

ANNUAL  
REPORT

20  
16



# A NEW

EXPERIENCE  
REALITY  
ATTITUDE



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

## **Cover design**

*The cover design speaks to A New Experience, A New Reality and A New Approach as a New ERA - emerges.*

*The Butterfly is the tie-in symbol that speaks to both these words.*

*The Butterfly has specially enhanced eyes giving it the gift of being able to see a single image very clearly - FOCUS*

*The Butterfly is the symbol of change. Its power is transformation and shape-lifting.*

*The Butterfly is the messenger of the moment - TRANSFORMATION*

*Symbolic Butterfly meanings include: Grace, Growth, Elegance, Expansion, Transition, Celebration, etc. - CHANGE, GROWTH*

## 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

Oh, 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

AMEN



**Wayne Estrada**  
**PRESIDENT**

## President's Message

Members, let me begin by thanking you for the confidence you have placed in me and the entire Board of Directors, Committee Members and Executive Management in restoring the feeling of trust and confidence in the Institution that is Eastern Credit Union. The year 2016 was characterised by the theme “Success, Strength, Stability”. This required a lot of hard work amidst all the challenges, foremost amongst which was putting a cohesive team in place to get the task done. It is at this very juncture that I must mention that we need to be very mindful about whom you elect to lead your credit union. Our work is not completed, but most of the fundamentals have been achieved and others are underway.

The global economy is quite uncertain as is evidenced by the events in the United States of America which significantly impacts the rest of world. Our national revenue streams have been contracting and unemployment is a casualty. The loyalty of the staff and commitment of our members/owners have contributed in a meaningful way in us realising some of the financial objectives. These include growth in loans of 9 percent, in shares of 5 percent and in assets of 7 percent.

Last year I promised you that we would be operating by reviewing our operating policies, systems and procedures. I am pleased to announce that with your support, we were able through the holding of two



Special General Meetings, to amend some bye-laws and to create some policies to assist with the strengthening of our governance framework.

There are no longer nominations from the floor; an officer of another credit union is unable to be an officer at Eastern Credit Union; the term of office for the Supervisory and Credit Committees have been extended to two years; persons with litigation against the credit union would not be able to hold office and we have increased the share saving requirements for members eligible to serve as elected officers.

Further to this, we have validated policies and strengthened our code of ethics by including sanctions for breaches incurred; we have a full complement of the Executive Management team in place; we have re-joined the Co-operative Credit Union League of Trinidad and Tobago (CCULTT) and have also become a member of the Association of Cooperative Credit Union Presidents of Trinidad and Tobago (ACCUPTT). As I have said before the work is not done and we are ploughing ahead. As your President I appeal to you, when that sacred responsibility of yours would arrive today, in seeking to elect your leaders, be mindful of the fact that the hallmark of any financial Institution is trust and confidence, so exercise your right with absolute prudence.

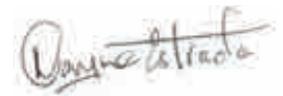
It is at this juncture that I take the opportunity to remind you members that we started this credit union

with twenty-two members/founders some 44 years ago, three of whom are still with us. They are Linda Besson, Gloria Apparicio and Gary Joseph. In 2017 we lost two of our founders, Theresa Nivet and Alston Wilson our first President, the latter within this month. I therefore wish to express on behalf of the entire membership our sincerest gratitude and appreciation of the contributions made by them and by extension their families.

As we go forward, I would like to assure you that your Board would continue to focus on providing excellent service to you, so much so, that the provision of homes and building lots for our membership is being vigorously pursued utilizing our subsidiary EPL Properties Limited.

Always remember that you are the owners of this Credit Union and your continued support is critical to its welfare and wellbeing. You could be the next President, Board member, Committee Member or Executive Manager.

I Thank You.



Wayne Estrada  
 President



# 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

Member Focused

Honesty and Integrity

Innovativeness

Professionalism

Confidentiality

Accountability

Impartiality

## Strategic Priorities

Employee Engagement

Embrace Technology

Emphasis on Community Involvement

Market Expansion and Development

Maintain Financial Health

Organizational Effectiveness and Efficiency





Notice is hereby given that the Forty Third (43<sup>rd</sup>) Annual General Meeting (AGM) of Eastern Credit Union Co-operative Society Limited (hereinafter called Eastern Credit Union) will take place at the Regency Ballroom of the Hyatt Regency Trinidad, 1 Wrightson Road, Port of Spain on Sunday July 30<sup>th</sup> 2017 at 10.00 A.M.

## **AGENDA**

### **10:00 AM**

1. National Anthem
2. Invocation/Credit Union Prayer
3. Reading of Notice convening the 43<sup>rd</sup> Annual General Meeting
4. Adoption of Standing Orders
5. Credentials Committee Report
6. Welcome Remarks
7. Confirmation of Minutes of the 42<sup>nd</sup> Annual General Meeting of Saturday April 16<sup>th</sup>, 2016
8. Matters Arising from the Minutes
9. Reports
  - Board of Directors
  - Supervisory Committee
  - Credit Committee
  - Education Committee
  - Auditors' Report
  - Consolidated Audited Financial Statements 2016
10. Credentials Committee Report
11. Nominating Committee Report
12. Credentials Committee Report
13. Election of Officers
14. Resolutions
15. General Business
16. Closing Observations



Conrad Enill (Mr.)

**Secretary**

Registration will begin at 8:00 AM

Please present **VALID IDENTIFICATION** for Registration

**ONLY MEMBERS** of the Credit Union can be allowed access to the meeting.

In order to facilitate catering arrangements members are required to register at any Branch, or by contacting the Call centre at 800-4ECU (4328) by **Thursday July 27<sup>th</sup> 2017**.



## STANDING ORDERS

1. (a) Where possible, a Member shall stand when addressing the Chair.  
(b) Contributions are to be clear and relevant to the subject before the meeting.
2. A Member shall only address the meeting when called upon by the Chairman to do so, after which, he/she shall immediately take his/her seat.
3. No Member shall address the meeting except through the Chairman.
4. A member shall not speak for more than three (3) minutes on any one subject.
5. A Member may not speak twice on the same subject except:
  - (a) The Mover of a motion who has the right of reply.
  - (b) He/ She rises to object or to explain (with the permission of the Chair).
6. The Mover of a “Procedural Motion” (Adjournment, Lay on the table, Motion to Postpone) shall have no right of reply.
7. No contributions are to be made after the “Question” has been put and carried or negated.
8. A Member rising on a “Point of Order” is to state the point clearly and concisely, (A “Point of Order” must have relevance to the “Standing Orders”).
9. (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 can a Member call the Chair to order.
10. A “Question” shall not be put to the vote if a Member desires to speak on it or move an amendment to it, except a “Procedural Motion: The Previous Question” “Proceed to the Next Question” or the Closure: “That the Question be Now Put” may be moved at any time.
11. Only one amendment should be put before the meeting at one and the same time.
12. When a motion is withdrawn, any amendment to it fails.
13. The Chairman shall have the right to a “casting vote”.
14. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
15. Provision is to be made for protection by the Chairman from vilification (personal abuse).
16. No member shall impute improper motives against another member.
17. Electronic recording of the proceedings is prohibited unless prior permission is obtained from the Chairman.



**MINUTES OF THE 42<sup>ND</sup> ANNUAL GENERAL MEETING  
 OF EASTERN CREDIT UNION CO-OPERATIVE SOCIETY LIMITED  
 HELD ON SATURDAY APRIL 16, 2016  
 AT THE REGENCY BALLROOM, HYATT REGENCY TRINIDAD,  
 NO. 1 WRIGHTSON ROAD, PORT OF SPAIN**

**1.0 NATIONAL ANTHEM**

The Chairman, Mr. Wayne Estrada, called the meeting to order at 10.07 a.m. A recorded version of the National Anthem was played while the gathering sang along.

**2.0 INVOCATION/CREDIT UNION PRAYER**

The Credit Union Prayer was recited by those gathered.

**3.0 NOTICE OF MEETING AND AGENDA**

The Secretary/General Manager, Ms. Sharon Mark, read the Notice and Agenda of the 42<sup>nd</sup> Annual General Meeting of Eastern Credit Union Co-operative Society Limited.

**4.0 1<sup>ST</sup> CREDENTIALS COMMITTEE REPORT**

The Credentials Committee Report at 10.00 a.m. revealed that there were five hundred and thirty-six (536) members present.

**5.0 ADOPTION OF STANDING ORDERS**

The Standing Orders and Agenda were unanimously adopted on a motion moved by Mr. Trevor Rogers (Tunapuna Branch) and seconded by Mrs. Stephanie Wilson (St. Joseph Branch).

**6.0 WELCOME REMARKS/PRESIDENT'S ADDRESS**

The Chairman welcomed all to the 42<sup>nd</sup> Annual General Meeting of Eastern Credit Union Co-operative Society and acknowledged the presence of the following specially invited guests:

- |                    |                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------|
| Ms. Dianne Joseph  | - Chief Operating Officer, Co-operative Credit Union League of Trinidad and Tobago         |
| Mr. Terrence Jules | - Co-operative Division of the Ministry of Labour and Small & Micro Enterprise Development |



Mr. Colin Bartholomew	-	-do-
Ms. Deborah Ann Scott	-	-do-
Ms. Rhonda Joseph	-	-do-
Mr. Neil Alexander	-	Representative, PKF, Chartered Accountants & Business Advisors

The Chairman pointed out that Eastern Credit Union was celebrating its 43<sup>rd</sup> birthday having been instituted on April 16<sup>th</sup>, 1973. He then invited the membership to view a video presentation of a documentary on the history of Eastern Credit Union.

The Chairman also acknowledged the five founders/pioneers of Eastern Credit Union who were present at the meeting.

He noted that despite the internal challenges faced by Eastern Credit Union during 2015/ 2016 and also the economic challenges being experienced in the local economy, Eastern Credit Union had a good year. The following are some of Eastern Credit Union's achievements over the last year:

- A growth of \$114 million in Assets from \$1.76B in December 2014 to \$1.9B in December 2015.
- The Credit Union's credit rating was upgraded by CariCris.
- The Bureau de Change received Central Bank's approval.
- Negotiations were successfully completed and arrears of salaries paid for Bargaining Units 1 and 3. Also, negotiations in respect of Bargaining Unit 2 are close to completion.
- Eastern Credit Union has reviewed its information system infrastructure and will be correcting areas of weakness identified.
- Several in-house training programmes were conducted for the benefit of elected officials and staff.
- New governance mechanisms were implemented to provide for greater transparency and accountability in the decision-making process.

He also pointed out that in order to strengthen the organization, focus will be placed on customer service and operational efficiencies. Closer attention will also be paid to governance procedures.

## 7.0 GREETINGS



On the invitation of the Chairman, the following persons brought greetings on behalf of their organizations:

- Ms. Dianne Joseph, Chief Operating Officer of the Co-operative Credit Union League of Trinidad and Tobago
- Mr. Colin Bartholomew of the Co-operative Division, Ministry of Labour and Small & Micro Enterprise Development
- Mr. Neil Alexander, Representative of PKF, Chartered Accountants & Business Advisors.

## **8.0 CONFIRMATION OF THE MINUTES OF 41<sup>ST</sup> ANNUAL GENERAL MEETING – MARCH 28, 2015**

### **8.1 Amendment**

Page 12, Item 17.0: Delete the 3<sup>rd</sup> bullet point and insert a new sentence after the last bullet point on the following page to read: “A motion was moved by Mr. Wayne Estrada and seconded by Mr. Christopher Power that the Nominating Committee Report should contain the eligibility criteria for nomination.”

### **8.2 Confirmation**

The Minutes of the 41<sup>st</sup> Annual General Meeting, as amended, were confirmed on a motion moved by Mr. Richard Griffith (Port of Spain Branch) and seconded by Mr. Christopher Power (Chaguanas Branch).

## **9.0 MATTERS ARISING FROM THE MINUTES**

There were no matters arising from the Minutes.

## **10.0 BOARD OF DIRECTORS REPORT**

Mr. Wayne Estrada, President, presented the Board of Directors Report. Some highlights contained therein were as follows:

- A surplus of 38.9M was realised during the year under review.
- The Asset base stood at \$1.9B at the end of December 2015.
- The Collections Unit collected \$20.9M from delinquent members and \$425,518 from loan accounts that were previously written off.

The following responses were provided to questions raised on the Report:



- There is a strong delinquency management programme in place, which is monitored by the Executive Manager – Branch Operations, Financial and Advisory Services and the Executive Manager – Credit Administration. All efforts are being taken to ensure that members are able to handle their debts comfortably in order to avert any form of delinquency. Some financial seminars are also being planned for members to assist them in managing their finances.
- Sixty-eight percent (68%) of the delinquent loan portfolio represents a value of \$73M.
- The President and other Directors visited the Tobago Branch and also commended the employees.
- Information from Management is that ECU receives funds from CUNA in respect of the FIP Plan, in a timely manner. Although, it is the responsibility of beneficiaries to come to Eastern Credit Union to collect the benefits in respect of members who have died, Management has been urged to contact beneficiaries in a timely fashion so that the funds can be distributed.
- The firm PricewaterhouseCoopers (PwC) was engaged to conduct a diagnostic audit of Eastern Credit Union's IT system.

Members provided the following comments on the Report:

- In order to avoid the large pay out to employees in respect of back pay, Management should be proactive and extend an invitation to the Union to submit proposals as early as possible.
- Whenever Eastern Credit Union has problems with its IT system, the membership should be informed immediately.

*[The gathering observed one minute's silence for members of Eastern Credit Union who died during 2015.]*

## 10.1 Acceptance

The Board of Directors Report was accepted on a motion moved by Mrs. Pearl Yatali-Gonzales (Barataria Branch) and seconded by Mr. Richard Griffith (Port of Spain Branch).

*12.25 p.m.: Meeting suspended for lunch*

*1.55 p.m.: Meeting resumed*

## 11.0 2<sup>ND</sup> CREDENTIALS COMMITTEE REPORT

At 1.49 p.m. the Credentials Committee Report reflects a membership of one thousand two hundred and seven (1,207) members present.



## 12.0 CREDIT COMMITTEE REPORT

Mrs. Pearl Yatali-Gonzales, Chairman of the Credit Committee, presented the Report. Some highlights of the Report were as follows:

- The Committee approved one hundred and thirty (130) loans with a total value of \$107,848,490.49.
- The delinquency figure as at December 2015 stands at 6.72%.
- Members of the Committee were exposed to training in the following areas: Anti-money Laundering, Compliance, Credit Risk Management, Documentary Completion and Eastern Credit Union's lending policies and procedures.
- Assistance was sought from an internationally certified Credit Union Developer/Trainer. As a result of the information shared, it was agreed that the role of the Credit Committee has to be revisited, since the Committee is being called upon to serve in an expanded capacity of credit risk management.

The under-mentioned responses were provided to questions raised by members:

- Members who experience some form of hardship and are unable to pay their loans should seek assistance from the Branch Manager or the Credit Committee.
- A fee is not charged when a loan is paid off in advance. However, one month's interest is added on the outstanding balance.

### 12.1 Acceptance

The Credit Committee Report was unanimously accepted on a motion moved by Mr. Mahmud Muhammad (Tunapuna (Branch) and seconded by Mrs. Mary Thompson (Barataria Branch).

## 13.0 SUPERVISORY COMMITTEE REPORT

Ms. Wendy Williams, Chairman of the Supervisory Committee, presented the Report of the Supervisory Committee. Some of the major points contained in the Report were as follows:

- Eastern Credit Union and the Central Bank of Trinidad and Tobago should include psychometric testing for nominees who offer themselves for service.
- One Director filed an injunction against Eastern Credit Union and its servants and/or agents.
- The Supervisory Committee suspended one Director.



The following responses were provided to questions raised from the floor:

- To date no formal response was received from the Commissioner's Office regarding the closure of the grievance matter filed by Ms. Alana Blackman.
- ECU has a cadre of Attorneys, one of whom is Mr. Farid Scoon.
- Mr. Harvey Borris was a Director on the Board and also a Member of the Housing Committee when the initial decision was made to purchase a property in Sangre Grande. However, he only declared his interest when he became Chairman of the Housing Committee.
- There is no timeframe for calling a Special General Meeting to treat with a matter regarding suspension. However, there was a sequence of events which prevented the Supervisory Committee from scheduling a Special General Meeting to deal with the Alana Blackman matter.
- It is not correct to say that the Credit Union is only governed by the Co-operative Societies Act and the Commissioner for Co-operative Development. The Credit Union runs a Bureau de Change and therefore is also answerable to the Central Bank of Trinidad and Tobago.
- One example of a bad decision was the dismissal of an employee, following which legal advice was sought to determine the correctness of the decision.
- Mr. Harvey Borris and Ms. Alana Blackman did not comply with the Central Bank's requirements, despite efforts made by the Board and Management to have them complete the relevant forms.

