,324	5,497,929	--	--	8,592,253
Members' deposits	0.86%	545,408,517	--	--	--	545,408,517
Members' shares	--%	--	--	--	1,474,773,679	1,474,773,679
Total financial liabilities		548,502,841	5,497,929	--	1,593,839,947	2,147,840,717
Interest sensitivity gap		254,110,323	810,297,664	446,769,595		

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(i) *Interest rate risk (continued)*

Interest rate sensitivity analysis (continued)

		2019				
	Effective Rate	Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Non- Interest Bearing \$	Total \$
Financial assets						
Cash in hand and at bank	1.41%	284,118,352	--	--	149,513,864	433,632,216
Investment Securities	2.76%	160,169,367	55,248,733	133,367,532	47,420,922	396,206,554
Loans to members	11.23%	381,910,192	734,222,664	200,872,210	--	1,317,005,066
Accounts receivable	--%	--	--	--	17,000,868	17,000,868
Total financial assets		826,197,911	789,471,397	334,239,742	213,935,654	2,163,844,704
Financial liabilities						
Accounts payable and accruals	--%	--	--	--	110,038,190	110,038,190
Finance Lease Liability	9.25%	3,382,709	2,628,675	--	--	6,011,384
Members' deposits	0.82%	516,925,820	--	--	--	516,925,820
Members' shares	--%	--	--	--	1,458,614,606	1,458,614,606
Total financial liabilities		520,308,529	2,628,675	--	1,568,652,796	2,091,590,000
Interest sensitivity gap		305,889,382	786,842,722	334,239,742		

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk*

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group relies heavily on its written Policies and Procedures Manuals, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Group's lending philosophy; provide policy guidelines to team members involved in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Group's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of exposure to any single financial institution.

The Group also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). This similar approach is used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) Credit risk (continued)

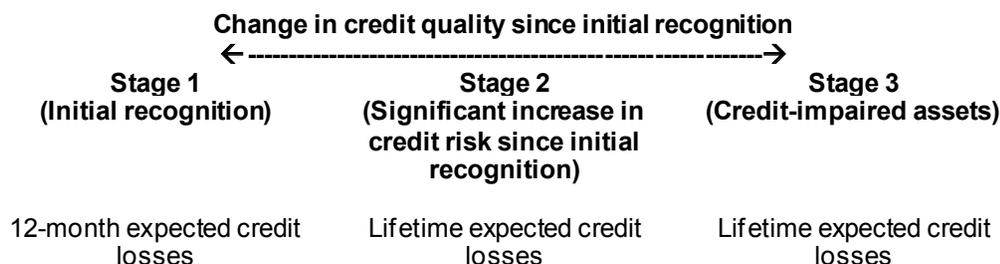
Expected credit loss management

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is high credit quality on initial recognition is classified as 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is provided below of how the Group determines appropriate groupings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):



The key judgements and assumptions adopted by the Group in addressing the requirements of the standard is discussed below.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

High credit quality on initial recognition

The Group considers a financial instrument to be high credit quality on initial recognition if

- The borrower meets the established criteria for credit assessment at initial recognition.
- The borrower holds collateral as members' shares that covers a minimum of 33.3% of the Loan.
- The borrower meets contractual payments on or within 30 days of the due date.

Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative and qualitative criteria have been met:

Quantitative criteria

- The borrower is more than 30 days past due on its contractual payments
- The remaining lifetime PD at the reporting date has increased, compared to the residual value Lifetime PD expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold as per the table below.

Government and corporate bonds

Lifetime PD Band at initial recognition as per S&P ratings	Change in credit quality since initial recognition		
	□ ----- □		
	Increase in lifetime PD that is considered significant		
	Stage 1	Stage 2	Stage 3
AAA	AAA – AA-	A+ - C	D
AA+	AA+ - A+	A – C	D
AA	AA – A	A- - C	D
AA-	AA- - A-	BBB+ - C	D
A+	A+ - BBB+	BBB – C	D
A	A – BBB	BBB- - C	D
A-	A- - BBB-	BB+ - C	D
BBB+	BBB+ - BB+	BB – C	D
BBB	BBB - BB	BB- - C	D
BBB-	BBB- - BB-	B+ - C	D
BB+	BB+ - B+	B - C	D
BB	BB – B	B- - C	D
BB-	BB- - B-	CCC+ - C	D
B+	B+ - B-	CCC+ - C	D
B	B – B-	CCC+ - C	D
B-	B-	CCC + C	D

Bonds rated AAA to BBB are investment grade assets. The issuer has adequate capacity to meet financial commitments. Bonds rated BB to B are speculative grade assets. The issuer has the capacity to meet financial commitments however the issuer has a higher level of vulnerability to adverse business, financial and economic conditions than are observed with investment grade assets.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Significant increase in credit risk (continued)

Quantitative criteria (continued)

Bonds rated CCC+ to C carry substantial risk are highly speculative with imminent default potential. Bonds carrying these ratings are classified at Stage 2 by the Group. Bonds rated D have had a payment default or breached an imputed commitment. This rating may also be used when the issuer has filed a bankruptcy petition or taken similar action.

These thresholds have been determined separately for Loans and Government/Corporate Bonds by assessing how the lifetime PD moves prior to an instrument becoming delinquent. The Lifetime PD movements on instruments which do not subsequently become delinquent have also been assessed, to identify the “natural” movement in Lifetime PD which is now considered indicative of a significant increase in credit risk.

Qualitative criteria

For Loan portfolios, if the borrower meets one or more of the following criteria:

- In short-term forbearance (payment relief arrangements)
- Direct debit cancellation
- Extension to the terms granted

For Investment portfolios, if the borrower or the instrument meets one or more of the following criteria.

- Significant increase in credit spread – The market interest yield for an investment security increases by 100 basis points above other similar financial instruments with the same expected life.
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates where the changes are expected to reduce the borrowers surplus, investor ratios and/or cashflows below that which was evaluated on acquisition.
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral values (secured facilities only) which is expected to increase risk of default e.g. where house prices have declined such that borrowers have an incentive to default on mortgages.
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Definition of default and credit-impaired assets (continued)

Qualitative criteria

The borrower meets unlikeliness to par criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long term forbearance (payment relief arrangements)
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD), and Loss given Default (LGD) throughout the Group's expected loss calculations.

Assessment of significant increase in Credit Risk on loans to members due to the Economic impact of Covid 19

In the months of March 2020 to May 2020, in response to the economic challenges imposed by the public health measures associated with limiting the infection rates of Covid 19. As a result, the Group offered a general moratorium on loan payments to all members in good standing of the Society. Members in good standing were deemed to be those members who were within 0 to 30 days past due on their loan obligations as at March 2020. During the moratorium period, the Group did not suspend the accrual of interest. Members were given the option to continue their scheduled loan payments during this period. Following the period of the general moratorium the Group did extend an additional moratorium period to members who applied. This moratorium was for a specific period assessed from the application based on the circumstances of the applicant.

The Group did not classify members who accepted or were granted the moratorium as indicative of significant increase in credit risk. During the moratorium period, the Group also did not recognise the non-payment as increasing the days past due to over 30 days. During the moratorium period, the Group continued to recognise increased credit risk on loans that demonstrated the quantitative and qualitative criteria established for significant increase in Credit risk prior to March 2020.

At the end of the moratorium period in June 2020, members were required to settle all outstanding interest and resume their payment obligations on their loan facilities. The Group resumed its evaluation of all loans for significant increase in Credit Risk from the end of the moratorium period. The moratorium period inadvertently extended the terms on the existing loan contracts beyond the contracted end date. The Group has not recognised the term extensions for which members have subsequently made their obligated payments from June 2020 as indicative of increased credit risk. The Group has assessed and reported on the credit risk of the loan portfolio in line with all other established criteria as at December 2020.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Decrease in credit risk

Loans that have been assessed as indicating increased credit risk may be cured whereby the credit risk of the loan has decreased. The Group would consider a history of six months of timely payment performance against existing or modified contract terms to determine if the credit risk has decreased.

Measuring ECL – explanation of Inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), Exposure at default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit impaired” above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and available collateral and other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by calculating the PD, LGD and EAD for each individual exposure or collective segment. These three components are multiplied together and adjusted for forward looking economic assumptions.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and Lifetime EADs are determined on the expected payment profile, which varies by product type. For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayments/refinance assumptions are also incorporated into the calculation.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Measuring ECL – explanation of Inputs, assumptions and estimation techniques (continued)

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and price.

Forward looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to note for an explanation of forward-looking information and its inclusion in ECL calculations.

Forward looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. The Group applied professional judgement to determine a base economic scenario and to estimate the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario the Group considered two other possible scenarios, an 'upside' and a 'downside' scenario, along with scenario weightings. The Group determined that these three scenarios were appropriate to assess the impact the economic outlook may have on the default rates within its portfolios at 31 December 2020.

The Group incorporated the weighted average of the probability of the scenario outcomes as a multiplier within the ECL model to arrive at a probability weighted ECL value which catered for the risks associated with a change in the economic conditions.

As with any economic forecasts, the projections and likelihood of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent the best possible outcomes.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) Credit risk (continued)

Forward looking information incorporated in the ECL models (continued)

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2020 are set out below. The scenarios "base", "upside" and "downside" were used for the Loan portfolio.

Base case scenario				
Variables	State	Multiplier	Weight	Score
Unemployment rate	Negative	1.3	0.5	0.65
GDP Growth	Positive	0.8	0.4	0.32
Inflation Rate	Positive	0.8	0.1	0.08
Score				1.05
Probability of impact				70%
Upside Scenario				
Variables	State	Multiplier	Weight	Score
Unemployment Rate	Stable	1.1	0.5	0.55
GDP Growth	Positive	0.8	0.4	0.32
Inflation rate	Positive	0.8	0.1	0.08
Score				0.95
Probability of impact				10%
Downside Scenario				
Variables	State	Multiplier	Weight	Score
Unemployment rate	Negative	1.3	0.5	0.65
GDP Growth	Stable	1.1	0.4	0.44
Inflation Rate	Stable	1.1	0.1	0.11
Score				1.20
Probability of impact				20%
 Weighted average adjustment factor:				1.07

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Forward looking information incorporated in the ECL models (continued)

Economic variable assumptions (continued)

The economic variable assumptions used for the Loan Portfolio as at 31 December 2019 were as follows:

Base case scenario Variables	State	Multiplier	Weight	Score
Unemployment rate	Stable	1.1	0.5	0.55
GDP Growth	Positive	0.8	0.4	0.32
Inflation Rate	Negative	1.3	0.1	0.13
Score				1.00
Probability of impact				80%
Upside Scenario Variables	State	Multiplier	Weight	Score
Unemployment Rate	Positive	0.8	0.5	0.40
GDP Growth	Positive	0.8	0.4	0.32
Inflation rate	Stable	1.1	0.1	0.11
Score				0.83
Probability of impact				10%
Downside Scenario Variables	State	Multiplier	Weight	Score
Unemployment rate	Negative	1.3	0.5	0.65
GDP Growth	Stable	1.1	0.4	0.44
Inflation Rate	Negative	1.3	0.1	0.13
Score				1.22
Probability of impact				10%
Weighted average adjustment factor:				1.01

The Group considered its internal circumstances as well as macroeconomic variables in establishing the expected scenarios for the Loan Portfolio.

In determining its ability to improve risks associated with its loan portfolio, the Group considered its Governance structure for assessing credit facilities and its processes for managing past due accounts. The Group is expected to continue to enhance its Credit administration processes in 2021 which commenced in 2020 with the implementation of a new Credit Policy and training initiatives for Credit Officers.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Forward looking information incorporated in the ECL models (continued)

Economic variable assumptions (continued)

Factors resulting in the increase of the forward-looking Indicator for Loans in year 2020 to 1.07 (2019 1.01) included:

Change in the base case scenario:

Variables	2020	2019	Justification
Unemployment rate	Negative	Stable	Covid 19 had a negative impact on small business in particular and certain sectors of the Trinidad and Tobago economy resulting in some business closures and job losses. A trend of an increased unemployment rate.
GDP Growth	Positive	Positive	Optimism for increased economic growth in Trinidad and Tobago supported by vaccinations with energy prices expected to trend higher in 2021 than in 2020. It is expected that the demand for energy output will exist as economic stimulus packages in certain developed economies will support the recovery of the global economy.
Inflation	Positive	Negative	Trinidad and Tobago expected to continue to experience low levels of Core inflation. This can contribute to price stability.
Probability weighting	70%	80%	Potential for downside risk associated with the continuation of the spread of Covid-19 despite the vaccinations. Possible delays in the vaccine roll-out in Trinidad and Tobago.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Forward looking information incorporated in the ECL models (continued)

Economic variable assumptions (continued)

The scenarios “base”, “upside” and “downside” were used for the Investment portfolio as at 31 December 2020 was as follows:

Trinidad & Tobago					
	Debt to GDP	GDP Growth	Energy Production	Score	Weight
Base Case	Stable	Positive	Stable	0.8	80%
Upside Scenario	Positive	Positive	Positive	0.4	10%
Downside Scenario	Stable	Stable	Negative	1.1	10%
Forward Looking Multiplier					0.83

Government of Belize					
	Debt to GDP	GDP Growth		Score	Weight
Base Case	Stable	Stable		1.0	80%
Upside Scenario	Stable	Positive		0.8	10%
Downside Scenario	Negative	Negative		1.3	10%
Forward Looking Multiplier					1.02

General Electric					
	Global GDP Growth	GE EPS		Score	Weight
Base Case	Positive	Positive		0.5	80%
Upside Scenario	Positive	Positive		0.5	10%
Downside Scenario	Stable	Stable		1.0	10%
Forward Looking Multiplier					0.55

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Forward looking information incorporated in the ECL models (continued)

Economic variable assumptions (continued)

The scenarios “base”, “upside” and “downside” used for the investment portfolio as at 31 December 2019 was as follows:

Trinidad & Tobago					
	Debt to GDP	GDP Growth	Energy Production	Score	Weight
Base Case	Stable	Positive	Stable	0.9	80%
Upside Scenario	Positive	Positive	Positive	0.6	10%
Downside Scenario	Stable	Stable	Negative	1.3	10%
Forward Looking Multiplier					0.91

Government of Belize					
	Debt to GDP	GDP Growth		Score	Weight
Base Case	Stable	Positive		0.9	80%
Upside Scenario	Stable	Positive		1	10%
Downside Scenario	Negative	Stable		1.5	10%
Forward Looking Multiplier					0.95

General Electric					
	Global GDP Growth	GE EPS		Score	Weight
Base Case	Positive	Positive		0.7	80%
Upside Scenario	Positive	Positive		0.8	10%
Downside Scenario	Stable	Stable		1	10%
Forward Looking Multiplier					0.74

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Forward looking information incorporated in the ECL models (continued)

Economic variable assumptions (continued)

The major factors resulting in the changes in the Forward looking Indicators in 2020 from 2019 are as follows.