Members made the following comments:

- A Special General Meeting should be called to approve major investments.
- Eastern Credit Union should cater for more members attending the next AGM. There were not sufficient brochures available.
- Credit Officers should encourage members to have more than one form of identification when applying for loans.
- Psychometric testing will not assist as a prerequisite for selecting suitable persons.
- The two (2) Directors who have not complied with the Central Bank's requirements are exposing Eastern Credit Union to risks.
- The Board should take quick action to mitigate any possibility of litigation against Eastern Credit



Union as a result of members' private and confidential information being leaked and published in "The Observer".

- It is unreasonable to ask elected Officials to borrow funds to attend official overseas conferences.
- Proper background checks must be conducted on persons presenting themselves for office.
- IT security should be beefed up.

### 13.1 Acceptance

The Supervisory Committee Report was accepted by majority vote on a motion moved by Ms. Jacquelyn Humphrey (Port of Spain Branch) and seconded by Mrs. Pearl Yatali-Gonzales (Barataria Branch).

### 14.0 CHANGE OF AGENDA

On a motion moved by Mr. Nigel Matthew (St. Joseph Branch) and seconded by Mr. Ivan Bocas (Tunapuna Branch), the membership unanimously agreed to change the agenda to deal with the Nominating Committee Report and to continue with the agenda during the elections.

### 15.0 NOMINATING COMMITTEE REPORT 2015-2016

Ms. Helen Bernard, Chairman of the Nominating Committee presented the Nominating Committee Report 2015-2016. Some major points stated in the Report were as follows:

- As a result of feedback from nominees during the nominating process, the Committee recommended to the Board that a policy should be established prohibiting persons with litigations against Eastern Credit Union from serving on the Board and Statutory Committees.
- Eligibility criteria for nomination were included in the Report as requested by members at the 2015 Annual General Meeting.

The following suggestions came from the membership:

- Persons putting themselves up for offices within the Credit Union should have a minimum share saving of \$20,000 and should have also completed the annual training programme – Introduction to the Organization and Management of Credit Unions.
- Members should have saved \$100.00 per month during a financial year in order to qualify for a dividend.



- The nomination period should begin early in the financial year to allow for proper scrutiny of nominees. The month of July was suggested.

During the meeting Mr. Thomas Henry and Mr. David Taitt withdrew their nominations from the Supervisory Committee and also Mrs. Pearl Gonzales withdrew her nomination from the Board of Directors.

## 15.1 Acceptance

The Nominating Committee Report was unanimously accepted on a motion moved by Mr. Trevor Rogers (Tunapuna Branch) and seconded by Mr. Thomas Henry (San Juan/Barataria Branch).

## 16.0 3<sup>RD</sup> CREDENTIALS COMMITTEE REPORT

A Credentials Committee Report at 4.56 p.m. revealed that one thousand, two hundred and seventy-eight (1,278) members were present.

## 17.0 ELECTION OF OFFICERS

Ms. Deborah Ann Scott, Senior Co-operative Officer from the Co-operative Development Division of the Ministry of Labour, Small & Micro Enterprise Development, conducted the elections. She was assisted by other Co-operative Officers as well as persons from the Arthur Lok Jack Graduate School of Business and ROSE IT Services.

Ms. Sharon Hills and Mr. Caesar Augustus were nominated from the floor for the Supervisory Committee.

## 17.1 Election Results

### Board of Directors

Name	No. of Votes	Tenure
Lindhurst Murray	359	3 years
Stephanie Wilson	359	3 years
Francisca Lassalle	329	3 years
Conrad Enill	326	3 years
Ronald Bobb	291	2 years (unexpired term of Dr. M. Attzs)
Marlon Phillips	278 (1 <sup>st</sup> substitute)	1 year
Clyde Herbert	232 (2 <sup>nd</sup> substitute)	1 year
Brian Moore	121	
Richard Noray	167	
Sherwin Welch	128	



### Supervisory Committee

Names	No. of Votes	Tenure
Wendy Williams	355	1 year
Mary Thompson	333	1 year
Cyril Barran	304	1 year
Richard Griffith	276	1 year
Stephanie Benjamin	273	1 year
James Thomas	263 (1 <sup>st</sup> substitute)	1 year
Deborah Picou,	263 (2 <sup>nd</sup> substitute)	1 year
Stacey Alleyne	225	
Sharon Hills	120	
Sharon Francis	114	
Nurah Cordner	93	
Caesar Augustus	64	

### Credit Committee

Names	No. of Votes	Tenure
Rhona Adams-Arrindell	462	1 year
Patricia Ward	382	1 year
Jacquelyn Humphrey	348	1 year
Delroy Burris	280	1 year
Denise Andrews	257	1 year
Mahmud Muhammad	245 (1 <sup>st</sup> substitute)	1 year
Kenneth Wilson	233 (2 <sup>nd</sup> substitute)	1 year
Trevor Rogers	225	
Tazrel Williams	181	

### 17.2 Destruction of Ballots

A motion for the destruction of the ballots (physical and electronic) was moved by Mr. Richard Griffith (Port of Spain Branch) and seconded by Mrs. Pearl Yatali-Gonzales (Barataria Branch).

### 18.0 EDUCATION COMMITTEE REPORT

The Vice President, Ms. Janelle Benjamin presented the report of the Education Committee.

Some of the major activities undertaken by the Education Committee for the 2015–2016 term, were as follows:



- Amateur Photography Competition
- SEA Motivational Workshop
- Education Awards Ceremony 2015
- Post Budget Review
- Annual Primary Schools Calypso Competition

In recognition of the on-going recession and the need for education, training and re-skilling of members, the Committee has developed a comprehensive training programme, which focuses on:

- Entrepreneurial Activity
- Small Business Development
- Youth Empowerment
- Legal Clinics
- Leadership, Coaching and Mentorship

### **18.1 Acceptance**

The Education Report was unanimously accepted on a motion moved by Mr. Richard Griffith (Port of Spain Branch) and seconded by Mr. David Taitt (St. Joseph Branch).

### **19.0 AUDITORS' REPORT**

Mr. Neil Alexander representative of PKF (Chartered Accountants & Business Advisors), presented the Auditors' Report.

### **19.1 Acceptance**

The Auditors' Report was accepted on a motion moved by Mr. David Taitt (St. Joseph Branch) and seconded by Mr. Richard Griffith (Port of Spain Branch).

### **20.0 CONSOLIDATED FINANCIAL STATEMENTS 2015**

On a motion moved by Mr. David Taitt (Tunapuna Branch) and seconded by Mr. Richard Griffith (Port of Spain Branch), the Consolidated Financial Statements 2015 were taken as read.

Mrs. Sherry Ann McDonald Joseph, Eastern Credit Union's Group Financial Comptroller, presented the Consolidated Financial Statements for the period ending December 31, 2015.



## 20.1 Acceptance

On a motion moved by Mr. David Taitt (St. Joseph Branch) and seconded by Mrs. Stephanie Wilson (St. Joseph Branch), the Consolidated Financial Statements for the year ended December 31, 2015 were unanimously approved.

## 21.0 RESOLUTIONS

The membership approved the following Resolutions on a motion moved by Director Gloria Rolingson on behalf of the Board and seconded by Mr. Nigel Matthew (St. Joseph Branch):

### 1. Patronage Refund

*Be it resolved*

That the Patronage Refund of 5% be declared for the financial year ended 31<sup>st</sup> December, 2015 and credited to members' Deposit Accounts.

### 2. Dividend

*Be it resolved*

That in accordance with Bye-Law 15(b)(v) a dividend of 2% be approved for the financial year ended 31<sup>st</sup> December 2015 and that such dividend be 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.

### 3. Special Shares

*Be it resolved*

That in accordance with Bye-Law 6(a) (1) and 6(b) a dividend of 3% be declared 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.

### 4. Education Fund

*Be it resolved*

That in accordance with Bye-Law 25(b), 3% of the realized surplus for the financial year ended 31<sup>st</sup> December 2015 be appropriated to the Education Fund.



## 5. Auditors

*Be it resolved*

That the firm PwC be appointed as Auditors for the year 2016.

## 6. Write-Off

*Be it resolved*

That 730 accounts valued at \$17,430,115.27 and representing accounts that were statute barred and where efforts to collect have been pursued and repayments seem uncertain, be written off against provisions set aside for such loans.

The Chairman thanked the External Auditors, PKE, for their years of service to Eastern Credit Union.

## 22.0 4<sup>TH</sup> CREDENTIALS COMMITTEE REPORT

A Credentials Committee Report given at this time revealed that two hundred and ninety-one (291) members were present.

## 23.0 AMENDMENT OF BYE-LAWS

The amendments to Bye-Laws 21(a) and 22(a) listed at (1) and (2) below were approved by unanimous vote:

### (1) **Bye-Law 21(a): Term of Office of Members of the Credit Committee**

*The Committee shall consist of five (5) members, three (3) of whom shall be elected, upon coming into force of this bye-law, to serve for a period of two (2) years and the remaining two (2) for a period of one (1) year. In subsequent years the term of office of members elected to fill vacant positions would be for a period of two (2) years.*

### (2) **Bye-Law 22(a): Term of Office of Members of the Supervisory Committee**

*The Supervisory Committee shall consist of five (5) members, three (3) of whom shall be elected upon the coming into force of this bye-law, to serve for a period of two (2) years and the remaining two (2) for a period of one (1) year. In subsequent years the term of office of members elected to fill vacant positions would be for a period of two (2) years.”*

### (3) **Bye-Law 24(d): Nominations from the Floor**

The following amendment to Bye-Law 24(d) was approved by majority vote with two hundred and eighty-five (285) members voting in the affirmative and six (6) members, including a Director, voting against:



*The Report having been presented to the General meeting, there shall be no nominations from the floor. Where, however, it is deemed necessary for the proper constitution of the Board and/or Committees the Chairman may invite nominations for election to vacant positions.*

## 24.0 OTHER BUSINESS

### 24.1 Placing of the National Flag

One member observed that the Trinidad and Tobago flag was positioned in the wrong place and advised that as a matter of protocol, it should be placed on the right side of the podium.

### 24.2 Property in Brazil

One member of the Arima Branch drew the meeting's attention to an issue with regard to a property owned by Eastern Credit Union in Brazil. He indicated that a petition was submitted to Eastern Credit Union but no response was received. The Chairman assured the member that as long as a complaint is lodged with the Credit Union, it would be given a hearing.

### 24.3 Special Awards/Commendations

The Chairman acknowledged the following members who celebrated their birthdays on April 16, the same day as Eastern Credit Union, and who were registered as being present at the meeting. The individuals were awarded a voucher valued at \$500 each from Massy Stores. The Chairman requested that those who were not present at the time the announcement was made should collect the vouchers at their respective branches:

- Judy Simon (Port of Spain Branch)
- Bernadine Thomas-Small (San Juan/Barataria Branch)
- Ayo Ledgerwood

Additionally, Ms Jacqueline Snaggs, age 82, who was the oldest member present at the meeting was awarded a queen size mattress courtesy Lensyl.

One member extended a hearty thank you to Mr. Gary Cross for his sterling service to Eastern Credit Union over the years. He also acknowledged that it was the first time that he can recall that Mr. Cross had not attended an Annual General Meeting.

### 24.4 Members' Behaviour

During the presentation of the Supervisory Committee Report, Mr. Steve Lezama referred to the Chairman as a liar. The Chairman ruled that the member had breached Standing Order 15 by imputing improper motives and cautioned the member that he would be asked to leave the meeting after the third warning. Mr. Lezama



ignored the warning from the Chair and the security was asked to escort Mr. Lezama from the meeting.

One member suggested that the behaviour of Mr. Steve Lezama should be referred to a Disciplinary Committee of the Board for consideration. The Board was also asked to note and address the behaviour displayed by some employees.

#### 24.5 Members' Complaints

The following members requested assistance to treat with the under-mentioned challenges:

- Ms. Sharon Hills (Port of Spain Branch) reported that she had been making payments to her FIP Plan since 2014. However, in 2015 she found out that her payments had been in arrears since 2009, although no authorization was given to Eastern Credit Union to cease payments. She also claimed that she was advised to apply for a loan for approximately \$11,000 in order to reinstate the Plan and she had to pay interest on that loan.
- Mr. Michael Mitchell (Chaguanas Branch) informed the meeting that he took a loan from Eastern Credit Union and purchased a new maxi taxi for \$300,000. Within a year and some months, the vehicle broke down and neither the company from which the vehicle was purchased nor other mechanics could fix it the vehicle. The vehicle has been down for almost four years. He sought to have his payment reduced from the \$5,000 per month he has been paying, but that proposal was turned down and he was subsequently informed that he was delinquent. The Chairman promised that the Board would consider these matters. He also informed the membership that they can seek assistance from the Credit Committee and if their matter is not resolved at that level, they can approach the Board of Directors.

#### 25.0 CLOSING OBSERVATIONS

In closing, the Chairman thanked members for a successful Annual General Meeting. He also extended appreciation to Directors Janelle Benjamin, Gloria Rolingson and Conrad Enill who were responsible for organising the Brochure and also planning the event.

He noted that it took tremendous work to stabilize the Credit Union.

He thanked members for their continued support to Eastern Credit Union and wished them a safe journey home.



**26.0 ADJOURNMENT**

The meeting was adjourned at 7.30 p.m. with the cutting and sharing of Eastern Credit Union's 43<sup>rd</sup> birthday cake.



Conrad Enill  
Secretary



# Executive Management



**Conrad Enill**

GROUP CHIEF EXECUTIVE OFFICER



**Steve Albino**

DEPUTY CHIEF EXECUTIVE OFFICER



**Sherry-Ann McDonald-Joseph**

GROUP FINANCIAL COMPTROLLER





**Kester Regis**

GROUP EXECUTIVE MANAGER  
MARKETING, RESEARCH AND  
BUSINESS DEVELOPMENT



**Jessell Moraldo Cumberbatch**

GROUP EXECUTIVE MANAGER  
HUMAN RESOURCES



**Stacey Bravo-Chaitram**

EXECUTIVE MANAGER  
BRANCH OPERATIONS AND  
FINANCIAL ADVISORY SERVICES



**Anne Marie Alexander**

EXECUTIVE MANAGER,  
CREDIT ADMINISTRATION (AG.)





# Board of Directors

**Wayne Estrada**  
PRESIDENT



**Janelle Benjamin**  
VICE-PRESIDENT



**Gloria Rolingson**  
ASSISTANT SECRETARY



**Marlon Mark Phillips**  
EXECUTIVE MEMBER



**Gerard Mathews**  
EXECUTIVE MEMBER



**Don Isaac**  
DIRECTOR





**Helen Bernard**  
DIRECTOR



**Clyde Herbert**  
DIRECTOR



**Francisca Lassalle**  
DIRECTOR



**Ronald Bobb**  
DIRECTOR



**Lindhurst Murray**  
DIRECTOR



**Darius Figuera**  
DIRECTOR



## BOARD OF DIRECTORS REPORT FOR THE FISCAL YEAR 2016

### The Board Of Directors

Pursuant to the 42<sup>nd</sup> Annual General Meeting the Board of Directors initially comprised the following persons:

President	-	Wayne Estrada
Vice President	-	Janelle Benjamin
Assistant Secretary	-	Gloria Rolingson
Executive Member	-	Gerard Mathews
Executive Member	-	Conrad Enill
Director	-	Helen Bernard
Director	-	Don Isaac
Director	-	Stephanie Wilson
Director	-	Ronald Bobb
Director	-	Darius Figuera
Director	-	Lindhurst Murray
Director	-	Francisca Lassalle
1 <sup>st</sup> Alternate	-	Marlon Mark Phillips
2 <sup>nd</sup> Alternate	-	Clyde Herbert

Mr. Conrad Enill resigned in September 2016 and was appointed the Group Chief Executive Officer (CEO) of Eastern Credit Union. The first substitute, Mr. Marlon Phillips, filled the consequent vacancy in accordance with our Bye-Laws and was appointed to the Executive Committee. In October 2016, the second substitute, Mr. Clyde Herbert was required to fill the vacancy created upon the unfortunate passing of Director Stephanie Wilson in October 2016.

### **Tribute**

The Board takes this opportunity to pay tribute to our late colleague, Ms. Stephanie Wilson, who was one of the founders of our beloved institution. During her 43 years of dedicated service to Eastern Credit Union she functioned in many capacities, not only as an elected official but also as an employee of the Credit Union and our subsidiary company EPL Properties Ltd. We also extend condolences to the members of her family and to our sister credit union, TATECO North Credit Union, where she was employed at the time of her passing.