Areas assessed	2020 FLI	2019 FLI	Justification
Trinidad and Tobago	0.83	0.91	Outlook for improved economic growth based on IMF's projections
Government of Belize	1.02	0.95	Increased downside risk associated with challenges in the Tourism Sector due to the on-going pandemic
General Electric	0.55	0.74	Outlook for improved global economic growth and improved shareholder returns for the company

The assessment of these variables was based on information available on the expected performance of these indicators as at 31 December 2020.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been assessed, but are not deemed to have a material impact and therefore no adjustments have been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

The Group continues to manage its Investment Assets within the guidelines of its Investment Policy established for the period 2019 to 2021. This document identifies the Group's constraints and provides a governance and management framework for the investment activity the Group undertakes. The Group makes Investments within a business model to hold to collect the contractual cash flows.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) Credit risk (continued)

Credit risk exposure

Maximum exposure to credit risk – financial instruments subject to impairment

	2020			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loans to members	612,394,600	636,814,233	209,991,462	1,459,200,295
Loss Allowance	(669,009)	(6,331,910)	(75,567,704)	(82,568,623)
Carrying Amount	611,725,591	630,482,323	134,423,758	1,376,631,672
Investment Securities				
– Amortised Cost	265,104,517	71,895,091	16,063,610	353,063,218
Loss Allowance	(380,284)	(890,207)	(9,371,129)	(10,641,620)
Carrying Amount	264,724,233	71,004,884	6,692,481	342,421,598
	2019			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loans to members	669,614,440	558,172,476	151,236,909	1,379,023,825
Loss Allowance	(809,233)	(4,644,830)	(56,564,696)	(62,018,759)
Carrying Amount	668,805,207	553,527,646	94,672,213	1,317,005,066
Investment Securities				
– Amortised Cost	309,114,541	--	16,063,610	325,178,151
Loss Allowance	(269,629)	--	(10,125,950)	(10,395,579)
Carrying Amount	308,844,912	--	5,937,660	314,782,572

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between stages 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down” between 12-month and Lifetime ECL
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time as ECL is measured on a present Value basis;
- Financial Assets written off during the period and allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loans to members	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2020	809,233	4,644,830	56,564,696	62,018,759
<i>Movements with P&L Impact</i>				
<i>Transfers:</i>				
Transfer from Stage 1 to Stage 2	(53,766)	367,651	–	313,885
Transfer from Stage 1 to Stage 3	(56,184)	–	7,411,389	7,355,205
Transfer from Stage 2 to Stage 1	68,349	(968,367)	–	(900,018)
Transfer from Stage 2 to Stage 3	–	(396,591)	8,926,058	8,529,467
New Loans assets originated	381,059	3,516,832	2,035,381	5,933,272
Changes in PDs, LGDs, EADs	(260,856)	(174,192)	1,857,830	1,422,782
De-recognised	(218,826)	(658,253)	(1,227,650)	(2,104,729)
Total net P&L charge during the period	(140,224)	1,687,080	19,003,008	20,549,864
<i>Other movements with no P&L impact:</i>				
Write offs	–	–	–	–
Loss allowance as at 31 December 2020	669,009	6,331,910	75,567,704	82,568,623

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Loans to members	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2019	135,201	6,096,925	48,722,380	54,954,506
Movements with P&L Impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(4,426)	49,175	--	44,749
Transfer from Stage 1 to Stage 3	(4,365)	--	2,858,554	2,854,189
Transfer from Stage 2 to Stage 1	61,054	(521,732)	--	(460,678)
Transfer from Stage 2 to Stage 3	--	(603,600)	32,930,127	32,326,527
New Loans assets originated	613,346	3,592,185	547,478	4,753,009
Changes in PDs, LGDs, EADs	18,804	(1,634,213)	(2,906,159)	(4,521,568)
De-recognised	(10,381)	(2,333,910)	(16,941,355)	(19,285,646)
Total net P&L charge during the period	674,032	(1,452,095)	16,488,645	15,710,582
Other movements with no P&L impact:				
Write offs	--	--	(8,646,329)	(8,646,329)
Loss allowance as at 31 December 2019	809,233	4,644,830	56,564,696	62,018,759

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Investment Securities	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2020	269,630	--	10,125,950	10,395,580
Movements with P&L Impact				
New Securities purchased	242,308	--	--	242,308
Changes in PDs, LGDs, EADs	(12,644)	--	(754,821)	(767,465)
Transfer from Stage 1 to Stage 2	(59,098)	890,207	--	831,109
De-recognised	(59,912)	--	--	(59,912)
Total net P&L charge during the period	110,654	890,207	(754,821)	246,040
Loss allowance as at 31 December 2020	380,284	890,207	9,371,129	10,641,620

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Investment Securities	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2019	116,310	--	11,939,349	12,055,659
Movements with P&L Impact				
New Securities purchased	160,542	--	--	160,542
Changes in PDs, LGDs, EADs	6,136	--	(813,399)	(807,263)
De-recognised	(13,359)	--	--	(13,359)
Total net P&L charge during the period	153,319	--	(813,399)	(660,080)
Other movements with no P&L impact:				
Write offs	--	--	(1,000,000)	(1,000,000)
Loss allowance as at 31 December 2019	269,629	--	10,125,950	10,395,579

The following table further explains changes in the gross carrying amount of the loan portfolio to help explain the significance to the changes in the loss allowance for the Financial Asset categories:

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Loans to members	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Gross carrying amount as at 1 January 2020	669,614,440	558,172,476	151,236,909	1,379,023,825
Transfers:				
Transfer from Stage 1 to Stage 2	(36,972,023)	32,450,853	--	(4,521,170)
Transfer from Stage 1 to Stage 3	(23,630,523)	--	22,037,999	(1,592,524)
Transfer from Stage 2 to Stage 1	49,885,702	(61,928,475)	--	(12,042,773)
Transfer from Stage 2 to Stage 3	--	(49,709,685)	47,815,161	(1,894,524)
New Loans assets originated	297,005,496	223,258,798	2,001,079	522,265,373
Changes in PDs, LGDs, EADs	(85,911,499)	(24,358,429)	(6,582,571)	(116,852,499)
Repayments	(257,596,993)	(41,071,305)	(6,517,115)	(305,185,413)
Gross carrying amount as at 31 December 2020	612,394,600	636,814,233	209,991,462	1,459,200,295

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Loans to members	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Gross carrying amount as at 1 January 2019	361,614,784	872,256,084	138,927,812	1,372,798,680
Transfers:				
Transfer from Stage 1 to Stage 2	(11,826,194)	8,757,132	--	(3,069,062)
Transfer from Stage 1 to Stage 3	(11,665,516)	--	10,488,153	(1,177,363)
Transfer from Stage 2 to Stage 1	60,985,205	(74,641,613)	--	(13,656,408)
Transfer from Stage 2 to Stage 3	--	(86,353,936)	79,083,320	(7,270,616)
New Loans assets originated	401,573,931	186,382,067	2,019,502	589,975,500
Changes in PDs, LGDs, EADs	(96,526,419)	(33,005,852)	(6,320,728)	(135,852,999)
Repayments	(34,541,351)	(315,221,406)	(64,314,821)	(414,077,578)
Write offs	--	--	(8,646,329)	(8,646,329)
Gross carrying amount as at 31 December 2019	669,614,440	558,172,476	151,236,909	1,379,023,825