### **The Executive Management Team**

Our Executive Management team is comprised of the following persons:-

Group CEO/Secretary	- Conrad Enill
Deputy Group CEO	- Steve Albino
Group Financial Comptroller	- Sherry Ann Mc Donald-Joseph
Group Executive Manager (GEM), Marketing, Research and Business Development	- Kester Regis
Group Executive Manager (GEM), Human Resources	- Jessell Moraldo-Cumberbatch
Executive Manager – Branch Operations and Financial Advisory Services	- Stacey Bravo-Chaitram
Ag. Executive Manager – Credit Administration	- Anne Marie Alexander

We take this opportunity to express our heartfelt thanks to our recently retired Executive Managers, Marilyn Michael (Executive Manager – Branch Operations and Financial Advisory Services) and Bernadette Stewart (Executive Manager – Credit Administration), who retired in December 2016 and February 2017, respectively, for their combined service of 57 years as employees of Eastern Credit Union. We also welcome their replacements Stacey Bravo-Chaitram and Anne Marie Alexander as well as Jessell Moraldo-Cumberbatch who filled the vacant position of GEM - Human Resources.

### **The Economic Environment**

The Board of Directors began its term of office in an external economic environment characterized by recessionary conditions, increasing unemployment rates and rising inflation. This resulted mainly from the lower government revenues due to depressed prices in the global energy sector accompanied by declining domestic production of petroleum and natural gas and the impact of reduced government spending. These trends also impacted negatively on the non-oil sectors of the economy with job losses in almost all sub-sectors. In addition, there was some uncertainty as to the likely impact of the policies and programmes being pursued by the Government on key socio-economic indicators.

Official GDP statistics show that there was weak performance in both the energy and non-energy sectors in 2016 with year on year declines of 9.6 percent and 1.8 percent respectively. In the non-energy sector the construction sub-sector contracted by 7.6 percent. However the finance, insurance and real estate sub-sectors expanded by 3.7 percent buoyed by activity in the commercial banking industry. The unemployment rate averaged 4.1 percent in the first two quarters of 2016 and was expected to increase in the subsequent quarters.

However, interest rates in the banking sector trended upwards with widening interest rate spreads and deposit rates remained largely unchanged. Loans to the business sector remained somewhat “subdued” and mortgage lending continued to grow although at a decelerating rate. Consumer lending for motor vehicles, home repairs and other purposes continued to show modest growth, while there was substantial growth in credit card lending.



These trends have impacted on the large membership of our Credit Union as members faced retrenchment, loss of earnings or were unable to find employment. As a consequence, there was a lower demand for loans overall which resulted in most branches failing to attain the lending targets set for the year. It also resulted in higher delinquency, prompting us to pay special attention to our delinquency management strategies and to assign additional resources to this area.

### **The Internal Operations**

Internally the Society faced several challenges, the most significant of which was a breakdown in its operating software which required a major reallocation of resources in order to rectify the situation. In response, the Board commissioned an audit of our IT operations in order to identify any weaknesses and appropriate solutions. Based on the ensuing report, the Board has mandated management to implement a plan of action to address the weaknesses identified within a specific timeframe.

We wish to thank the staff of Eastern Credit Union who worked tirelessly for several months during our system rectification exercise. They literally burned the midnight oil and by their efforts demonstrated their commitment and dedication to the organisation. We also express our gratitude to the membership who experienced some inconvenience during this period but endured in the interest of building a stronger credit union.

Nonetheless, your Board of Directors remained very focused on maintaining effective oversight over the Society's operations to ensure the attainment of the budgetary targets and strategic goals set for the year 2016. This was in the face of greater demands being placed on the elected officials as well as executive management to meet the standards of compliance required by the regulators, including the Central Bank of Trinidad and Tobago. The Board is therefore pleased to provide highlights of the operations of Eastern Credit Union Co-operative Society Limited for the year 2016.

In keeping with the requirements of the International Financial Reporting Standards our financial statements for 2016 and going forward will be prepared on a consolidated basis for Eastern Credit Union and its subsidiary, EPL Properties Ltd. As a consequence, the practice of presenting separate accounts for the Credit Union in our financial brochure is now discontinued and the figures presented are for the group i.e. both entities. In addition, some adjustments have been made in respect of the prior years 2014 and 2015 resulting in a restatement of the results for those years. Details of these are provided in the notes to the accompanying financial statements.

Based on the audited consolidated financial statements for 2016 and the restated financial statements for the year 2015, Eastern Credit Union enjoyed a very successful year of operations, during which our asset base rose by 6.9 percent to \$1.99 billion. It is to be noted that as the end of May 2017, our assets (unaudited) amount to \$2.02 billion. We are very proud that while it took us 35 years to reach \$1 billion, we amassed our second billion in approximately 8 years. This is clear evidence that our flagship Eastern Credit Union continues to lead the way not only in terms of the range of services and products that we offer in our strategic locations across Trinidad and Tobago but also in terms of our soundness and stability. Our income rose by 10.4 percent from \$184.7 million in 2015 to \$196.4 million in 2016. The main contributor to this income stream was loan interest income which accounted for 85 percent of total income.



Our loan portfolio amounted to \$1, 359.1 million at the end of 2016 which represented an increase of 8.7 percent over the previous year. However by comparison, our members' share savings balance increased by only 4.7 percent. This disparity highlights the reluctance of our membership to continue to develop a savings habit which will ensure that they have funds available when their situations change. Recent developments in the wider financial sector have made it very clear that our savings in the Credit Union are not only protected from unnecessary fee deductions, but also attract much higher returns than in other financial institutions.

### Highlights

	2016	2015	%
	\$	\$	Change
<b>Loans</b>	1,359,091,525	1,249,851,394	9
<b>Net surplus</b>	56,357,824	85,041,620	-34
<b>Reserve Capital</b>	94,599,071	88,960,040	6
<b>Total Assets</b>	1,990,982,139	1,860,458,142	7
<b>Total Shares</b>	1,375,538,754	1,313,384,628	5
<b>Deposit</b>	389,348,048	365,232,099	7
<b>Income</b>	198,272,571	185,086,662	7
<b>Loan Interest</b>	165,020,596	150,948,126	9

### Delinquency

Although the Credit Committee Report will speak to delinquency in more detail, as a Board, we wish to register our grave concern with the incidence of members who breach the terms of their Loan Agreements by failing to repay their loans. We are well aware that in the current economic climate and given our diverse membership, there are some members who will encounter genuine hardship in meeting their loan obligations. However, in many cases members treat their obligations to the Credit Union with scant courtesy and relegate their credit union loan payments to the lowest priority. As a consequence our delinquency rates are much higher than desired and if not addressed could undermine the soundness of our institution. Delinquent loans not only result in our Credit Union falling short of its income targets but require us to allocate additional time and other resources pursuing collections, taking legal action or attending hearings in the Court or the Office of the Commissioner for Co-operative Development.

We continue to encourage members who anticipate difficulties in servicing their loans to approach their branch personnel or the Call Centre to seek assistance in reorganizing their affairs.

### Industrial Relations

Following the signing of Collective Agreements for employees in Bargaining Units 1 and 3, agreement was reached with the representative trade union, the Banking, Insurance and General Workers Union (BIGWU) in respect of a new Collective Agreement for workers in Bargaining Unit 2. These agreements have since expired and negotiations for new collective agreements are now in progress and every effort is being made by management to conclude these negotiations on a timely basis. It is envisaged that a positive and cordial atmosphere will continue to prevail during the entire period of the negotiations.



### **Eastern Credit Union Strategic Plan 2017-2019**

The Board has approved a new Strategic Plan for the period 2017 -2019 under the following theme: *A New Eastern Credit Union, A New Reality, A New Experience.*

The plan acknowledges Eastern Credit Union as a substantial player in the local financial services industry that is poised for further growth. However, it identifies a number of new developments within the Credit Union and the external environment that require some fundamental changes in how the Credit Union is managed to ensure that it remains a “viable, sustainable and profitable organization; and one that is well equipped to continue to deliver material benefits to the membership.” The plan lists the factors influencing the much needed change as follows:

1. With the introduction of more robust financial regime in T&T, oversight for the Eastern Credit Union now falls within the remit of the Central Bank in addition to oversight by the Commissioner for Cooperative Development. The reclassification is related to Eastern Credit Union’s provision of Bureau de Change services and will demand a step change in customer due diligence, reporting requirements and financial reporting for the organisation and key executives of the organisation. Further preparation of Directors and the entire Eastern Credit Union organization to gain, and retain, compliance with this new regulatory arrangement will be a key activity in the near term.
2. The economic environment in Trinidad and Tobago is likely to remain sluggish for the next year. The financial implications for the organisation’s customers with impending job losses, higher prices on goods and services and lower real wages, can negatively impact the organization - probably through higher delinquency rates, lower levels of savings and possibly lower borrowing due to higher levels of caution amongst customers. Eastern Credit Union’s business response to this new economic reality must be carefully considered and measured to ensure continued financial health.
3. The election of a number of new members to the statutory committees and the Board means that there are varying levels of understanding of the organizational issues surrounding governance, protocols, standards and performance. Creating alignment and a common understanding and perspective about the key challenges and gaps is mandatory for the new team to perform their functions effectively.

Taking into account this new reality, the Strategic Plan outlines several key goals for attainment during the three year strategic plan period under the following headings:

- i. Employee Engagement
- ii. Organizational Effectiveness and Efficiency
- iii. Embrace Technology
- iv. Emphasis on Community Involvement
- v. Market Expansion and Retention
- vi. Maintain Financial Health



This strategic plan will continue to be a major tool referenced by your Board of Directors in evaluating the achievements of the organisation over the next three years.

### **Amendments to Eastern Credit Union Bye-Laws**

In an effort to implement much needed changes to our Bye-Laws, a Special General Meeting was held to seek the approval of the membership of several amendments proposed by the Board of Directors. These changes have since been submitted to Commissioner for Co-operative Development for approval and will be reflected in future versions of our printed bye-laws.

The following resolutions were approved at the Meeting:

#### ***Bye-Law 1 - Interpretation***

*“Insert (a) (viii)*

*Replace “Alternate” with “Substitute” wherever it appears in the Bye Laws. (Co-operative Societies Act 81:03, Regulation 28).*

#### ***Bye-Law 4 – Membership***

##### ***(b) Admission***

*Amend Bye-Law 4(b) by replacing (vii) and (viii) with the following:*

*“(vii) Every member shall contribute at least one hundred (100) additional shares by the end of each financial year. This provision does not apply to members under the age of eighteen (18) years.”*

*(viii) Where any member fails to satisfy the requirement of Bye-Law 4(b) (vii) he shall receive no dividend on the additional share increase, which is less than five hundred dollars (\$500.00).”*

#### ***Bye-Law17 – General Rules for the Board and Committees***

*Insert new sub-clauses in 17(a) to read:*

*“(iii) No officer of another credit union shall serve as an officer in Eastern Credit Union.*

*(iv) Members who serve are required to meet the Fit and Proper criteria as outlined under the Central Bank Act (79:03), Co-operative Societies Act and Regulations and Board policies ratified as per Bye Law 15 (b) (vi).”*

#### ***Bye-Law 19 – Executive Committee***

*(i) Replace 19 (b) and (c) with the following:*

*(b) The Executive Committee shall comprise a President, a Vice President, a Secretary, an Assistant Secretary and one committee member.*



- (c) *The Chief Executive Officer shall be an ex officio member of the Executive Committee but shall have no vote.*
  
- (ii) *Wherever “General Manager” appears in the Bye-Laws, replace it with “Chief Executive Officer”.*

*Bye-Law 20(e) should be deleted and replaced by the following:*

*“The Chief Executive Officer shall perform the duties and functions as assigned hereunder, as well as those outlined within the terms of his employment contract.”*

Several policies approved by the Board of Directors were also ratified by the membership at that meeting.

### **New Credit Union Legislation**

Eastern Credit Union continued to play an active role in ensuring that in shaping new legislation for the cooperative movement adequate consideration is given to the concerns and issues raised by the cooperative sector and , in particular, by the credit union movement. We ensured representation at key meetings and conferences called by the movement to lobby their positions.

### **Membership of the Cooperative Credit Union League of Trinidad and Tobago (CCULTT)**

In November 2016, pursuant to a decision of the Board of Directors to re-join the membership of the CCULTT, Eastern Credit Union received notification from the League that its status has been established as a financial member of the League with full voting rights. The Board welcomes this opportunity for Eastern Credit Union to be actively involved in all aspects of the League’s operations function and to assist in enhancing the quality of representation of the credit union movement in local, regional and international affairs.

We are of the view that this decision by Eastern Credit Union would also influence some of our brother credit unions to seek to acquire membership of the League and we look forward to greater collaboration in this regard.

### **Membership of the Association of Co-operative Credit Union Presidents of Trinidad and Tobago (ACCUPTT)**

We also acquired membership of ACCUPTT in 2016, although we have been involved in several of its activities in previous years. ACCUPTT affords the Presidents of its member credit unions the opportunity to network, share information and develop common strategies to address the many issues affecting the credit union movement. It also hosts educational conferences targeted towards the credit union membership. ACCUPTT’s current membership includes 19 credit unions.

### **Attendance at Conferences**

In keeping with our mandate to keep abreast of local, regional and international developments in the credit union movement and related sectors, members of the Board of Directors and Committees were represented at the following Credit Union Conferences held during the year:



1. Caribbean Confederation of Credit Unions (CCCU) Convention 59<sup>th</sup> Annual International Convention – Orlando, USA.
2. World Council of Credit Unions Conference (WOCCU)-Belfast, Ireland
3. Caribbean Development Educator (Carib DE) Training Programmes-St. Lucia and Jamaica.

The agenda for these meetings comprised a range of interesting topics facilitated by esteemed presenters. The reports submitted by the attendees to these meetings to our Board of Directors indicate that they have benefitted substantially from attendance.

### **Improved Service Delivery**

The Board also required the re-establishment of the Member Care Unit in order to afford members a more personalized customer service. During the review period, the Board has ensured the implementation of several measures aimed at improving the quality of service to our membership. Among these were the construction of a ramp and installation of an awning at the Port of Spain Branch. The former is to facilitate access by the physically challenged and the latter to protect from the elements those members who may be awaiting opening of the branch. Both of these were the subject of a long-drawn out approval process involving the relevant statutory authority.

We also approved the installation of a new PBX telephone system to enable members a more effective communication link with our Branch network. This system was recently installed and is expected to be fully functional by the end of April 2017.

Unfortunately, several of our existing office and branch locations have posed challenges with regard to the health and safety standards required for both members and employees. We have therefore taken steps to relocate several of our departments to more suitable accommodation over the next few months. We expect the Tobago branch relocation to be completed by the end of June 2017, while alternative locations are being sought for our Chaguanas and Sangre Grande branches. It is expected that these would be procured in the near future.

### **Acknowledgement**

We thank all our Members for their continued support and loyalty to the Credit Union. Special appreciation is directed towards our employees who by their efforts and dedication have enabled the Credit Union to perform creditably during the year.



## Obituaries

The Board of Directors extends its condolences to the families of members who said goodbye to their loved ones during the year 2016. May their souls rest in peace.