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

Investment Securities	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Gross carrying amount as at 1 January 2020	309,114,542	--	16,063,610	325,178,152
New Securities purchased	154,744,515	--	--	154,744,515
Changes in PDs, LGDs, EADs	(7,140,591)	--	--	(7,140,591)
Transfer from Stage 1 to Stage 2	(72,877,320)	71,895,097	--	(982,223)
Repayments	(118,736,635)	--	--	(118,736,635)
Gross carrying amount as at 31 December 2020	265,104,511	71,895,097	16,063,610	353,063,218
Gross carrying amount as at 1 January 2019	197,112,102	--	17,063,610	214,175,712
New Securities purchased	203,546,028	--	--	203,546,028
Changes in PDs, LGDs, EADs	(3,567,013)	--	--	(3,567,013)
Repayments	(87,976,576)	--	--	(87,976,576)
Write offs	--	--	(1,000,000)	(1,000,000)
Gross carrying amount as at 31 December 2019	309,114,541	--	16,063,610	325,178,151

In 2020 the credit ratings of Government of Trinidad and Tobago Bonds were assessed as BBB- by Standard and Poors. These Bonds were acquired by the Group with an A rating during the years 2010 – 2013. The Group has re-classified these bonds as Stage 2 given the increased credit risk since acquisition.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) *Credit risk (continued)*

Credit risk exposure (continued)

31 December 2020				
	Loans to members \$	Investment Securities (amortised cost) \$	Accounts Receivable \$	Cash and cash equivalents \$
Stage 1	612,394,600	265,104,511	21,521,709	387,377,754
Stage 2	636,814,233	71,895,097	--	--
Stage 3	209,991,462	16,063,610	184,631	--
Gross	1,459,200,295	353,063,218	21,706,340	387,377,754
Allowance for Impairment	(82,568,623)	(10,641,620)	(184,631)	--
Net	1,376,631,672	342,421,598	21,521,709	387,377,754
31 December 2019				
	Loans to members \$	Investment Securities (amortised cost) \$	Accounts Receivable \$	Cash and cash equivalents \$
Stage 1	669,614,440	309,114,541	17,000,868	433,632,216
Stage 2	558,172,476	--	--	--
Stage 3	151,236,909	16,063,610	186,231	--
Gross	1,379,023,825	325,178,151	17,187,099	433,632,216
Allowance for Impairment	(62,018,759)	(10,395,579)	(186,231)	--
Net	1,317,005,066	314,782,572	17,000,868	433,632,216

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(iii) *Liquidity risk*

Liquidity risk is the risk that the Group will be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments when they fall due under normal and stress circumstances and arises from fluctuations in cash flows. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets. The Group is able to make daily calls on its available cash resources to settle financial and other liabilities.

Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. The Group employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Group's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

To manage and reduce liquidity risk the Group's management actively seeks to match cash inflows with liability requirements.

Liquidity gap

The Group's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the Statement of Financial Position date to the contractual maturity date.

	Up to 1 year TTD \$	1 to 5 years TTD \$	2020 Over 5 years TTD \$	Total TTD \$	Carrying Values TTD \$
Assets					
Cash and cash equivalents	387,377,754	--	--	387,377,754	387,377,754
Investment Securities	190,837,684	156,081,935	159,839,946	506,759,565	422,408,912
Loans to members	370,869,848	758,149,852	326,937,438	1,455,957,138	1,376,631,672
Accounts receivable	21,521,709	--	--	21,521,709	21,521,709
Total financial assets	970,606,995	914,231,787	486,777,384	2,371,616,166	2,207,940,047
Financial liabilities					
Accounts payable and accruals	102,915,815	9,078,076	7,072,377	119,066,268	119,066,268
Finance Lease Liability	2,821,468	6,145,814	--	8,967,282	8,592,253
Members' deposits	550,203,904	--	--	550,203,904	545,408,517
Members' shares (non- permanent)	1,474,773,679	--	--	1,474,773,679	1,474,773,679
Total financial liabilities	2,130,714,866	15,223,890	7,072,377	2,153,011,133	2,147,840,717
Liquidity gap	(1,160,107,871)	899,007,897	479,705,007	218,605,033	

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Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(iii) *Liquidity risk (continued)*

Liquidity gap (continued)

	Up to 1 year TTD \$	1 to 5 years TTD \$	2019 Over 5 years TTD \$	Total TTD \$	Carrying Values TTD \$
Assets					
Cash and cash equivalents	433,632,216	--	--	433,632,216	433,632,216
Investment Securities	227,892,869	107,512,469	115,499,867	450,905,205	396,206,554
Loans to members	402,983,318	861,113,588	361,081,465	1,625,178,371	1,317,005,066
Accounts receivable	17,000,868	--	--	17,000,868	17,000,868
Total financial assets	<u>1,081,509,271</u>	<u>968,626,057</u>	<u>476,581,332</u>	<u>2,526,716,660</u>	<u>2,163,844,704</u>
Financial liabilities					
Accounts payable and accruals	94,395,558	9,852,636	5,789,996	110,038,190	110,038,190
Finance Lease Liability	3,762,970	2,722,500	--	6,485,470	6,011,384
Members' deposits	521,188,954	--	--	521,188,954	516,925,820
Members' shares (non-permanent)	1,458,614,606	--	--	1,458,614,606	1,458,614,606
Total financial liabilities	<u>2,077,962,088</u>	<u>12,575,136</u>	<u>5,789,996</u>	<u>2,096,327,220</u>	<u>2,091,590,000</u>
Liquidity gap	<u>(996,452,817)</u>	<u>956,050,921</u>	<u>470,791,336</u>	<u>430,389,440</u>	

(iv) *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The operation of a Bureau de Charge at the various branches also provide exposure to currency risk. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2020	TTD	USD	Other	Total
Financial assets	\$	\$	\$	\$
Cash and cash				
Equivalents	376,743,874	8,648,614	1,985,266	387,377,754
Investment securities	414,891,814	7,047,334	469,764	422,408,912
Loans to members	1,376,631,672	--	--	1,376,631,672
Accounts receivable	21,521,709	--	--	21,521,709
Total financial assets	<u>2,189,789,069</u>	<u>15,695,948</u>	<u>2,455,030</u>	<u>2,207,940,047</u>

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(iv) *Currency risk (continued)*

As at 31 December 2020 Financial liabilities	TTD	USD	Other	Total
	\$	\$	\$	\$
Accounts payable and Accruals	119,066,268	--	--	119,066,268
Finance lease liability	8,592,253	--	--	8,592,253
Members' deposits	545,408,517	--	--	545,408,517
Members' shares (non permanent)	1,474,773,679	--	--	1,474,773,679
Total financial liabilities	2,147,840,717	--	--	2,147,840,717
Net position	41,948,352	15,695,948	2,455,030	

As at 31 December 2019 Financial assets	TTD	USD	Other	Total
	\$	\$	\$	\$
Cash and cash Equivalents	426,935,924	5,227,629	1,468,663	433,632,216
Investment securities	385,103,161	10,408,085	695,308	396,206,554
Loans to members	1,317,005,066	--	--	1,317,005,066
Accounts receivable	17,000,868	--	--	17,000,868
Total financial assets	2,146,045,019	15,635,714	2,163,971	2,163,844,704

As at 31 December 2019 Financial liabilities	TTD	USD	Other	Total
	\$	\$	\$	\$
Accounts payable and Accruals –restated	110,038,190	--	--	110,038,190
Finance lease liability	6,011,384	--	--	6,011,384
Members' deposits	516,925,820	--	--	516,925,820
Members' shares (non permanent)	1,458,614,606	--	--	1,377,614,606
Total financial liabilities	2,091,590,000	--	--	2,091,590,000
Net position	54,455,019	15,635,714	2,163,971	

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(iv) *Currency risk (continued)*

Included in the category "Other" are assets denominated in the following currencies: UK pound sterling; Canadian Dollars; Barbados Dollars and Eastern Caribbean Dollars. A 500 basis point depreciation of the \$TT against any of these currencies will have an immaterial impact on the Group's surplus.