- |                                |                             |                                  |
|--------------------------------|-----------------------------|----------------------------------|
| 1. Abraham Hernandez           | 44. Clinton Cross           | 87. Fermin Daniel                |
| 2. Adam Boney                  | 45. Clorene Latmore         | 88. Florence Jack-James          |
| 3. Agnes Smith                 | 46. Clyde Bernard           | 89. Franklyn Raphael             |
| 4. Alicia Cox                  | 47. Codrington Small        | 90. Frederick Caesar             |
| 5. Aline Prosper               | 48. Conrad Julien           | 91. Geneviev Bushell             |
| 6. Amika Antoine               | 49. Cooblal Narine          | 92. Genevieve Barbour            |
| 7. Anand Ram                   | 50. Courtney Tyson          | 93. George Byam                  |
| 8. Andre Beharry               | 51. Curtis Aqui             | 94. Geraldine Brown              |
| 9. Andre Livingston            | 52. Cynthia John            | 95. Gillian Baksh                |
| 10. Andy Dean                  | 53. Cynthia Phillip         | 96. Gillian Wallace              |
| 11. Anjan Grant                | 54. Daniel Alexander        | 97. Gladys Sougrin               |
| 12. Ann-Marie Smith-Baines     | 55. Daphne Brown            | 98. Glastow Lawrence             |
| 13. Anthony Cedeno             | 56. Darryl Gordon           | 99. Glenda Williamson            |
| 14. Anthony Pereira            | 57. Dave Bobb               | 100. Glenda Yearwood             |
| 15. Anthony Francis Auguste    | 58. David Baker             | 101. Glenroy Vincent             |
| 16. Arthur Nathan              | 59. David Bruce             | 102. Gloria Griffith             |
| 17. Aurthan Griffith           | 60. Dawn Holder-Grant       | 103. Gloria Hood                 |
| 18. Avette Williams            | 61. Daynelle Emery          | 104. Godfrey Sterling            |
| 19. Ayanna Charmaine Sylvester | 62. Debra Corbie-Cummings   | 105. Hamilton Maricheau          |
| 20. Balram Sookdeo             | 63. Debra Payison           | 106. Harold Luces                |
| 21. Beatha Ramey               | 64. Denise Wendy Hypolite   | 107. Harold Nicome               |
| 22. Beatrice Toney             | 65. Dennis Coutain          | 108. Harvey Rogers               |
| 23. Bishwanath Seedial         | 66. Dennis Donald           | 109. Henry Chase                 |
| 24. Bobb Wills                 | 67. Denys Ravello-Gift      | 110. Hermine Yeates-Thompson     |
| 25. Brenda Price               | 68. Deserie Henry-Lancaster | 111. Hugh Boisselle              |
| 26. Callistus Alfonso          | 69. Desma La Croix          | 112. Hugh Superville             |
| 27. Carl Clarke                | 70. Diane Richards-Simon    | 113. Ingrid Antoine-Sarjeant     |
| 28. Carlos Gould               | 71. Doolin John             | 114. Ingrid Baptiste-Cruickshank |
| 29. Carlos Richards            | 72. Doreen Alvarez          | 115. Ingrid Chadee-Smith         |
| 30. Carlton Joseph             | 73. Dudnath Beharry         | 116. Inthe Caliste               |
| 31. Carlyle Chester Christian  | 74. Dulcie Jane Gibbs       | 117. Iola Rodgers                |
| 32. Carol Job                  | 75. Eden Jack               | 118. Irving Brathwaite           |
| 33. Casimir Khan               | 76. Edna Washington         | 119. Ivan Johnson                |
| 34. Catherine Mary Berment     | 77. Eldon Waterman          | 120. Jaleendranath Jagnarine     |
| 35. Catherine Paula Castillo   | 78. Elvis Henry             | 121. Jason John                  |
| 36. Cecil Marcano              | 79. Enid Birchwood          | 122. Jean Andell                 |
| 37. Charmaine Allison Noel     | 80. Erica Edwards           | 123. Jean Mc Leod                |
| 38. Cheryl Trotman             | 81. Ermine Andrews-Roland   | 124. Jean Samuel                 |
| 39. Cicely Hector              | 82. Errol Dillon            | 125. Jean Solomon-Alfred         |
| 40. Claire Rousseau-Augustus   | 83. Eureka Neptune-Charles  | 126. Jemma James                 |
| 41. Clavia J Bourne            | 84. Evelyn Castanada        | 127. Jeneveve Roberts-Morgan     |
| 42. Clement Phillip            | 85. Everest Billy           | 128. Jennifer Cuffie             |
| 43. Cleville Callender         | 86. Felix Balbosa           | 129. Jerry Mierez                |

- |      |                           |      |                            |      |                            |
|------|---------------------------|------|----------------------------|------|----------------------------|
| 130. | Jerry Roberts             | 178. | Lenroy Forde               | 226. | Phyllis Elcock             |
| 131. | Jessica Adhar             | 179. | Leon Goldman               | 227. | Phyllis Samuel             |
| 132. | Joan Allen                | 180. | Leonora Brown              | 228. | Quinton Phillips           |
| 133. | Joan Maria Thomas         | 181. | Leroy Sylvester            | 229. | Ramnath Churkoo            |
| 134. | John Ramsingh             | 182. | Lewis Phillip              | 230. | Randolph Joseph            |
| 135. | John Winston James        | 183. | Linda Collins-Best         | 231. | Randy Christian            |
| 136. | Jonathan Adams            | 184. | Lisa Wellington            | 232. | Ray Russell                |
| 137. | Joseph Gonzales           | 185. | Louisa Julien              | 233. | Raywat Budhu               |
| 138. | Joseph Logan              | 186. | Lyriss Adina Forde         | 234. | Renelle Shervon Thompson   |
| 139. | Josephine Pantaleon       | 187. | Mangharia Pharry           | 235. | Ricardo Barclay            |
| 140. | Joshua Johnson            | 188. | Marcia Jobity              | 236. | Richard Clarke             |
| 141. | Joy Marcano-Phillip       | 189. | Marilyn Hamilton           | 237. | Richard Gray               |
| 142. | Judith Sammy              | 190. | Marisa Lucien              | 238. | Richard Laurence           |
| 143. | Judy Monroe               | 191. | Marlene Glodon-Webb        | 239. | Richard Romain             |
| 144. | Julien Forsyth            | 192. | Marven Pierre              | 240. | Rikhie Buchoon             |
| 145. | Juliet Clarke             | 193. | Matthew Stafford           | 241. | Robert Barnes              |
| 146. | Junior Crawford           | 194. | Maxim L Wilson             | 242. | Rona Laurence              |
| 147. | Kalyon Hamilton           | 195. | Michael Barry              | 243. | Ronn Pierre                |
| 148. | Karlene Lavaughn Williams | 196. | Michael Brooks             | 244. | Rosaline Figuera-Cobham    |
| 149. | Keion Hamilton            | 197. | Michael Dennis             | 245. | Rosanna Small              |
| 150. | Keisha Howell             | 198. | Michael Gomes              | 246. | Rudolph John               |
| 151. | Keith Dolly               | 199. | Michael Hypolite           | 247. | Saleema Smith-Valentine    |
| 152. | Keith Fou Chong           | 200. | Michael Smart              | 248. | Sandra Greenidge           |
| 153. | Keith Marcano             | 201. | Michael Smith              | 249. | Sandra Morgan              |
| 154. | Keith Jr. Russell         | 202. | Michele Ramkissoon         | 250. | Sandra Sampson             |
| 155. | Kelvin Raymond            | 203. | Mirsha Forde               | 251. | Sandra Stewart             |
| 156. | Kendal Arneaud            | 204. | Molly Hill                 | 252. | Sedale Samuel              |
| 157. | Kendell Roderick          | 205. | Moonilal Ramnath           | 253. | Selwyn Carr                |
| 158. | Kenneth Webb              | 206. | Natalie Lambie             | 254. | Shashel Stephen            |
| 159. | Kenny Ramdass             | 207. | Nathan Sinclair            | 255. | Shevon Louis               |
| 160. | Kenrick Bridgewater       | 208. | Nicole L Rojas-Woodley     | 256. | Shirley Des Vignes-Kinsale |
| 161. | Kenrick Swanston          | 209. | Nigel Richards             | 257. | Shivon Sobers              |
| 162. | Kenroy Thomas             | 210. | Noel Henry                 | 258. | Sookia Gangoo              |
| 163. | Kenty J Cabralis          | 211. | Noel Millette              | 259. | Stafford Vallo             |
| 164. | Kevin Mayhew              | 212. | Norma Eudora Anthony       | 260. | Stanford Gomes             |
| 165. | Kim Lin Sue-Baron         | 213. | Norman Douglas             | 261. | Stephanie Wilson           |
| 166. | Kinsha Durity             | 214. | Nuparam Persad             | 262. | Steve Noreiga              |
| 167. | Kwasi Solomon             | 215. | Oliver Scantlebury         | 263. | Steve A Thomas             |
| 168. | Kyshon Bell               | 216. | Parasram Maraj             | 264. | Sue-Ann Keith              |
| 169. | Lactitia Hovell           | 217. | Patricia Peters-Greaves    | 265. | Susan Reid-Williams        |
| 170. | Lakhan Ramdeo             | 218. | Patrick Richards Roopchand | 266. | Sylvanie Nurse             |
| 171. | Lall Heerasingh           | 219. | Pearl Ramdial              | 267. | Sylvester Dopwell          |
| 172. | Laurette Reid             | 220. | Pearl Rennie               | 268. | Sylvester O Brien          |
| 173. | Lawrence Felix            | 221. | Pearl Simmons              | 269. | Sylvestre Dinchong         |
| 174. | Lennox Brown              | 222. | Perry Edwards              | 270. | Sylvia Marcelle            |
| 175. | Lennox O Riley Williams   | 223. | Peter Marine               | 271. | Tahira Boos                |
| 176. | Lenny Clunis              | 224. | Peter Temal                | 272. | Tamika Wilson              |
| 177. | Lenora Andrews            | 225. | Phoolmatie Chandool-Lobai  | 273. | Teeluck Ramdial            |



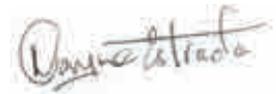
274. Theophilus Thompson	284. Valerie Charles-Belgrave	294. Wendy Purcell-Primus
275. Theresa Ferreira	285. Verna John	295. Wilfred King
276. Tommy Ramasar	286. Vernon Phillip	296. Wilson Calliste
277. Trevor Larrier	287. Vilma Austin	297. Winston Harper
278. Trevor Thomas	288. Vilma Murphy	298. Winston Moore
279. Tricia Gilkes	289. Vishnu Balkaran	299. Yvonne Pollydore
280. Tricia Guevara	290. Viviana Pernel	300. Zalina Saunders
281. Ulpian Blugh	291. Wayne Harris	301. Zarhir Mirza
282. Ursula Bell	292. Wayne Quashie	
283. Valarie Burke	293. Wendy Gonzales-John	

**Conclusion**

As we maintain oversight over the operations of the Credit Union, the Board of Directors in our interactions with key stakeholders, remains focused on the welfare of the entire membership. It is expected that the political, economic, social, environmental and technological conditions in the external environment will continue to be volatile and somewhat unpredictable. This makes our strategic role all the more difficult and poses considerable challenges as we endeavour to seek the best interest of our membership and ensure the sustainability of our credit union.

However, we remained very committed to our duties and responsibilities during the year as we sought to put the Credit Union on a higher growth path than in previous years. These duties were performed in an atmosphere of teamwork and mutual respect. We look forward therefore, to a greater willingness on the part of our membership to get more involved in the affairs of the Credit Union. This extends beyond service as Elected Officers and includes attendance at the several meetings and events and fora organised to discuss topics of national importance and to recommend alternative strategies towards attaining our goals. It is our view that the level of participation by our membership in most of these events remains below expectations.

We thank our loyal membership for their continuing support even when they are not always entirely satisfied with the quality of our responsiveness to their needs. Your board will continue to work steadfastly and conscientiously towards the strategic goal of providing our membership with *A New Eastern Credit Union, A New Reality, A New Experience.*



Wayne Estrada  
**President**



**BOARD OF DIRECTORS ATTENDANCE AT MEETINGS (MAY 2016-MARCH 2017)**

No.	Name	BOARD			SPECIAL BOARD			EXECUTIVE			SPECIAL EXECUTIVE		
		Pres	Abs	Exc.	Pres	Abs	Exc.	Pres	Abs	Exc.	Pres	Abs	Exc.
1.	Wayne Estrada	11			2			10		1	2		
2.	Janelle Benjamin	9		2	2			11			1		1
3.	Gloria Rolingson	11			2			11			2		
4.	Gerard Mathews	11			2			11			2		
5.	Don Isaac	10	1		2								
6.	Darius Figuera	10		1	2								
7.	Helen Bernard	9		2	2								
8.	Francisca Lassalle	11			2								
9.	Ronald Bobb <sup>1</sup>	11		1	2			1			1		
10.	Lindhurst Murray	11			2								
11.	Marlon Phillips <sup>2</sup>	6			1			5			1		
12.	Clyde Herbert <sup>3</sup>	4											
13.	Stephanie Wilson <sup>4</sup>	3		1									
14.	Conrad Enill <sup>5</sup>										2		

<sup>1</sup> Ronald Bobb served as a member of the Executive Committee in August 2016

<sup>2</sup> Marlon Phillips was appointed to fill the vacancy created upon the resignation of Mr. Conrad Enill in August 2016 and was also appointed to the Executive Committee

<sup>3</sup> Clyde Herbert was appointed to fill the vacancy created upon the death of Stephanie Wilson in October 2016

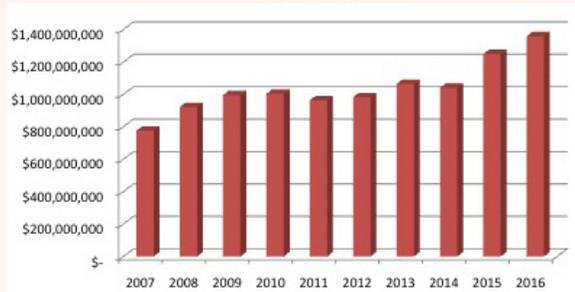
<sup>4</sup> Stephanie Wilson died in October 2016

<sup>5</sup> Conrad Enill resigned from the Board of Directors effective August 2016



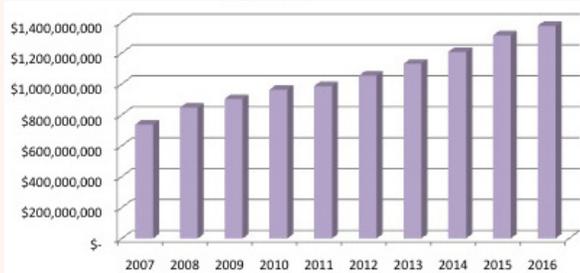
## PERFORMANCE HIGHLIGHTS

### LOANS TO MEMBERS



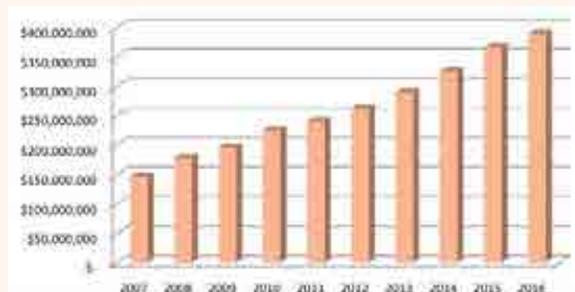
2007	\$775,938,255	2012	\$982,683,186
2008	\$921,889,830	2013	\$1,065,591,874
2009	\$996,244,194	2014	\$1,041,592,386
2010	\$1,005,010,007	2015	\$1,249,851,394
2011	\$964,333,637	2016	\$1,359,091,525

### TOTAL SHARES



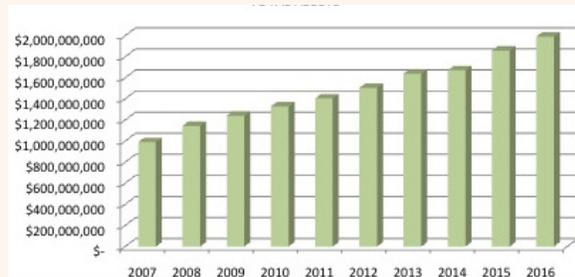
2007	\$737,176,272	2012	\$1,052,937,796
2008	\$846,148,293	2013	\$1,129,748,846
2009	\$902,426,992	2014	\$1,206,923,148
2010	\$961,613,243	2015	\$1,313,384,628
2011	\$985,363,468	2016	\$1,375,538,754

### DEPOSITS



2007	\$146,718,453	2012	\$261,930,468
2008	\$178,341,617	2013	\$289,275,816
2009	\$196,297,162	2014	\$324,419,614
2010	\$224,624,547	2015	\$365,232,099
2011	\$239,930,293	2016	\$389,348,048

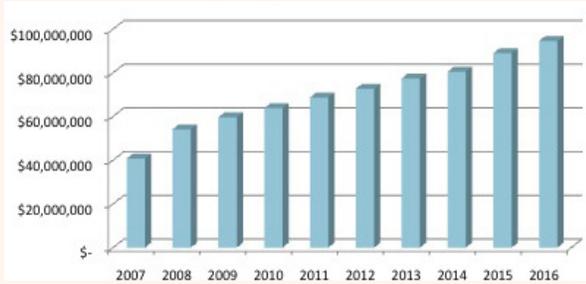
### TOTAL ASSETS



2007	\$990,580,937	2012	\$1,505,759,123
2008	\$1,144,980,992	2013	\$1,640,991,397
2009	\$1,242,777,886	2014	\$1,672,222,273
2010	\$1,329,991,213	2015	\$1,860,458,142
2011	\$1,405,773,250	2016	\$1,990,982,139