If the TT\$ were to appreciate by 100 basis points against the US\$ the profit would decrease by approximately \$0.16m. (In 2019 it would have decreased by 0.16m). In 2020 the TT\$ appreciated by 15 basis points against the US\$ and in 2019 the TT\$ appreciated by 2 basis points.

(v) *Fair values*

The following table summarizes the carrying amounts and fair values of the Group's financial assets and liabilities:

	2020	
	Carrying value TTD \$	Fair value TTD \$
Financial assets		
Cash in hand and at bank	387,377,754	387,377,754
Investment securities (amortised cost)	342,421,598	342,458,503
Investment securities (FVPTL)	79,987,314	79,987,314
Loans to members	1,376,631,672	1,376,631,672
Accounts receivable	21,529,709	21,529,709
Financial liabilities		
Accounts payable and accruals	119,066,268	119,066,268
Finance lease liability	8,592,253	8,592,253
Members deposits	545,408,517	545,408,517
Members' shares (non-permanent)	1,474,773,679	1,474,773,679
	2019	
	Carrying value TTD \$	Fair value TTD \$
Financial assets		
Cash in hand and at bank	433,632,216	433,632,216
Investment securities (amortised cost)	314,782,572	315,333,619
Short-term investments (FVTPL)	81,423,982	81,423,982
Loans to members	1,317,005,066	1,317,005,066
Accounts receivable	17,000,868	17,000,868
Financial liabilities		
Accounts payable and accruals	110,038,190	110,038,190
Finance lease liability	6,011,384	6,011,384
Members deposits	516,925,820	516,925,820
Members' shares (non-permanent)	1,458,614,606	1,458,614,606

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(v) *Fair values (continued)*

Fair value is the measurement-date price received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

(i) *Financial instruments where carrying value is equal to fair value*

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is approximately equal to fair value include cash and cash equivalents.

(ii) *Accounts receivable*

The carrying amounts of accounts receivable are a reasonable approximation of the fair values because of their short-term nature. This valuation is based on Level 3 inputs.

(iii) *Members' loans*

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with consolidated financial statement amounts. This valuation is based on Level 3 inputs.

(iv) *Investment Securities*

The fair values of investments that are FVTPL are determined based on market prices available at 31 December 2020. Investments measured at amortised cost are initially recognised at cost. These assets are subsequently recognised using the effective interest rate method. The effective interest rate is the rate that discounts the estimated future cash flows of the financial asset.

(v) *Accounts payable and accruals*

Settlement of these liabilities are either on demand by the Creditor or subject to normal credit terms up to 30 days. This valuation is based on Level 3 inputs.

(vi) *Members' deposits*

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values, which approximate carrying values. Repayment to depositors are made on demand or when contractually due up to a maximum of one (1) year. This valuation is based on Level 3 inputs.

(vii) *Members' shares (non-permanent)*

Shares are valued at par (\$5.00) each. Withdrawals by members are allowed subject to written notice of up to 60 days as per the Society's Bye Law 7. (c). Shares qualify for dividends distributed from Surplus at the rate approved by the Annual General Meeting of the Society's membership. This valuation is based on Level 3 inputs.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(v) *Fair values (continued)*

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group'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.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

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

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

As at 31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Fair valued financial assets:				
Investment securities – debt	--	37,529,223	--	37,529,223
Investment securities – equity	42,458,091	--	--	42,458,091
Total financial assets	42,458,091	37,529,223	--	79,987,314
As at 31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Fair valued financial assets:				
Investment securities – debt	--	36,961,399	--	36,961,399
Investment securities – equity	44,462,583	--	--	44,462,583
Total financial assets	44,462,583	36,961,399	--	81,423,982

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgments

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Group's accounting policies. See Note 2 (c).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Consolidated Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements, are as follows:

(i) *Estimation of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of members defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3 (ii), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk.
- Determining criteria for high credit quality.
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 3 (ii).

(ii) *The value of fair value through profit or loss financial assets.*

The Group uses the TTSE index to determine the fair value of financial assets which primarily comprise listed local equities. The carrying amount of fair value of financial assets would increase by \$0.8m if the index is increased by 100 basis points from management's estimates (2019 - \$0.8m).

(iii) *Fixed assets*

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgments (continued)

(iv) Leases

A lease term includes optional lease periods where it is reasonably certain to exercise the option to extend or not to exercise the option to terminate the lease. Determination of the lease term is subject to judgement and has an impact on the measurement of the lease liability and related right-of-use asset.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation. The incremental borrowing rate is determined using the risk-free rate over a matched term, adjusted for factors such as the credit rating of the lessee and the borrowing currency.

The operating leases that were recognised on the balance sheet following the adoption of IFRS 16 (see Note 2. (e)) were measured applying an incremental borrowing rate at transition date to the payments under these lease contracts. To determine the incremental borrowing rate for each lease contract, a risk-free rate at transition date was applied, adjusted for other factors such as the credit rating of the Group and the term of the lease contract. All factors are subject to estimation. If a higher or lower incremental borrowing rate had been applied, the lease liability and corresponding right-of-use asset would respectively have been lower or higher. The incremental borrowing rate will not be revised each period and will not result in a material adjustment to the carrying amount of lease liability and right-of-use asset in the future years.

(v) Employee retirement benefit

The present value of the employee retirement benefit obligations depends on a number of factors that are determined on using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the obligation.

The assumptions used in determining the net cost (income) for benefits include the discount rate, salary increases, employee turnover and mortality. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates of Trinidad and Tobago Government sovereign bonds, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. In determining the salary increases, the Group considered an historical average of salary inflation. The employee turnover was based a historical employee retention rates experienced by the Group. For mortality, the Group also considered mortality tables and improvement scales based on experience studies. (note 15.2 for sensitivity).

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgments (continued)

(vi) *Effects of Covid-19 pandemic*

Measures to manage the spread of Covid-19 have created severe disruption to business activity and uncertainty in the economic environment. The Group has continuously assessed available information to inform its assessment of potential impacts to its Financial Position. These assessments require the application of judgment to derive estimates for potential impairments to the loan and investment portfolios and other assets. The Group's assessment can be over/understated due to the degree of severity of measures imposed to contain the spread of the virus and the resultant economic impact of these measures. These areas include:

- The assessment of IFRS 9 provisions require the Group to evaluate events that result in significant increase in credit risk and certain economic factors and assess the resultant impact of these events/factors on the provisioning requirements of the Group. The judgment used in the assessment of provisioning requirements was based on information available at the time the assessments were made. The progression of the pandemic and the measures taken to manage same can result in outcomes more/less favorable than the estimates derived by the Group. (See note 3 (ii))
- The Fair Value of certain investment assets are measured as at the reporting date. The on-going market conditions brought about by the pandemic can create significant volatility to the fair market estimates determined by the Group.
- The Group invests in certain debt instruments within a business model to hold to collect the contractual cash flows. These assets are measured at amortized cost. The Group has exercised judgment in its future ability to maintain this business model. The pandemic may elevate risks to the Group's cash flows or the cash flows of counter parties. These risks can negatively impact on the Group's ability to maintain this business model resulting in recognized gains/losses.

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Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

5 Cash and cash equivalents

	31 December	
	2020 TTD	2019 TTD
Money market mutual funds	259,718,434	214,855,511
Current/savings accounts	112,726,417	203,169,660
Cash in hand	14,932,903	15,607,045
	387,377,754	433,632,216

6 Investment Securities – amortised cost

	31 December	
	2020 TTD	2019 TTD
<i>Measured at Amortised cost:</i>		
Bourse Securities repo agreement	22,195,000	15,000,000
FCIS-Fixed Income Paper	9,000,000	3,408,286
Guardian Asset Management Repurchase Agreement	12,000,000	--
JMMB		
-Fixed Deposits	14,000,000	7,000,000
-Repurchase agreement	10,000,000	5,000,000
Republic Bank Sync Fixed Deposit	17,500,000	50,000,000
Bonds:		
ANSA Merchant Bank Ltd.	5,000,000	8,000,000
Government of Trinidad and Tobago	130,247,238	138,593,238
Government of Belize	7,063,610	7,063,610
HDC Fixed Rate Loan	1,200,000	3,600,000
First Citizens Bank Limited	4,000,000	4,000,000
National Insurance Property Development Company Limited	34,582,743	26,648,581
National Investment Fund Bond	5,384,000	5,384,000
Prestige Holdings Limited	555,095	707,195
Trinidad and Tobago Mortgage Finance Company Limited	8,000,000	8,000,000
Urban Development Company of Trinidad and Tobago Government Campus Project	5,242,377	5,775,457
Urban Development Company of Trinidad and Tobago	24,218,711	26,706,651
Various overseas bonds held in foreign currencies	1,270,470	1,291,133
Water & Sewerage Authority of Trinidad and Tobago	25,203,974	--
Other:		
Daniell Educational Community	7,500,000	7,500,000
Police Credit Union	7,400,000	--
R E Matthews & Associates	1,500,000	1,500,000
Credit Impairment Provision	(10,641,620)	(10,395,579)
Total Investment securities – amortised cost	342,421,598	314,782,572

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

7 Investment securities – fair value

	31 December	
	2020	2019
	TTD	TTD
<i>Fair value through profit or loss</i>		
Shareholdings - Capital and Credit Merchant Bank	1,050	1,050
- One Caribbean Media Limited	113,684	199,240
- Central Finance Facility Co-operative Society of Trinidad and Tobago Limited	200,000	200,000
- Co-operative Credit Union League	3,000	3,000
- First Caribbean International Bank Limited	588,315	659,247
- First Citizens Bank Limited	7,520,996	7,743,489
- Grace Kennedy Limited	577,500	592,500
- Guardian Holding Limited	1,991,241	2,052,875
- JMMB Group Limited	245,166	323,116
- Republic Financial Holdings Limited	13,038,165	12,673,096
- Unilever Caribbean Limited	250,500	345,000
- National Enterprises Limited	155,704	284,717
- Massy Holdings Limited	3,449,838	3,450,404
- Scotiabank Trinidad and Tobago Limited	1,856,421	1,895,575
- PLIPDECO	46,878	53,575
- The West Indian Tobacco Company Limited	2,124,000	2,484,600
- Sagicor Financial Corporation Limited	469,764	695,308
- Trinidad Cement Limited	74,704	52,424
- Prestige Holdings Limited	380,000	450,000
- Royal Bank of Canada	1,233,807	1,190,806
- Clico Investment Fund	8,137,358	9,112,561
	42,458,091	44,462,583
Other –	–	–
- Home Mortgage Bank – Mutual Fund	2,226,315	2,193,190
- Trinidad and Tobago Unit Trust Corporation	618,759	609,716
- Schroders Energy Fund	303,365	449,214
- First Citizens Bank Limited – El Tucuche Fund	28,391,787	27,717,778
- First Citizens Bank Limited – Immortelle Fund	5,988,997	5,991,501
	37,529,223	36,961,399
Total Investment Securities – Fair Value	79,987,314	81,423,982

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

8 Loans to members

Loans to members are stated at principal outstanding net of a provision for loan losses. The provision for loan losses is based on management's evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

	31 December	
	2020 TTD	2019 TTD
Loans to members	1,459,200,295	1,379,023,825
Less: Provision for loan losses	<u>(82,568,623)</u>	<u>(62,018,759)</u>
	<u>1,376,631,672</u>	<u>1,317,005,066</u>

Provision for loan losses

	31 December	
	2020 TTD	2019 TTD
Balance, beginning of year	62,018,759	54,954,506
Charge for the year	19,189,395	14,082,114
Amounts written off	--	(8,646,329)
Amounts recovered from written off Loans	<u>1,360,469</u>	<u>1,628,468</u>
Balance, end of year	<u>82,568,623</u>	<u>62,018,759</u>

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

9 Investment properties

	31 December	
	2020	2019
	TTD	TTD
Cost:		
Balance, beginning of year	21,234,405	20,880,473
Additions	318,878	599,468
Impairment	(4,000,000)	--
Disposals	(32,783)	(245,536)
Balance, end of year	17,520,500	21,234,405
Accumulated depreciation:		
Balance, beginning of year	1,571,248	1,435,362
Additions	206,942	177,032
Disposals	(25,809)	(41,146)
Balance, end of year	1,752,381	1,571,248
Net book value, end of year	15,768,119	19,663,157

In 2020, the Group recognised an impairment to a property development project in respect to costs incurred for the development drawings. The Group has determined that new drawings would be required to enhance the viability of the project by increasing the number of housing units on the site.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

10 Accounts receivable and prepayments

	31 December	
	2020 TTD	2019 TTD
Accrued interest on loans	11,376,801	9,638,581
Accrued interest on investments	5,128,013	2,942,551
Claim recoverable	184,631	186,231
Other receivables	3,933,195	3,343,160
Prepayments	1,513,388	2,079,928
Recoverable expenses	335,833	327,833
Rent receivable	(30)	4,975
Staff loans and advances	<u>747,897</u>	<u>743,768</u>
	23,219,728	19,267,027
Less: Provision for doubtful debts	<u>(184,631)</u>	<u>(186,231)</u>
	<u>23,035,097</u>	<u>19,080,796</u>
 <i>Provision for doubtful debts</i>		
Balance, beginning of year	186,231	190,231
Bad debts recovered	<u>(1,600)</u>	<u>(4,000)</u>
Balance, end of year	<u>184,631</u>	<u>186,231</u>

11 Inventories

	31 December	
	2020 TTD	2019 TTD
Stationery/office supplies	510,518	431,192
ATM Card Stock	<u>71,206</u>	<u>113,210</u>
	<u>581,724</u>	<u>544,402</u>

CONSOLIDATED FINANCIAL STATEMENTS 2020

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Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

12 Intangible assets

	PC Software TTD	Network Software TTD	Total TTD
Cost			
Balance as at 1 January 2020	1,510,772	21,146,097	22,656,869
Additions	--	15,301	15,301
Transfers/Reclassifications	--	--	--
Balance as at 31 December 2020	1,510,772	21,161,398	22,672,170
Accumulated depreciation			
Balance as at 1 January 2020	1,325,745	16,487,284	17,813,029
Charge for the year	54,638	988,505	1,043,143
Balance as at 31 December 2020	1,380,383	17,475,789	18,856,172
Net book value			
Balance as at 31 December 2020	130,389	3,685,609	3,815,998
Balance as at 31 December 2019	185,027	4,658,813	4,843,840
Cost			
Balance as at 1 January 2019	1,510,772	20,846,086	22,356,858
Additions	--	300,011	300,011
Transfers/Reclassifications	--	--	--
Balance as at 31 December 2019	1,510,772	21,146,097	22,656,869
Accumulated depreciation			
Balance as at 1 January 2019	1,194,943	15,526,608	16,721,551
Charge for the year	130,802	960,676	1,091,478
Balance as at 31 December 2019	1,325,745	16,487,284	17,813,029
Net book value			
Balance as at 31 December 2019	185,027	4,658,813	4,843,840
Balance as at 31 December 2018	315,829	5,319,478	5,635,307

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

13 Right of use assets

The Group leases Land and Buildings for use in respect to Administrative Offices, Branch operations and for housing Automated Banking Machines.