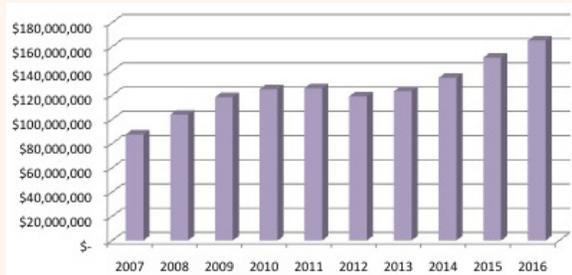


### RESERVE FUND



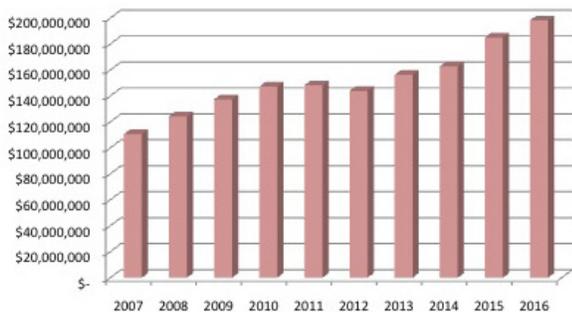
2007	\$40,814,189	2012	\$72,715,716
2008	\$54,160,513	2013	\$77,425,300
2009	\$59,667,037	2014	\$80,454,269
2010	\$63,861,584	2015	\$88,960,040
2011	\$68,708,811	2016	\$94,599,071

### INTEREST ON LOANS



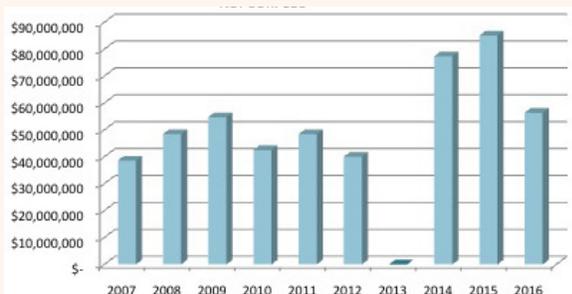
2007	\$87,496,636	2012	\$118,951,524
2008	\$103,806,362	2013	\$123,223,810
2009	\$118,277,357	2014	\$134,240,606
2010	\$124,931,518	2015	\$150,948,126
2011	\$125,748,385	2016	\$165,020,596

### INCOME



2007	\$110,613,195	2012	\$143,917,410
2008	\$124,324,774	2013	\$156,362,608
2009	\$137,404,479	2014	\$162,771,032
2010	\$147,205,815	2015	\$185,086,662
2011	\$148,279,466	2016	\$198,272,571

### NET SURPLUS



2007	\$38,605,282	2012	\$40,057,069
2008	\$48,472,030	2013	\$(76,143,849)
2009	\$54,718,702	2014	\$77,354,535
2010	\$42,494,155	2015	\$85,041,620
2011	\$48,364,617	2016	\$56,357,824





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

# Supervisory Committee Report



Wendy Williams



Cyril Barran



Mary Thompson



Richard Griffith



Stephanie Benjamin



The Supervisory Committee is pleased to present this report to the 43<sup>rd</sup> Annual General Meeting (AGM) of the Eastern Credit Union Co-operative Society Limited (ECU) having served for the period April 2016 to April 2017.

### Composition of the Supervisory Committee

The following members were elected by the membership at the 42<sup>nd</sup> AGM held on 16<sup>th</sup> April, 2016. Subsequently, in accordance with Bye-Law 22 (a), a Chairman and a Secretary were elected by the Committee.

- Wendy Williams            Chairman
- Cyril Barran                Secretary
- Mary Thompson          Member
- Richard Griffith          Member
- Stephanie Benjamin      Member
- James Thomas            1<sup>st</sup> Alternate
- Deborah Picou            2<sup>nd</sup> Alternate

The Supervisory Committee held twelve (12) Statutory Meetings and two (2) Special Meetings up to the time of submission of this report to treat with the affairs of the Credit Union. The Committee also had a presence in Executive, Board and Sub Committees' Meetings.

The Committee at its first Statutory Meeting compiled the following action items for the preceding term which included but were not limited to the following:

1. A review of the operational manual, policies and past and present reports of the Board and Supervisory Committee
2. Verification of members' files (Elected Officers and general membership)
3. A review of the AGM Verbatim Report
4. The conduct of Financial, Operational, Compliance, Information Systems and Internal Controls Audits
5. Review of and action taken based on reports of the internal and external auditors

In an attempt to adequately prepare the Committee to effectively perform the required duties, members were provided with copies of the Bye-Laws, the Operating Guide for the Supervisory Committee (2009) and the Co-operative Societies Act Chapter (81:03). Members were also exposed to training sessions in the following areas:

- 1) Elected Officers Retreat
- 2) Credit Union Organisation and Management
- 3) The Internal Audit Function
- 4) AML/CFT Compliance
- 5) Impact on the proposed legislation on ECU

### Authority of the Supervisory Committee

During the term the Supervisory Committee was guided by Bye-Law 22(e) i-viii which outlines the duties of the Committee.



The Committee shall:

*(i) 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.*

The following were undertaken in keeping with the aforementioned Byelaw.

### **Housing**

The Committee followed the matter of the Las Viviendas Project. The Board has decided that the project will resume as soon as approval is received from the Office of the Commissioner for Co-operative Development. It is expected that this project will be completed eighteen (18) to twenty-four (24) months after it commences.

### **Review of Delinquency**

As at the end of the financial year 31<sup>st</sup> December, 2016 delinquency stood at 7.45% as opposed to 6.72% as at 31<sup>st</sup> December, 2015. Although concerted efforts have been made by Branch Managers to reduce delinquency during this year to the accepted PEARLS ratio of (5%) with adherence to the loan policy, action at first point of delinquency and diligent follow up by employees, the challenge remains. It must be noted that any attempt to reduce this figure must include financial literacy of members and the tenacity of loan officers to tell members that taking a loan at a particular time may not be in their best interest. Focus of all involved in the lending process should be to ensure that the overall financial health of the Society is maintained.

### **Review of HR/IR issues**

The Committee as observers recognized that some information presented to the Committee during the period April, 2016 to November, 2017 were inadequate with regard to promotions and contract renewal, and recommendations made were in the absence of proper job evaluation exercises. The Supervisory Committee is satisfied that the external auditor, Pricewaterhouse Coopers (PwC) has since been employed to conduct an organization-wide exercise on job evaluations. While the organization has been faced with Industrial Relations challenges, within 2016 there were two separate hires to the post of GEM HR Manager and provisions were made for the hiring of an IR Specialist to effectively address these matters.

### **Review of the Management Letter and Internal Auditor's Reports**

The Committee perused reports of both the internal and external auditors over the period under review and found that issues were being addressed.

### **Examination of Elected Officers' files**

The files of Elected Officers were examined and it was found that each Officer was in good standing.

### **IT Audit**

The Supervisory Committee is pleased to inform that an IT Audit was conducted in 2016 by PwC. All recommendations to ensure efficiency are being employed.



## Fit and Proper

Fit and proper is a prerequisite for persons to the Board of Directors and Statutory Committees in compliance with the Central Bank of Trinidad and Tobago with regards to the Bureau de Change. The Supervisory Committee is pleased with the Nominating Committee's efforts to ensure that suitable persons are selected to serve the Organisation.

*(ii) Report to the Annual General Meeting.*

*(iii) 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.*

## Suspension of a Director

A matter lodged with the Commissioner for Co-operative Development was dismissed because of non-appearance of the Complainant.

*(iv) If it deems such action necessary, call a Special General Meeting any matter, which the Committee shall submit to the meeting.*

*(v) Attest the Financial Statements as presented by the General Manager of the Society*

One Supervisory Committee Member was assigned to examine and attest to the Financial Statements monthly.

*(vi) Keep itself fully informed as to the financial condition of the Society by examining, at least every six months, the cash, bank accounts, shares and deposit accounts, securities and applications for loans made during the period under examination.*

The Supervisory Committee made scheduled and surprise visits to all Branches where observations of Cash Counts were conducted. All discrepancies observed were reported to BOFAS for implementation of corrective measures. The Committee continues to stress the need for due diligence and compliance.

*(vii) 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.*

## Review of loans and loan applications

The Supervisory Committee undertook the examination of files of members who had become delinquent in their repayments of loans.

*(viii) The Committee shall be given observer status at Board and other Committee meetings.*

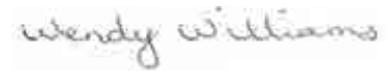
The Supervisory Committee given observer status attended executive meetings and meetings of the Board of Directors and all sub-committees to follow discussions. Minutes of meetings attended and recommendations to the Board were



reviewed by the Committee. These actions provided an opportunity for members of the Supervisory Committee to determine whether actions and decisions of the Board and sub committees were in keeping with the core values, policies and byelaws of the ECU and the Co-operative Societies Act Chapter (81:03). It was through these observations that the Committee was able to deliberate and make recommendations and decisions for the proper governance of the Society.

On behalf of this outgoing Supervisory Committee, the Chairman wishes to express gratitude for the opportunity given to us by the membership to serve during the past term. We say thank you for placing that confidence and trust in us.

Respectfully Submitted,



Wendy Williams  
 Chairman, Supervisory Committee

### SUPERVISORY COMMITTEE ATTENDANCE

April 2016 – April, 2017

NO.	NAME	PRES	ABS	EXC
1.	Wendy Williams	14	-	-
2.	Cyril Barran	14	-	-
3.	Mary Thompson	14	-	-
4.	Stephanie Benjamin	12	-	2
5.	Richard Griffith	08	4	2



# Credit Committee Report



Delroy Burris



Jacquelyn Humphrey



Patricia Ward



Rhona Adams-Arrindell



Denise Andrews



The Credit Committee was duly elected at the 42nd Annual General Meeting, held at the Hyatt Regency Hotel, Wrightson Road, Port of Spain, on 16th April 2016.

In accordance with the Bye-Laws and the authority vested therein, I hereby report to you on our deliverables for the period under review (2016-2017).

As with the previous year (2015-2016) the forecast on the economy for our term in office is in no better place, as the technocrats predicted that 2016-2017 fiscal years will see a downward trend in economic activity and a negative growth is inevitable. Having heard that, the Credit Committee knows and is aware that there will be some departure from what is the expected norm in carrying out our mandate. We acknowledge the herculean task ahead for the Executive Management, Board of Directors and Statutory Committees together with the hard-working rank and file members of staff. With the best of efforts on the path of Management, Committees and the Collections Unit, the fiscal year ending 2016 saw a slight increase in our delinquency portfolio from 6.7% in 2015 to 7.4%. Notwithstanding the many challenges which some of our members faced due to job losses, pay cuts and inflation eating away at their already meagre salary, the majority stuck to the task of paying up their loans while those who were faced with extreme hardship explored the many available options such as rescheduling, consolidation of their debts and refinancing to name a few.

In keeping with Bye-Law (21), at our first meeting held on the 18<sup>th</sup> April 2016 the members of the Committee nominated a Chairman and a Secretary unopposed. The members' nominations were accepted by yours truly Delroy Burris, to Chair the Committee and Rhona Adams-Arrindell as Secretary. It was an honour to lead a team of dedicated, hard-working and trustworthy members. I am delighted to present to you the remaining members of this Committee:

Jacquelyn Humphrey

Patricia Ward

Denise Andrews

And, Mahmud Muhammad and Kenneth Wilson 1st and 2nd Alternates respectively.

### ***Developmental Training for the Team***

Working in tandem with the Board of Directors and Executive Management, the need for special training was highlighted at the retreat for Elected Officers, orientation sessions and subsequent joint meetings of the Board of Directors and Statutory Committees. Therefore, several members of this Committee were exposed to various types of training through in-person courses and seminars ranging from the Caribbean Confederation of Credit Unions (CCCU) Conference in Orlando, Florida that was attended by the Chair of the Committee, to various in-house and other courses. The Secretary Mrs. Rhona Adams-Arrindell, Ms. Patricia Ward and Ms. Denise Andrews attended a workshop at the Cascadia Hotel in St. Anns, hosted by the Credit Union League of Trinidad and Tobago on “**How Good Credit Turns Bad**”.

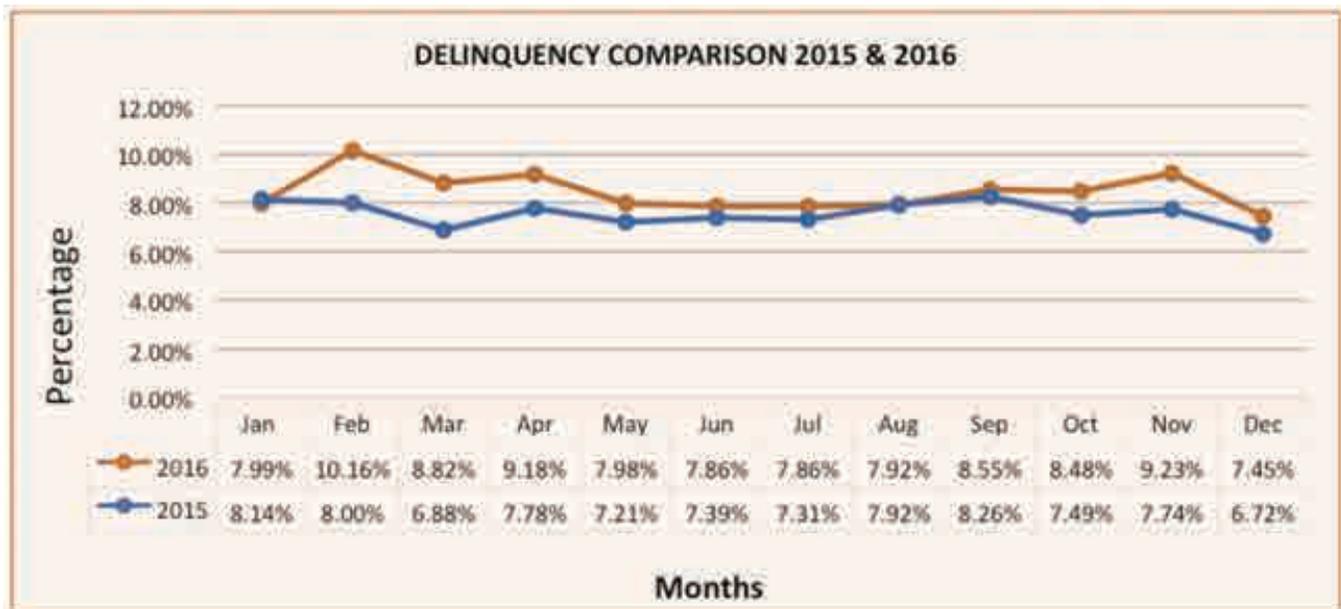
Topics discussed were;

- How to treat with bad Credit Characters
- Credit Danger signs/ Arbitration
- The prerequisite for Levy Action



### Delinquency

The year ending 31st December 2016 saw a slight increase in our delinquency portfolio from 6.72% in 2015 to 7.15%. However, there is some measure of comfort in the fact that for the months of November to December 2016 through the concerted efforts of the Senior Management and Staff of the collections unit, supported by other initiatives and drives were able to reverse the upward trend. Whilst such decrease does not warrant the bursting of “Champagne” and “Balloons”, the efforts of our hard-working Management and members of staff need to be recognized, as these periods usually record the highest percentage of delinquency in past years.



Therefore, as we continue to weather the storm, this Committee will continue to play its part in encouraging our members, especially those facing extreme hardship with paying their loans, to take the opportunity to attend our branches and speak with our officers. Further, to request meetings with the Credit Committee from time to time if in their opinion their plights are not being properly addressed at the branch level. This Committee is exposed to and is sensitive towards the membership’s everyday needs and difficulties. Whilst each case is dealt with on its own merit, from time to time we have to ask for a waiver of policy from the Waiver Committee to treat with the anomalies as they arise and this is done solely in the best interest of our members.



Twenty eight (28) loans valued \$39,241,054 were sanctioned by the Waiver Committee for reasons as shown in the table below.

NUMBER OF FILES	REASONS
6	Loan to share ratio above the Credit Committee limit of 4:1 and 10:1 for mortgages
14	Loan amount above the Credit Committee limit of \$1.2M
6	Term of loans outside of stated policy
2	Interest rate less than stated policy

In light of the foregoing, and the constant need to keep up to date with the requirements of the regulatory bodies as well as International Standards, the Credit Committee, Waiver Committee, Delinquency Committee and the Senior Management and Staff at the Collections Unit, continue to put our ideas together and work in unison towards reducing our Delinquency portfolio to 5% as is required by the PEARLS Ratio. This has challenged us for some time now but we remain committed and will stay the course as there are no other options but to remain committed.