	Land and Building TTD
Cost:	
Balance as at 1 January 2020	9,716,498
New leases	719,060
Lease re-measured	4,405,956
Leases disposed	<u>(1,270,572)</u>
Balance as at 31 December 2020	<u>13,570,942</u>
Accumulated depreciation	
Balance as at 1 January 2020	4,030,401
Charge for the Year	3,235,124
Lease adjustment	(228,767)
Disposals	<u>(1,270,572)</u>
Balance as at 31 December 2020	<u>5,766,186</u>
Net Book Value	
Balance as at 31 December 2020	<u>7,804,756</u>
Balance as at 31 December 2019	<u>5,686,097</u>
	TTD
Cost:	
Balance as at 31 December 2018	--
Classified as at 1 January 2019 on adoption of IFRS 16	6,164,473
Additions	<u>3,552,025</u>
Balance as at 31 December 2019	<u>9,716,498</u>
Accumulated depreciation	
Balance as at 1 January 2019	--
Charge for the Year	4,030,401
Disposals	<u>--</u>
Balance as at 31 December 2019	<u>4,030,401</u>
Net Book Value	
Balance as at 31 December 2019	<u>5,686,097</u>

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

14 Property plant & equipment

	Land and buildings TTD	Furniture, fixtures and fittings TTD	Office equipment TTD	Computer facilities TTD	Other equipment TTD	Motor vehicles TTD	Capital work-in- progress TTD	Total TTD
Cost								
Balance as at 1 January 2020	108,733,311	21,316,148	21,958,026	24,246,605	8,987,824	1,437,538	3,339,676	190,019,128
Additions	2,456,349	1,057,656	181,469	394,161	439,403	608,000	102,622	5,239,660
Transfers	--	--	--	--	--	--	--	--
Reclassifications	--	--	--	--	--	--	--	--
Disposals	--	(3,127,980)	--	--	(2,063,391)	(295,653)	(290,206)	(5,777,230)
Balance as at 31 December 2020	<u>111,189,660</u>	<u>19,245,824</u>	<u>22,139,495</u>	<u>24,640,766</u>	<u>7,363,836</u>	<u>1,749,885</u>	<u>3,152,092</u>	<u>189,481,558</u>
Accumulated depreciation								
Balance as at 1 January 2020	37,156,554	13,943,610	17,449,513	19,070,200	6,267,032	1,035,422	--	94,922,331
Charge for the year	3,519,201	1,214,560	1,013,286	1,377,639	663,986	255,078	--	8,043,750
Disposals	--	(3,040,408)	--	(1,790)	(2,326,270)	(275,654)	--	(5,644,122)
Balance as at 31 December 2020	<u>40,675,755</u>	<u>12,117,762</u>	<u>18,462,799</u>	<u>20,446,049</u>	<u>4,604,748</u>	<u>1,014,846</u>	<u>--</u>	<u>97,321,959</u>
Net book value								
Balance as at 31 December 2020	<u>70,513,905</u>	<u>7,128,062</u>	<u>3,676,696</u>	<u>4,194,717</u>	<u>2,759,088</u>	<u>735,039</u>	<u>3,152,092</u>	<u>92,159,599</u>
Balance as at 31 December 2019	<u>72,465,368</u>	<u>8,135,425</u>	<u>5,136,865</u>	<u>4,746,426</u>	<u>2,405,133</u>	<u>388,774</u>	<u>2,143,620</u>	<u>95,421,611</u>

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2020

14 Property plant & equipment (continued)

	Land and buildings TTD	Furniture, fixtures and fittings TTD	Office equipment TTD	Computer facilities TTD	Other equipment TTD	Motor vehicles TTD	Capital work-in- progress TTD	Total TTD
Cost								
Balance as at 1 January 2019	106,624,839	21,510,381	21,620,188	22,625,349	8,274,646	1,556,588	2,143,620	184,355,611
Additions	2,157,082	507,000	410,823	1,723,840	866,410	199,950	2,987,056	8,852,161
Transfers	--	--	--	--	--	--	--	--
Reclassifications	--	--	--	--	--	--	--	--
Disposals	(48,610)	(701,233)	(72,985)	(102,584)	(153,232)	(319,000)	(1,791,000)	(3,188,644)
Balance as at 31 December 2019	108,733,311	21,316,148	21,958,026	24,246,605	8,987,824	1,437,538	3,339,676	190,019,128
Accumulated depreciation								
Balance as at 1 January 2019	34,159,471	13,374,956	16,483,323	17,878,923	5,869,513	1,167,814	--	88,934,000
Charge for the year	3,174,679	1,135,389	1,038,337	1,279,296	523,267	166,608	--	7,317,576
Disposals	(177,596)	(566,735)	(72,147)	(88,019)	(125,748)	(299,000)	--	(1,329,245)
Balance as at 31 December 2019	37,156,554	13,943,610	17,449,513	19,070,200	6,267,032	1,035,422	--	94,922,331
Net book value								
Balance as at 31 December 2019	71,576,757	7,372,538	4,508,513	5,176,405	2,720,792	402,116	3,339,676	95,096,797
Balance as at 31 December 2018	72,465,368	8,135,425	5,136,865	4,746,426	2,405,133	388,774	2,143,620	95,421,611

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

15 Accounts payable and accruals

	2020	2019
	TTD	TTD
CUNA Claims	58,770,553	50,727,887
Trade creditors	73,431	236,045
Interest payable	1,335,201	1,202,242
Other payables	7,770,738	9,098,599
Accrued expenses	1,045,416	1,754,746
Statutory deductions payable	1,018,450	893,616
Provision for retroactive salaries	146,821	389,426
Provision for employee benefit (note 2r)	47,716,185	44,716,993
Automated Teller Machine – Branch Settlement	1,189,473	1,018,636
	119,066,268	110,038,190

Defined Benefit Plan - Provision for employee benefit

Net liability in balance sheet

	31 December	
	2020	2019
	TTD	TTD
Present value of obligation	47,716,185	44,716,993
Movement in the present value of defined benefits obligation		
beginning of the year	44,716,993	25,258,043
Adjusted amount	--	17,282,381
Beginning of the year	44,716,993	42,540,424
Current year service cost:		
<i>Total current year service cost</i>	5,306,213	5,340,810
Benefits paid	(2,307,021)	(3,164,241)
Defined benefit obligation at end of year	47,716,185	44,716,993

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

15 Accounts payable and accruals (continued)

Defined Benefit Plan - Provision for employee benefit (continued)

The defined benefit obligation is allocated between the plan's members as follows:

	2020 TTD	2019 TTD
Vested members – employees with more than 15 years continuous employment	66%	65%
Members not yet vested – employees with less than 15 years continuous employment	34%	35%
The weighted average duration of the defined benefit obligation as at year end	19.2 years	18.9 years

The Group does not set aside specific assets to meet the defined benefit plan obligations.

Expenses recognised in profit or loss – Personnel costs

Current service costs	5,306,213	5,340,810
-----------------------	-----------	-----------

Summary of principal assumptions as at 31 December

Discount rates	5.9%	5.52%
Average annual salary increases	3.83%	3.83%
Employee turnover rate	3.49%	3.83%
Mortality rate	0.15%	0.15%

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The table below summarises how the change in assumptions would change the value of the obligation.

2020	1% per annum increase TTD	1% per annum decrease TTD
Discount rate	(6,283,416)	7,645,128
Average annual salary increases	7,535,927	(6,310,649)
Employee turnover rate	(641,398)	681,161
Mortality rate	(6,687,298)	8,069,828

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

15 Accounts payable and accruals (continued)

Defined Benefit Plan - Provision for employee benefit (continued)

2019	1% per annum increase TTD	1% per annum decrease TTD
Discount rate	(6,204,314)	7,591,605
Average annual salary increases	7,878,129	(6,520,828)
Employee turnover rate	(671,324)	712,548
Mortality Rate	(6,580,583)	7,982,561

16 Finance lease liability

This balance refers to liabilities in respect to Lease Contracts for Right to Use Assets i.e. land and buildings used by the Group. Lease Terms were for periods 1 – 4 years. The Liability incurs an interest rate of 9.25% per annum. The Total Interest Expensed in 2020 was \$2,864,794.

	31 December	
	2020	2019
	TTD	TTD
Finance lease liabilities as at December 31		
Impact of IFRS 16	–	6,362,524
Finance lease liability as at January 1	6,011,384	6,362,524
Lease additions	719,060	3,552,025
Lease re-measured adjustment	4,911,723	–
Interest expensed	882,704	693,975
Lease payments	(3,932,618)	(4,597,140)
Finance lease liability as at December 31	8,592,253	6,011,384

	2020			
	Up to 1 year TTD	1 to 5 years TTD	Over 5 years TTD	Total TTD
Finance lease liability	3,094,324	5,497,929	–	8,592,253

	2019			
	Up to 1 year TTD	1 to 5 years TTD	Over 5 years TTD	Total TTD
Finance lease liability	3,382,709	2,628,675	–	6,011,384

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

16 Finance lease liability (continued)

Lease expenses not included in the measurement of Finance Lease Liability

	31 December	
	2020	2019
	TTD	TTD
Expenses related to short term leases	3,514,394	3,647,794

17 Members' shares

According to the Bye-Laws of Eastern Credit Union Co-operative Society Limited, the capital of the Society may be composed of an unlimited number of shares of \$5 each. In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, redeemable shares have been treated as liabilities.

18 Deferred taxation

	2020	2019
	TTD	TTD
Balance at beginning of year	5,900,962	5,548,110
Expense/credit	793,938	352,852
	6,694,900	5,900,962
Balance at end of year		
Deferred taxation is attributable to the following items:		
Excess of written down value over net book value	13,035,440	12,761,201
Tax losses carried forward	(6,340,540)	(6,860,239)
	6,694,900	5,900,962

19 Reserve fund

In accordance with the Co-operatives Societies Act, 1971, Section 47 (2), 10% of the annual net surplus of the Group is transferred to the Reserve Fund.

20 Education fund

The Board of Directors has set aside at the end of the year an amount to an Education Fund of 5% of the net surplus for the year, after making provision for the Reserve Fund. This fund is to be used for educational purposes of its members.

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

21 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Group's overall strategy remains unchanged from previous years.

The capital structure of the Group consists of equity attributable to members, which comprises issued members shares, reserves and undivided earnings.

22 Related party transactions

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 decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Balances and transaction with related parties and key management personnel during the year were as follows:

	31 December	
	2020 TTD	2019 TTD
Assets, liabilities and members' equity		
Loans and other receivables		
Directors, committee members, key management personnel	4,118,181	4,724,656
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	2,802,005	1,798,366
Interest and other income		
Directors, committee members, key management personnel	287,042	353,151
Interest and other expenses		
Directors, committee members, key management personnel	1,482,913	1,470,589
Key management compensation		
Short-term benefits	5,712,532	6,099,837

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

23 Investment income

	31 December	
	2020	2019
	TTD	TTD
Interest and dividends	18,134,620	12,831,268
(Decrease)/increase in fair value increase of financial assets	(1,192)	13,526,744
	18,133,428	26,358,012

24 Other income

Loan processing fees	8,914,524	10,119,671
Loan late fees	966,015	1,377,332
CUNA commissions	2,879,722	2,180,524
Service charges	199,792	261,476
Entrance fees	1,113	1,803
Commission	180,972	234,505
Miscellaneous income	1,064,919	1,771,984
Gym income	633,222	2,253,767
	14,840,279	18,201,062

25 Administrative expenses

	31 December	
	2020	2019
	TTD	TTD
Annual and special general meetings	725,108	1,260,009
Audit fees	957,864	1,128,819
Bad debt expense	10,855	76,372
Credit Union League dues	158,541	5,000
Computer supplies and expenses	4,208,303	3,534,797
Depreciation and amortisation	13,026,877	12,617,137
Donations and sponsorships	197,964	285,930
Education supplies and expenses	312,829	1,880,286
Electricity	1,455,003	1,523,722
Green fund levy	550,977	611,741
Insurances	7,478,496	7,199,012
Maintenance	3,561,041	3,955,097
Miscellaneous expenses	2,075,244	2,324,618
Motor vehicle expenses	102,102	71,296
Office expenses	2,029,146	2,034,841
Printing, postage and stationery	549,424	692,330
Professional services	1,560,136	2,091,483
Property rental	3,514,394	3,647,794
Rates and taxes	(680,132)	136,026
Security	5,509,240	5,778,417
Sports and family day expenses	(400)	371,124
Staff training	205,033	1,882,993
Telephone	5,047,892	4,190,952
	52,555,937	57,299,796

CONSOLIDATED FINANCIAL STATEMENTS 2020

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

26 Board and committee expenses

	31 December	
	2020	2019
	TTD	TTD
Stipend	1,664,095	1,430,753
Meeting expenses	276,761	329,403
Entertainment	5,362	22,643
Corporate wear	15,040	--
Donations	132,307	101,425
Miscellaneous	30,946	137,207
	<u>2,124,511</u>	<u>2,021,431</u>

27 Personnel cost

	31 December	
	2020	2019
	TTD	TTD
Salaries and other staff benefits	69,579,975	66,117,656
Travelling and subsistence	1,998,688	1,911,753
	<u>71,578,663</u>	<u>68,029,409</u>

The number of permanently employed staff as at the year-end 2020 was 349 (2019 – 340).

28 Taxation

	31 December	
	2020	2019
	TTD	TTD
Business levy	96,952	112,870
Deferred taxation	810,474	358,044
	<u>907,426</u>	<u>470,914</u>
Net surplus before taxation	11,832,185	41,295,568
Tax calculated at 25%	2,958,046	10,323,892
Adjustment to tax calculated for Credit Union income non-taxable income	(1,979,355)	(10,446,031)
Other	(71,265)	593,053
	<u>907,426</u>	<u>470,914</u>

Eastern Credit Union Co-Operative Society Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

29 Subsequent events after the balance sheet date

Dividends

For the year ended 31 December 2020, the Board of Directors has proposed a dividend of 1% on Ordinary Shares and 1.25% on Special Shares, a total dividend of \$14,966,057. Also, an interest rebate of %, a total rebate of \$1,379,789. This dividend and rebate are subject to approval by the membership at the Annual General Meeting, which will be held on 2021. This has not been included as a liability in these consolidated financial statements in accordance with IAS #10.

Other events

There were no other events after the reporting period which were material to the consolidated financial statements and should have resulted in adjustments to the consolidated financial statements or disclosures when the consolidated financial statements were authorised for issue.

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