### Future

As we gaze at the horizon and ponder what is to come, we are not oblivious to data analytics and the trend in which the co-operative societies locally and internationally are heading. Therefore, in order to keep up with this movement, I propose that we ensure that the Credit Committee now and in the future be equipped with the necessary tools such as laptops and or any other technological equipment/s that will readily assist in accessing information directly from ECU systems into the meetings. This will assist greatly in the verification processes and allow us to expeditiously deal with members' requests and will have a transient effect on service delivery. Also, the members of the Committee will deliberate on matters before them with consummate ease and comfort without having to rely on third party information which sometimes call into question its own methods of verification. The Chief Executive Officer proposed and the Committee accepts, that an independent technocrat is to be co-opted to the Credit Committee to offer that scientific and professional advice to the Committee when so called upon. This too will improve transparency, accountability and good governance which is the golden thread that runs through ECU, once approved by the relevant authority.

As we continue to be one of the principal guardians of the members' assets, we will be putting forward our recommendations to the Board of Directors from time to time to effect meaningful changes that will redound to the benefit of the membership now and in the not so distant future.

### CONCLUSION

On behalf of the Committee I cannot over emphasize my sincere thanks to the Board of Directors, Statutory Committees, Management and Staff for their continued support and may God bless us all and by extension our noble institution Eastern Credit Union Co-operative Society.



**CREDIT COMMITTEE ATTENDANCE AT MEETINGS**

NO.	NAME	PRES	ABS	EXC
1.	Delroy Burris	38	6	-
2.	Rhona Adams-Arrindell	42	-	2
3.	Jacquelyn Humphrey	37	2	5
4.	Patricia Ward	39	1	4
5.	Denise Andrews	35	5	4



Delroy Burris  
Chairman



# Education Committee Report



Janelle Benjamin



Helen Bernard



David Taitt



Richard Noray



Gary Cross



K'areece Rogers



Stacy Alleyne



The theme for the year in review *People Helping People* became the mantra for the Education Committee, as its members set their sights on making that incomparable difference that sets Eastern Credit Union apart.

As such, the members of this Committee carried out each task with eagle-like focus, displaying a level of commitment that was evident in the many milestones the Committee were able to achieve during this term.

### By their works, you will know them...

The members of the Education Committee for the period in review, displayed a passion and dedication to service, which saw many lives touched and in many ways impacted, during this year. Be it sacrificing time and family to lend service to the organization and to you the members, or toiling late nights to ensure that member welfare initiatives were successfully executed; this team of 'loyalists' with their unwavering dedication, managed to fulfill the mandate assigned to the Committee by the Bye-Laws of the Organization.

Again, the Organization succeeded in combining the right mix of Directors, co-opted members and staff, all of whom shared in the common focus - *Service to our members*.

### Meet the team...

The Members of the Committee for the 2016-2017 term were as follows:

- Ms. Janelle Benjamin                      Chairperson
- Mr. David Taitt                              Secretary
- Ms. Helen Bernard                        Member
- Mr. Richard Noray                         Member
- Mr. Gary Cross                              Member
- Ms. K'Arece Rogers                        Co-opted Member
- Ms. Stacy Alleyne                         Co-opted Member
- Ms. Beverly Demas                         Co-opted Member

*Ms. Beverly Demas resigned on the 30<sup>th</sup> October 2016 for personal reasons.*

### Our mandate...

PURSUANT TO s23 (f) of the Society's Bye-Laws, the Committee was charged with the responsibility to:

- i. be in charge of publicity, education and training programmes and the holding of seminars and conferences.
- ii. provide educational material for use by members
- iii. prepare and submit to the Board a budget to cover the cost of its programmes and activities and ensure that funds allocated are used for the specified purposes.

In keeping with this mandate, the Committee hosted a number of initiatives for the 2016-2017 term, geared towards Education and Empowerment of the Membership. Some of these activities were as follows:



**MEMBERS’ FAMILY BREAKFAST hosted on the 13<sup>th</sup> August 2016 –**  
(Formerly our “New Members’ Orientation” and “Breakfast with the President”)

During this event, the new members were welcomed to the Eastern Family, and were treated to a brief introduction on the Philosophy of Credit Unionism and the concept behind co-operatives and its link to member development, as well as the concept behind the emergence of the *People Helping People* and *Co-operation amongst Co-operatives* philosophies.

In keeping with our norms, new members were also treated to a walk down memory lane by our very own Mr. Gary Cross, who shared on the history of Eastern Credit Union. Thereafter, the members were introduced to the Organization’s products and services, and regaled with the benefits of becoming a Member of Eastern Credit Union, and a co-owner to such a noble institution.

This initiative continues to be a success, as participants are continuously ‘wowed’ by this experience. The Committee continues to champion this initiative, which is always an excellent opportunity to set the tone for the relationship between the organization and its members. The Committee proposes to continue hosting similar sessions throughout the branch network.



**Other Activities hosted by the Education Committee were as follows:**

- SANCTUARY SERIES ON 195.5 FM**

The Committee continues to focus its efforts on enlightening and empowering the membership by promoting activities and our products and services designed to ensure that we connect with our shareholders. *As such, the Committee continues to sponsor the Sanctuary segment on 195.5FM which runs every Monday morning between the hours of 7:30am to 7:35am.*
- PHOTOGRAPHY WORKSHOP**

As a pre-cursor to the Annual Amateur Photography Competition, the Committee hosted its 1<sup>st</sup> Photography Workshop in July 2016, to assist persons with an interest in photography to hone their skills and learn about the artform from a renowned international guru in the photography arena. This one day session was facilitated by National Geographic Wildlife Photographer Mr. Roger Neckles, at the La Vega Estate, where participants got to experience first-hand the art of capturing nature in motion.
- AMATEUR PHOTOGRAPHY COMPETITION**

The Education Committee featured its 2<sup>nd</sup> Annual Amateur Photography Competition, which again proved to be a tremendous success, as we once again were able to showcase the twelve winners in our Official Eastern Credit Union Calendar 2017. *The Competition again highlighted the work of Amateur photographers, and the Committee was greeted with over 100 applicants. Of the final 30 shortlisted, the top 12 were chosen. All finalists received cash tokens, whilst the winners received part cash and part credits to their accounts.*





**LEGAL CLINICS**

The Committee is proud to report that it successfully completed four (4) free Legal Clinics for its Membership in the following locations: St. Joseph, Chaguanas, San Fernando and Tobago. These sessions allowed the Membership to receive free legal consultation and advice from practicing Attorneys. Advice offered spanned a wide range of areas from Civil Matters, Family Disputes, Estate Planning, Will Preparation, Land Matters to name a few. Attendees also benefitted from our on-site Marketing officers who were able to address other credit-union related matters with which members were faced.



**SEA MOTIVATIONAL WORKSHOP**

The 17<sup>th</sup> SEA Motivational Workshop was held between the 7<sup>th</sup> – 11<sup>th</sup> March 2016 in Trinidad, and on the 14<sup>th</sup> March 2016 in Tobago. We saw over 1600 students representing 70 member schools throughout Trinidad and Tobago.

We also hosted the 18<sup>th</sup> SEA Motivational Workshop held between the 6<sup>th</sup> March 2017 to the 10<sup>th</sup> March 2017 in Trinidad and on the 13<sup>th</sup> March 2017 in Tobago; which boasted approximately 2300 students with over a 120 member schools over the 6days. Students were exposed to creative approaches to topics geared at equipping them for the transition from primary to secondary school.



**EDUCATION AWARDS CEREMONY 2016**

The Committee hosted its 23<sup>rd</sup> Annual Education Awards Ceremony on 20<sup>th</sup> August 2016 at the Eric Williams Auditorium of the La Joya Facility (“**The Jewel**”). Seventy-six (76) SEA students received awards valued at \$700.00. Awards were distributed to deserving students based on merit and economic need.

The Guest speaker was Mr. Nigel Forgenie, who regaled the audience with his interesting perspective on the “**Impact of Social Media on Youth Development and the transition from Primary to Secondary School**”. All attendees, including students, parents, guardians and guests, were awed by this experience.



**POST BUDGET REVIEW**

The Education Committee hosted another Post Budget Review, this time highlighting the 2016/2017 National Budget Presentation. This event was held on the 03<sup>rd</sup> October 2016. Discussions centered around the economic measures being adopted by the Government to address the many issues facing the Economy at this time. The primary focus of the session being on the effects of this new budget on the citizenry and in particular our membership. The panel consisted of a group of professionals, namely:

- Mr. David Abdullah- Political Leader of the Movement for Social Justice (MSJ)
- Mr. Conrad Enill – Currently Chief Executive Officer – Eastern Credit Union and Former Minister of Energy and Energy Affairs and Minister in the Ministry of Finance.
- Ms. Allyson West- Partner at Price Waterhouse Coopers-Tax Services
- Dr. Winford James

*The Membership were again afforded the opportunity to air their concerns, and have same addressed by experts in various fields, occura with the impact of Budgetary adjustments on the economy and by extension our Membership, thus allowing us to adequately plan for what lies ahead. The session was well attended, and gained air play in the Media.*



**ECU'S CHILDREN CHRISTMAS PARTY**

The Committee hosted its Annual Children Christmas Parties in both Trinidad and Tobago in 2016. These events accommodated over 800 children, which was a 60% increase over the attendance at the 2015 events. The younger populace of Eastern Credit Union continues to look forward to these ground breaking events, which are always met with enthusiasm and outstanding support and patronage by the Members; and so we commend you the membership on your overwhelming and continued support of these events.

**Trinidad**



**Tobago**



**OUR ANNUAL PRIMARY SCHOOL'S CALYPSO COMPETITION**

This year's 28<sup>th</sup> Primary School Calypso Competition, held on the 15<sup>th</sup> February 2017, boasted 100 member schools, with 19 successful participants, and over 300 student supporters. Kurlise Bentham of Sacred Hearts Girls copped the challenge trophy for 2017, as she was able to move the audience with her witty anecdotes and thought provoking lyrics.



**SKILLS BANK INITIATIVE 2016**

This Initiative is ongoing, as members are continually encouraged to register their businesses/skills/trades on our website and at our branches, to be listed in our Skills Bank Directory; as we endeavor to encourage and foster the ‘people helping people’ philosophy amongst our membership.

**QUARTERLY NEWSLETTER PUBLICATIONS:**

These publications are widely distributed to our Membership, sister credit unions and other major stakeholders, thereby allowing us the opportunity to showcase our milestones and share the ‘Eastern Way’ with our supporters.

The Committee whilst it continues to publish these newsletters, in a cost-cutting initiative, has opted to produce these publications electronically. The newsletters can now be accessed online on the organization’s website. This newsletter “*The Wheel*”, highlights:

- The Society’s events and activities
- Staff and members’ achievements
- The Education Committee’s educational programmes.

**OUTREACH???**

The Committee intensified its outreach initiatives during the review period, in its quest to assist members in equipping themselves (*financially, socially and otherwise*) for the unforeseen future. As such, the Committee hosted a number of activities geared to empowering its Membership and bringing awareness of the many offerings of our financial cooperatives and how it can assist in improving their lives.

**TOBAGO MOTORCADE AND MEMBER OUTREACH 2016**

The Committee hosted a Member outreach initiative in Tobago in October 2016, where the Education Committee Team Members along with Marketing staff, Tobago branch staff and other elected officials from the Board, Supervisory, Credit, and supporters from the General membership, visited Tobago for a one day meet and greet of the locales. The visit entailed a motorcade through various villages including Crown Point, Bon Accord, Plymouth, Mason Hall and Moriah, to name a few and ended at the Gulf City Mall in Lowlands. This initiative was geared towards bringing about wider awareness of the Credit Union in Tobago. This exercise was particularly successful as quite a number of persons were not aware that Eastern had a branch in Tobago, whilst others did not know where the branch was located. From this initiative, the organization was able to attract a number of new members, thereby increasing its member base, as well as renew its relationship with some non-active members.



**Honouring our Local Talent** – The Committee, at its 28<sup>th</sup> Annual School’s Calypso Competition held on the 15<sup>th</sup> February 2017, honoured Ms. Ella Andall for her contribution to the Artform. Ms. Andall who is known for her cross-over music was welcomed into the select group of honourees at Eastern’s prominent Calypso event for 2017.



## Co-operative Social Responsibility...

### DIABETES WALK

Eastern Credit Union's Diabetes Walk held in Tobago continues to attract massive crowds, as the event has been acclaimed as one of our highly success ventures, which persons anticipate annually, as is evidenced by the number of participants attending from both Trinidad and Tobago to support this initiative.



This event continues to attract numbers in excess of 300 strong, who rallied together in support of the fight against Diabetes.

- Eastern Credit Union continues to extend its hand in support of its Members by not only effecting changes in individual lives, but on a community level. As such, in 2016, the Education Committee continues to “*lend a helping hand*”, where it was needed most by engaging in the following activities:
  - **Christmas Wish Initiative** – *the Committee was able to distribute hampers to families in need, throughout its branch network for the period ending December 2016. Each branch was tasked with identifying a family in need of support for the Holidays, and hampers were distributed to these families, who were very appreciative that the Credit Union was not only able to ‘speak care but to show care’.*
  - **Assistance** – *the Committee was able to offer assistance to a number of members needing same; a number of requests for donation and/or support ranging from Medical to Educational appeared before the Committee, which the Committee was able to address on a merit basis.*

### NEXT UP...?

The Committee proposes for 2017 to:

- **Extend its Legal Clinic offerings to the branches of Eastern Credit Union**, where on specified dates, the Society will have qualified Attorneys offering legal advice free of charge to our members.
- **Host a Small Business Symposium and Workshop**, where the Society aims to partner with Small businesses, to ensure that its members are given that head-start in becoming successful entrepreneurs. This event will feature a number of professionals to advise start-up businesses and existing business owners on the do's and don'ts of entrepreneurship. *(The Committee could not host this initiative in 2016 but proposes to follow through on this initiative for 2017).*
- **Revive our Regional Partnerships** – Eastern Credit Union currently holds MOU's with Credit Unions in Barbados, Jamaica and Grenada. The Committee is resolute in engaging our sister societies to revive said Regional Partnerships. *(This initiative continues to be a work in progress, and will be pursued during the upcoming term)*



- Improve our Social Media offerings in a bid to remain on the cutting edge of technology in meeting our Membership needs.
- Lobby for the establishment of an Education Department within the Organization, to support the work of the Education Committee in bringing increased value to our Membership.

### YOUR role...?

1. Offer support to the Committee, by:
  - i. Attending the programs hosted by the Organization from time to time
  - ii. Keeping up to date with the Organization's activities by engaging with us on social media, such as Facebook, our ECU Website: [www.easterncutt.com](http://www.easterncutt.com), Instagram, etc.
  - iii. Tune in to our Sanctuary Series aired on I95.5fm every Monday morning at 7:30am
  - iv. Be your brother's keeper!

### Appreciation...

The Committee would like to thank everyone who supported its initiatives during the term in review. Commendation is extended to the Marketing Team, for their dedication to the organization and their continued support for the work of the Committee.

Special thanks must also be extended to the Board of Directors and other Elected Officials, for supporting the work of the Committee by their attendance at functions.

We also extend our heartfelt appreciation to the Membership of Eastern Credit Union, for your encouragement and support, as we look forward to our continued service to you.



Janelle Benjamin  
Chairman



# EDUCATION COMMITTEE HIGHLIGHTS OF ANNUAL ACTIVITIES



**Member Family Breakfast**



**ECU Education Awards**



**Photography Competition**



**ECU SEA Motivational Workshop**

**Trinidad**



**Tobago**



**Children's Christmas Party Trinidad and Tobago**



**Diabetes Walk**



**Primary School Calypso Competition**



**Primary School Calypso Competition**



**Tobago Member Outreach**





# Nominating Committee Report



Darius Figuera



Ronald Bobb



Reynold Cooper



Gina Ferguson-  
Spencer



Suzanne Wyse



## 1.0 INTRODUCTION

The composition of the Nominating Committee of the Board of Directors of Eastern Credit Union for the year 2016-2017 was as follows:

Director Darius Figuera	Chairman
Director Ronald Bobb	Director
Mr. Reynold Cooper	Member
Mrs. Gina Ferguson-Spencer	Member
Ms. Suzanne Wyse	Member

## 2.0 COMMITTEE'S MANDATE

In keeping with its mandate as embodied in the Institution's bye-laws, the Committee during its tenure, focused on training, re-training and preparing members to serve on the Board of Directors, Credit and Supervisory Committees. Given the impending legislative framework reform of the Cooperative Societies Act Chapter 81:03 and the regulations with the proposed Credit Union legislation the committee stressed the importance of relevant credit union training for elected officers.

## 3.0 TRAINING INITIATIVES

### 3.1 CREDIT UNION ORGANISATION AND MANAGEMENT PROGRAMME

The Committee conducted the 6<sup>th</sup> Credit Union Organisation and Management Training Programme during the period September 10<sup>th</sup> 2016 to October 15<sup>th</sup> 2016. The training experience consisted of nine (9) modules and attracted thirty-five (35) participants inclusive of employees from Eastern Credit Union and other credit unions.

The programme concluded with a graduation ceremony on Saturday 15<sup>th</sup> October 2016. One direct benefit of this programme is its acceptance by the Cipriani College of Labour and Cooperative Studies (CCLCS) as appropriate certification for entry into the College's Diploma, Associate Degree and Degree Programmes.

The Committee recommends that the process be initiated for the programme to be accredited by the Accreditation Council of Trinidad and Tobago.

### 3.2 NOMINATION PROCESS

#### ELIGIBILITY CRITERIA

Under Bye Law 24 (a) the Nominating Committee is charged with selecting suitable members to serve on the Board, Credit and Supervisory Committees. The Bye Laws do not define suitable members.

Consequently the Board approved the policies for the definition of a suitable candidate. The Board presented these policies and amendments to the Bye-laws for membership ratification at the Special General meeting in December 2016 and the following was approved based on the mandate from the membership.



- Nominees should save an additional 100 shares per year in order to be considered for nomination. Members should therefore save a minimum of \$500.00 between January 1<sup>st</sup> and December 31<sup>st</sup> each year.
- Persons with litigation against ECU should not be allowed to serve on the Board or Committees of ECU.
- Officers serving on elected positions on other credit unions should not be allowed to serve on the Board of Directors or Statutory Committees of ECU.
- Nominees should meet the fit and proper criteria under the Central Bank of Trinidad and Tobago Act, the Cooperative Societies Act and Regulations and Board policies as ratified per Bye Law 15 (b) (vi).
- A grace period of three years must elapse before former employees of ECU become eligible to serve as an elected official.

Already existing requirements:

- Persons who stand for election to the Board and Statutory Committees of Eastern must not be delinquent in his/her loan repayment on the date of his/her nomination application.
- Over the age of 18 years.
- A citizen of Trinidad and Tobago or a person lawfully admitted permanent residency who is ordinarily a resident in Trinidad and Tobago.
- Not an undischarged bankrupt.
- Not of unsound mind and has not been convicted of:
  - An indictable offence
  - A criminal offence involving dishonesty in connection with the promotion or management of a corporation or co-operative.
  - An offence involving fraud.

On Wednesday 18<sup>th</sup> January, 2017 a notice was published at all Eastern Credit Union branches, the print media, Eastern Credit Union's website and social media inviting eligible members to serve on the Board of Directors, Credit Committee and Supervisory Committee. Prospective candidates were required to submit the completed Nomination form to any branch of Eastern Credit Union on or before Friday 17<sup>th</sup> February 2017. Forty members responded to the call to serve.

The candidates were interviewed on March 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> 2017 for the Board of Directors, the Supervisory Committee and the Credit Committee respectively to ensure compliance with the criteria established in the Bye Laws.

#### 4.0 RECOMMENDATIONS

Nominations for the 2017 Annual General Meeting commenced on Wednesday 18<sup>th</sup> January, 2017 and concluded on Friday 17<sup>th</sup> February, 2017. All candidates were screened by the Nominating Committee and the Committee is pleased to recommend the following candidates:



**4.1 BOARD OF DIRECTORS**

James George Thomas  
Marlon Phillips  
Stephanie Benjamin  
Clyde Herbert  
Pearl Gonzales  
Janelle Benjamin  
Don Isaac  
Cyril Barran  
Lyndon Williams  
Wendy Williams  
K'areece Rogers  
Allison Lewis  
Ann Antoine

**4.2 SUPERVISORY COMMITTEE**

Anne Marie Arnaud-Thomas  
Bridgette Harry  
Camille Lisa Rolingson  
Deborah Picou  
Maria Ann Joseph  
Stacy Alleyne  
Trevor Rogers

**4.3 CREDIT COMMITTEE**

Delroy Burris  
Denise Elizabeth Andrews  
Jacquelyn Humphrey  
Kenneth Wilson  
Kirk Ferguson  
Mahmud Muhammad  
Mary Thompson  
Patricia Ward  
Rhona Adams-Arrindell  
Shelly Ann Berkeley  
Shezrae Nesbitt  
Tremaine Rogers

A brief profile of each nominee is presented in this brochure.



## 5.0 ORIENTATION PROGRAMME FOR PROSPECTIVE OFFICERS

On April 20<sup>th</sup> 2017, an Orientation Programme was convened for the nominees. The purpose of the Orientation Programme was to familiarise all candidates with the basic role and functions of the Board and Statutory Committees and the importance of team effort at the policy making levels of the institution.

Case studies were used in the training process to allow members to apply the requisite skill-sets required for the desired office. The facilitators were the former Head of the Public Service and member of the Nominating Committee – Mr. Reynold Cooper, Consultant on Credit Administration – Mr. Charles Mitchell and Industrial Relations Consultant – Mr. Stephen Thomas.

## 6.0 APPRECIATION

The Committee thanks the following Directors and Statutory Committee members whose term of office ends at the 2017 Annual General Meeting:

### BOARD OF DIRECTORS

Mrs. Gloria Rolingson  
Ms. Janelle Benjamin  
Ms. Helen Bernard  
Mr. Don Isaac  
Mr. Clyde Herbert  
Mr. Marlon Phillips

### SUPERVISORY COMMITTEE

Ms. Wendy Williams  
Mr. Cyril Barran  
Mr. Richard Griffith  
Ms. Mary Thompson  
Ms. Stephanie Benjamin

### CREDIT COMMITTEE

Mr. Delroy Burris  
Mrs. Rhona Adama-Arrindell  
Ms. Jacquelyn Humphrey  
Ms. Patricia Ward  
Ms. Denise Andrews



## 7.0 CONCLUSIONS

The Committee wishes to remind membership that it is their responsibility to ensure that the most suitable candidates are elected to the Board of Directors and Statutory Committees. This is necessary to guarantee the continued growth, progress and financial stability of Eastern Credit Union Co-operative Society Limited.



**Darius J. Figuera**  
**Chairman- Nominating Committee**



## RESOLUTIONS

### 1. Patronage Refund

Be it resolved: That a patronage refund of 5% be declared for the financial year ended 31st December 2016 and credited to members' Deposit Accounts.

### 2. Dividend

Be it resolved: That in accordance with Bye-Law 15(b) (v) a dividend of 2% be approved for the financial year ended 31st December 2016 and that such dividends be 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.

### 3. Special Shares

Be it resolved: That in accordance with Bye-Law 6(a) (i), 6 (b) (i), (ii) and (iii), a dividend of 5% be declared 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.

### 4. Education Fund:

Be it resolved: That in accordance with Bye-Law 25(b) 3% of the realised surplus for the financial year ended 31st December 2016 be appropriated to the Education Fund.

### 5. Auditors

Be it resolved: That the firm PwC be retained as Auditors for the year 2017.



## NOMINATION PROFILES 2017

### Board of Directors



#### JAMES GEORGE THOMAS

**PLACE OF WORK** - N/A  
**POSITION** - RETIRED PUBLIC SERVANT

#### CREDIT UNION EXPERIENCE:

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- FINANCIAL AUDITING
- CREDIT UNION MANAGEMENT PROGRAMME
- ANTI MONEY LAUNDERING & TERRORISM FINANCING
- SERVED ON THE CREDIT AND SUPERVISORY COMMITTEE OF EASTERN CREDIT UNION
- MEMBER FOR TWENTY-THREE (23) YEARS



#### MARLON PHILLIPS

**PLACE OF WORK** - MINISTRY OF EDUCATION  
**POSITION** - EDUCATOR

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE BOARD OF DIRECTORS OF EASTERN CREDIT UNION
- FORMER MEMBER OF THE CREDIT COMMITTEE
- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR NINETEEN (19) YEARS



#### STEPHANIE BENJAMIN

**PLACE OF WORK** - THE UNIVERSITY OF THE WEST INDIES  
**POSITION** - RESEARCH CONSULTANT/SECRETARY

#### CREDIT UNION EXPERIENCE:

- MEMBER OF THE SUPERVISORY COMMITTEE
- CREDIT UNION MANAGEMENT AND ORIENTATION PROGRAMME
- INTERNAL AUDIT VIS-À-VIS SUPERVISORY COMMITTEE
- MANAGING CREDIT RISKS
- MANAGING BAD DEBTS
- AML/FATCA/CFT – COMPLIANCE
- FORMER EMPLOYEE OF EASTERN CREDIT UNION
- MEMBER FOR FIFTEEN (15) YEARS





**CLYDE HERBERT**

**PLACE OF WORK** - **UNITED ELECTRICS LIMITED**  
**POSITION** - **MANAGING DIRECTOR**

**CREDIT UNION EXPERIENCE:**

- SERVED AS A DIRECTOR FOR EIGHT (8) YEARS
- VICE PRESIDENT AND CHAIRMAN OF THE EDUCATION COMMITTEE FOR TWO (2) YEARS
- EXECUTIVE COMMITTEE MEMBER FOR FIVE (5) YEARS
- MEMBER OF THE FINANCE COMMITTEE AND CHAIRMAN OF THE RISK COMMITTEE OF EASTERN CREDIT UNION
- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR THIRTY-FIVE (35) YEARS



**PEARL GONZALES**

**PLACE OF WORK** - **N/A**  
**POSITION** - **SELF EMPLOYED**

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- CREDIT TRAINING/SUPERVISORY TRAINING/WOCCU TRAINING
- CREDIT UNION MANAGEMENT
- ANTI MONEY LAUNDERING & TERRORISM FINANCING
- SERVED ON THE CREDIT AND SUPERVISORY, GOVERNANCE AND EDUCATION COMMITTEES OF EASTERN CREDIT UNION
- MEMBER FOR SIXTEEN (16) YEARS



**JANELLE BENJAMIN**

**PLACE OF WORK** - **BURRIS, BENJAMIN AND ASSOCIATES**  
**POSITION** - **ATTORNEY-AT-LAW**

**CREDIT UNION EXPERIENCE:**

- ATTENDED WOCCU TRAINING
- CARIBDE TRAINING
- CREDIT UNION MANAGEMENT PROGRAMME
- LEADERSHIP CONFERENCE/TRAINING (CREDIT UNION LEAGUE)
- ECU ELECTED OFFICIALS ORIENTATION
- SERVED ON THE SUPERVISORY COMMITTEE AND BOARD OF DIRECTORS
- MEMBER FOR NINE (9) YEARS





### DON ISAAC

**PLACE OF WORK** - **AIRPORT AUTHORITY**  
**POSITION** - **AVIATION TRAINING OFFICER**

#### CREDIT UNION EXPERIENCE:

- CREDIT UNION MANAGEMENT PROGRAMME
- SERVED ON THE BOARD OF DIRECTORS FOR THREE (3) YEARS
- SERVED ON THE SUPERVISORY COMMITTEE
- MEMBER FOR TWENTY-NINE (29) YEARS



### CYRIL BARRAN

**PLACE OF WORK** - **AUDITOR GENERAL'S DEPARTMENT**  
**POSITION** - **ASSISTANT AUDIT DIRECTOR**

#### CREDIT UNION EXPERIENCE:

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- INTRODUCTION TO CREDIT UNION ORGANISATION AND MANAGEMENT
- AML/CFT TRAINING
- HOW GOOD CREDIT TURNS BAD
- MEMBER OF THE SUPERVISORY COMMITTEE
- MEMBER FOR TWENTY-NINE (29) YEARS



### LYNDON WILLIAMS

**PLACE OF WORK** - **AUDIT/ACCOUNTANT CONSULTANT**  
**POSITION** - **H.SIMMS CHARTERED ACCOUNTANT/JCD AND ASSOCIATES LTD.**

#### CREDIT UNION EXPERIENCE:

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR THIRTY-ONE (31) YEARS





**WENDY WILLIAMS**

**PLACE OF WORK** - **MINISTRY OF EDUCATION**  
**POSITION** - **PRINCIPAL**

**CREDIT UNION EXPERIENCE:**

- SERVING CHAIRMAN OF THE SUPERVISORY COMMITTEE EASTERN CREDIT UNION
- AML/CFT COMPLIANCE TRAINING
- CREDIT UNION ORGANISATION AND MANAGEMENT PROGRAMME
- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR TWENTY-NINE (29) YEARS



**K'AREECE ROGERS**

**PLACE OF WORK** - **N/A**  
**POSITION** - **STUDENT**

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- CARIBDE 21 YOUTH PROGRAMME
- CO-OPTED MEMBER OF THE EDUCATION COMMITTEE
- MEMBER FOR FOURTEEN (14) YEARS



**ALLISON LEWIS**

**PLACE OF WORK** - **T.S.T.T**  
**POSITION** - **BUSINESS OFFICE MANAGER**

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR THIRTY-TWO (32) YEARS





**ANN ANTOINE**

**PLACE OF WORK - MINISTRY OF EDUCATION**

**POSITION - TEACHER**

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR TWENTY-NINE (29) YEARS
- 



## Supervisory Committee



### ANNE-MARIE ARNAUD-THOMAS

PLACE OF WORK - N/A  
POSITION - SOCIAL WORKER

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR TWENTY-SEVEN (27) YEARS



### BRIDGETTE HARRY

PLACE OF WORK - SELF EMPLOYED  
POSITION - PROJECT MANAGER

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR TEN (10) YEARS



### CAMILLE LISA ROLINGSON

PLACE OF WORK - SELF EMPLOYED  
POSITION - TUTOR

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR THIRTEEN (13) YEARS





### DEBORAH PICOU

**PLACE OF WORK** - **MINISTRY OF EDUCATION**  
**POSITION** - **GUIDANCE OFFICER 1**

#### CREDIT UNION EXPERIENCE:

- THE IMPACT OF THE PROPOSED CREDIT UNION LEGISLATION
- ANTI MONEY LAUNDERING, FOREIGN ACT TAX, COMPLIANCE ACT, AML/CFT
- MEMBER OF THE SUPERVISORY COMMITTEE OF EASTERN CREDIT UNION
- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR TWENTY-SEVEN (27) YEARS



### MARIA ANN JOSEPH

**PLACE OF WORK** - **EMPOWER ADMINISTRATIVE SERVICES**  
**POSITION** - **CONSULTANT (MANAGEMENT AND LEGAL)**

#### CREDIT UNION EXPERIENCE:

- ATTENDED THE CREDIT UNION ORIENTATION SEMINAR
- MEMBER FOR FOURTEEN (14) YEARS



### STACY ALLEYNE

**PLACE OF WORK** - **SELF EMPLOYED**  
**POSITION** - **CATERER**

#### CREDIT UNION EXPERIENCE:

- FORMER MEMBER OF THE EDUCATION COMMITTEE
- SERVED ON THE SUPERVISORY COMMITTEE
- ATTENDED CREDIT UNION ORIENTATION SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- MEMBER FOR NINE (9) YEARS





## TREVOR ROGERS

**PLACE OF WORK** - **SELF EMPLOYED**  
**POSITION** - **CATERER**

### CREDIT UNION EXPERIENCE:

- PREVIOUSLY SERVED ON THE SUPERVISORY COMMITTEE
- ATTENDED CREDIT UNION ORIENTATION SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- MEMBER FOR THIRTY-ONE (31) YEARS



## Credit Committee



### DELROY BURRIS

**PLACE OF WORK** - **BURRIS, BENJAMIN & ASSOCIATES**  
**POSITION** - **ATTORNEY-AT-LAW**

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE CREDIT COMMITTEE OF EASTERN CREDIT UNION
- ECU ELECTED OFFICIALS ORIENTATION
- ANTI MONEY LAUNDERING & TERRORISM SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- CCCU CONFERENCE AND TRAINING
- MEMBER FOR FOUR (4) YEARS



### DENISE ANDREWS

**PLACE OF WORK** - **NATIONAL MAINTENANCE TRAINING AND SEC. CO. LTD**  
**POSITION** - **SENIOR AUDIT CLERK**

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE CREDIT COMMITTEE OF EASTERN CREDIT UNION
- NOMINATING COMMITTEE ORIENTATION SEMINAR
- ORIENTATION RETREAT: THE EASTERN WHEEL IN FORWARD MOTION “ A NEW ECU FOR THE NEW REALITY
- EDUCATION PROGRAMME – HOW GOOD CREDIT TURNS BAD
- MEMBER FOR EIGHTEEN (18) YEARS



### JACQUELYN HUMPHREY

**PLACE OF WORK** - **MINISTRY OF COMMUNITY DEVELOPMENT, CULTURE & THE ARTS**  
**POSITION** - **PUBLIC OFFICER**

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE CREDIT COMMITTEE OF EASTERN CREDIT UNION
- SERVED ON SUPERVISORY COMMITTEE OF EASTERN CREDIT UNION
- ATTENDED THE ORIENTATION SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- MEMBER FOR THIRTY-SEVEN YEARS (37) YEARS





**KENNETH WILSON**

**PLACE OF WORK** - **N/A**  
**POSITION** - **TEACHER**

**CREDIT UNION EXPERIENCE:**

- PREVIOUSLY SERVED AS CHAIRMAN OF THE CREDIT COMMITTEE AND A MEMBER OF THE SUPERVISORY COMMITTEE OF EASTERN CREDIT UNION
- ATTENDED THE ORIENTATION SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- MEMBER FOR TWENTY-SEVEN YEARS (27) YEARS



**KIRK FERGUSON**

**PLACE OF WORK** - **MINISTRY OF EDUCATION**  
**POSITION** - **TEACHER**

**CREDIT UNION EXPERIENCE:**

- SERVED FROM 2008 – 2014 ON THREE COMMITTEES OF EASTERN CREDIT UNION
- ATTENDED THE ORIENTATION SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- ATTENDED TRAINING COURSES
- MEMBER FOR TWENTY-EIGHT YEARS (28) YEARS



**MAHMUD MUHAMMAD**

**PLACE OF WORK** - **MINISTRY OF NATIONAL SECURITY**  
**POSITION** - **POLICE OFFICER**

**CREDIT UNION EXPERIENCE:**

- SERVED ON THE EDUCATION, SUPERVISORY AND CREDIT COMMITTEES OF EASTERN CREDIT UNION
- ATTENDED THE ORIENTATION SEMINAR
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- MEMBER FOR TWENTY-THREE YEARS (23) YEARS





### MARY THOMPSON

**PLACE OF WORK** - **N/A**  
**POSITION** - **RETIRED CREDIT SUPERVISOR,  
 EASTERN CREDIT UNION**

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE SUPERVISORY COMMITTEE OF EASTERN CREDIT UNION
- SERVED ON THE CREDIT COMMITTEE OF EASTERN CREDIT UNION
- ATTENDED THE ORIENTATION SEMINAR
- ANTI MONEY LAUNDERING & TERRORISM FINANCING
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME



### PATRICIA WARD

**PLACE OF WORK** - **N/A**  
**POSITION** - **RETIRED CREDIT SUPERVISOR,  
 EASTERN CREDIT UNION**

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE CREDIT COMMITTEE OF EASTERN CREDIT UNION
- ATTENDED THE ORIENTATION SEMINAR
- ATTENDED THE ORIENTATION RETREAT FOR ELECTED OFFICIALS
- ATTENDED THE CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- MEMBER FOR THIRTY-THREE YEARS (33) YEARS



### RHONA ADAMS-ARRINDELL

**PLACE OF WORK** - **N/A**  
**POSITION** - **RETIRED HEAD MEMBER RELATIONS,  
 EASTERN CREDIT UNION**

#### CREDIT UNION EXPERIENCE:

- SERVING MEMBER OF THE CREDIT COMMITTEE OF EASTERN CREDIT UNION
- INTRODUCTION TO CREDIT UNION ORGANISATION & MANAGEMENT PROGRAMME
- ORIENTATION RETREAT FOR ELECTED OFFICIALS
- ATTENDED THE ORIENTATION SEMINAR
- EDUCATION PROGRAMME - HOW GOOD CREDIT TURNS BAD
- MEMBER FOR TWENTY-NINE (29) YEARS





**SHELLY ANN BERKELEY**

**PLACE OF WORK** - **FORESTRY DIVISION**  
**POSITION** - **CHECKER**

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE ORIENTATION SEMINAR
- MEMBER FOR FIFTEEN (15) YEARS



**SHEZRAE NESBITT**

**PLACE OF WORK** - **AIRPORTS AUTHORITY OF TRINIDAD AND TOBAGO**  
**POSITION** - **GRADUATE INTERN**

**CREDIT UNION EXPERIENCE:**

- ATTENDED THE ORIENTATION SEMINAR

MEMBER FOR NINETEEN YEARS (19) YEARS



**TREMAINE ROGERS**

**PLACE OF WORK** - **AEGIS BUSINESS SOLUTIONS**  
**POSITION** - **DATA ENTRY CLERK**

**CREDIT UNION EXPERIENCE:**

- MEMBER RELATIONS
- ATTENDED THE OREINTATION SEMINAR
- MEMBER FOR EIGHTEEN YEARS (18) YEARS



**EASTERN CREDIT UNION CO-OPERATIVE  
SOCIETY LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

*(Expressed in Trinidad and Tobago Dollars)*

## **Eastern Credit Union Co-Operative Society Limited and its Subsidiary**

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## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Statement of Management's Responsibilities

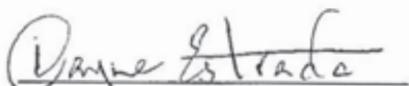
Management is responsible for the following:

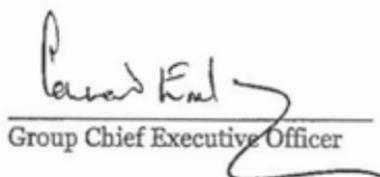
- Preparing and fairly presenting the accompanying consolidated financial statements of Eastern Credit Union Co-Operative Society Limited and its Subsidiary which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, changes in equity and cash flows 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.

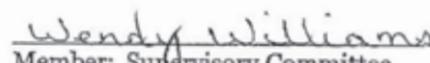
In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards 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 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

  
Group Chief Executive Officer

  
Member: Supervisory Committee



## **Independent Auditor's Report**

To the Members of Eastern Credit Union Co-operative Society Limited

### **Report on the audit of the consolidated financial statements**

#### **Qualified opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 subsidiary (together 'the Group') as at 31 December 2016, 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 2016;
- 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 a summary of significant accounting policies.

#### **Basis for qualified opinion**

##### ***Provision for loan loss***

The consolidated financial statements disclose a loan loss provision amounting to \$120,000,000 as at 31 December 2016 and \$116,766,332 as at 31 December 2015. IAS 39, 'Financial Instruments – Recognition and Measurement' requires that the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. We were unable to obtain sufficient appropriate audit evidence about the realisable values of the collateral to substantiate the estimated future cash flows. As such, the loan loss provision may not reflect the shortfall between the current carrying value of loans and the present values of estimated future cash flows expected to be realized on impaired loans and, we were unable to determine whether any adjustments to the loan loss provision for the years ended 31 December 2015 and 2016 were necessary.

##### ***Disclosures relating to financial instruments***

The consolidated financial statements include a liquidity risk disclosure illustrating the undiscounted future cash flows arising from financial instruments. We were unable to obtain sufficient appropriate evidence about the undiscounted cashflows relating to members loans and we were unable to determine whether any adjustments to the undiscounted cashflows relating to members loans within the liquidity risk disclosure for the years ended 31 December 2015 and 2016 were necessary.

## **Independent Auditor's Report (Continued)**

### **Basis for qualified opinion (continued)**

#### ***Classification of property, plant and equipment***

The consolidated financial statements disclosed property, plant & equipment amounting to \$91,361,525 as at 31 December 2016 (2015: \$93,481,545) and rental income of \$2,690,105 (2015: \$2,519,025) for the year then ended. IAS 40 "*Investment Properties*" defines investment property as property held to earn rentals or capital appreciation or both. Management was unable to quantify the value of properties presented within property, plant & equipment which should be classified as investment property as at 31 December 2016 and 2015. We determined that there is a material amount of investment property that has been classified as property, plant and equipment, however the amount of misstatement cannot be reasonably quantified.

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 are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### **Other information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Eastern Credit Union Cooperative Society, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in so doing, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for qualified opinion section above, we were unable to quantify any additional adjustments to the loan loss provision, and the amount of property, plant and equipment to be reclassified as investment property in the statement of financial position. We were also not able to obtain sufficient appropriate evidence about the undiscounted cashflows relating to members loans within the liquidity risk disclosure. References to comparable amounts in the other information may be materially misstated for the same reasons as described in the Basis for Qualified Opinion section above.

#### **Other matter – predecessor auditor**

The financial statements of the Society for the year ended 31 December 2015, were audited by another auditor who expressed an unmodified opinion on those statements on 21 March 2016.

## Independent Auditor's Report (Continued)

### 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.
- 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.

## Independent Auditor's Report (Continued)

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

- 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.



19 July 2017  
Port of Spain  
Trinidad, West Indies

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Consolidated Statement of Financial Position

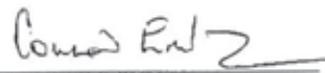
(Expressed in Trinidad and Tobago Dollars)

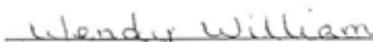
	Notes	2016	As at 31 December 2015	2014
	2 (l)	\$	\$ Restated	\$ Restated
<b>Group Assets</b>				
Cash and cash equivalents	5	288,929,641	258,359,683	256,561,657
Short-term investments	6	4,096,743	10,067,610	11,539,900
Accounts receivable and prepayments	7	22,326,162	18,644,966	24,140,913
Deferred charges		1,017,004	949,126	857,858
Inventories	8	413,375	286,737	341,172
Long-term investments	9	207,729,341	211,898,410	215,975,757
Loans to members	10	1,359,091,525	1,249,851,394	1,041,592,386
Intangible assets	11	6,520,550	7,534,398	8,236,092
Investment properties	12	9,496,273	9,384,273	9,000,000
Property plant & equipment	13	91,361,525	93,481,545	103,976,538
<b>Total assets</b>		<u>1,990,982,139</u>	<u>1,860,458,142</u>	<u>1,672,222,273</u>
<b>Liabilities</b>				
Accounts payable and accruals	14	72,512,651	56,041,205	50,232,984
Members' deposits		389,348,048	365,232,098	324,419,614
Members' shares (non-permanent)	15	1,375,538,754	1,313,384,628	1,206,923,148
Corporation tax payable		4,872	7,371	3,489
Deferred taxation	16	3,425,665	3,002,996	2,203,347
<b>Total liabilities</b>		<u>1,840,829,990</u>	<u>1,737,668,298</u>	<u>1,583,782,582</u>
<b>Members' equity</b>				
Members' shares (permanent)	15	21,335,740	20,563,741	19,548,562
Reserve fund	17	94,599,071	88,960,040	80,454,269
Education fund	18	--	--	589,140
Small Business Development Company Fund		--	--	1,690,000
Investment re-measurement reserve	19	4,874,050	3,395,170	11,328,679
Undivided earnings		29,343,288	9,870,893	(25,170,959)
<b>Total members' equity</b>		<u>150,152,149</u>	<u>122,789,844</u>	<u>88,439,691</u>
<b>Total liabilities and members' equity</b>		<u>1,990,982,139</u>	<u>1,860,458,142</u>	<u>1,672,222,273</u>

The notes on pages 12 to 49 are an integral part of these financial statements.

On 17 July 2017, 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)

	Notes	Group	
		For the year ended 31 December	
		2016	2015
		\$	\$
	2 (l)		Restated
<b>Income</b>			
Interest on loans		165,020,596	150,948,126
Investment income		10,787,899	11,083,424
Rental income		2,690,105	2,599,025
Other income	23	<u>19,773,971</u>	<u>20,456,087</u>
		<u>198,272,571</u>	<u>185,086,662</u>
<b>Expenditure</b>			
Administrative expenses			
Provision for loan losses			
Board and committee expenses	24	53,709,394	54,233,809
Finance cost		19,650,278	(18,395,168)
Marketing expenses	25	1,773,919	1,612,904
Personnel costs		500,683	348,759
		4,212,020	3,333,404
Total expenditure	26	<u>61,556,180</u>	<u>58,080,226</u>
Net surplus before taxation		<u>141,402,474</u>	<u>99,213,934</u>
Taxation			
		56,870,097	85,872,728
Net surplus for the year	27	<u>(512,273)</u>	<u>(831,108)</u>
<b>Other comprehensive income:</b>		56,357,824	85,041,620
Items that may be reclassified subsequently to profit or loss:			
Unrealised gain/(loss) on available-for-sale financial assets			
<b>Total comprehensive income for the year</b>		<u>1,478,880</u>	<u>(7,933,509)</u>
		<u>57,836,704</u>	<u>77,108,111</u>

The notes on pages 12 to 49 are an integral part of these financial statements.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Consolidated Statements of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

Group	Members' Shares Permanent	Reserve Fund	Education Fund	Small Business Development Company Fund			Investment Remeasurement Surplus	Undivided Earnings	Total
				Education Fund	Small Business Development Company Fund	Investment Remeasurement Surplus			
Balance as at 1 January 2015 – originally stated	19,548,562	83,600,770	589,140	1,690,000	1,690,000	11,328,679	79,291,411	196,048,562	
Adjustments	--	(3,146,501)	--	--	--	--	(104,462,370)	(107,608,871)	
<b>Balance as at 1 January 2015 restated</b>	19,548,562	80,454,269	589,140	1,690,000	1,690,000	11,328,679	(25,170,959)	88,439,691	
Increase in Members' Shares (Permanent)	1,015,179	--	--	--	--	--	--	1,015,179	
Total comprehensive income	--	--	--	--	--	(7,933,509)	85,041,620	77,108,111	
Appropriations:									
(i) 10% to Reserve Fund	--	8,504,162	--	--	--	--	(8,504,162)	--	
(ii) Education Fund	--	--	1,235,565	--	--	--	(1,235,565)	--	
	20,563,741	88,958,431	1,824,705	1,690,000	1,690,000	3,395,170	50,130,934	166,562,981	
Transfer	--	--	--	(1,690,000)	--	--	--	(1,690,000)	
Entrance fees	--	1,609	--	--	--	--	(1,609)	--	
Education supplies and expenses	--	--	(1,824,705)	--	--	--	1,824,705	--	
Dividends and interest rebate paid	--	--	--	--	--	--	(42,083,137)	(42,083,137)	
<b>Balance as at 31 December 2015 restated</b>	20,563,741	88,960,040	--	--	--	3,395,170	9,870,893	122,789,844	

The notes on pages 12 to 49 are an integral part of these financial statements.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

## Consolidated Statements of Changes in Equity (continued)

(Expressed in Trinidad and Tobago Dollars)

Group	Members' Shares Permanent \$	Reserve Fund \$	Education Fund \$	Small Business Development Company Fund \$	Investment Remeasurement Surplus \$	Undivided Earnings \$	Total \$
Balance as at 1 January 2016	20,563,741	88,960,040	--	--	3,395,170	9,870,893	122,789,844
Increase in Members' Shares (Permanent)	771,999	--	--	--	--	--	771,999
Total comprehensive income	--	--	--	--	1,478,880	56,357,824	57,836,704
Appropriations:							
(i) 10% to Reserve Fund	--	5,635,782	--	--	--	(5,635,782)	--
(ii) Education Fund	--	--	2,366,048	--	--	(2,366,048)	--
	21,335,740	94,595,822	2,366,048	--	4,874,050	58,226,887	181,398,547
Transfer	--	--	--	--	--	--	--
Entrance fees	--	3,249	--	--	--	(3,249)	--
Education supplies and expenses	--	--	(2,366,048)	--	--	2,366,048	--
Dividends and interest rebate paid	--	--	--	--	--	(31,246,398)	(31,246,398)
Balance as at 31 December 2016	21,335,740	94,599,071	--	--	4,874,050	29,343,288	150,152,149

The notes on pages 12 to 49 are an integral part of these financial statements.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Consolidated Statements of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Note	Group	
		For the year ended 31 December	
		2016	2015
		\$	\$
	2 (l)		Restated
<b>Operating activities:</b>			
Net surplus before taxation		56,870,097	85,872,728
Add items not involving cash:			
Bad debts written-off/expense		57,027	4,022,998
Depreciation		7,104,527	8,461,509
Impairment of financial assets		3,531,805	3,700,000
Loan loss expense (net of recoveries)		19,650,279	(18,395,168)
Net unrealised loss on short-term investments		--	(2,323,940)
Transfer of realised gains on disposal of financial assets		--	(1,153,724)
Gain on disposal of fixed assets		<u>(18,231)</u>	<u>(527,535)</u>
Changes in non-cash working capital amounts:		87,195,504	79,656,868
Net change in accounts receivable, prepayments and deferred charges		(3,388,319)	1,140,075
Net change in inventories		(126,638)	54,435
Net change in members' loans		(128,890,409)	(189,863,841)
Net change in accounts payable and accruals		16,471,448	6,049,826
Taxes paid		<u>(92,103)</u>	<u>(27,577)</u>
<b>Cash provided by operating activities</b>		<u>(28,830,517)</u>	<u>(102,990,214)</u>
<b>Investing activities:</b>			
Net change in property plant & equipment		(5,215,568)	(4,197,294)
Net change in intangible assets		1,013,847	701,694
Increase in investment property		(112,000)	(384,273)
Net change in investments		7,505,006	(2,606,208)
Proceeds from disposal of financial assets		164,223	--
Proceeds from disposal of property plant & equipment		<u>249,290</u>	<u>6,758,313</u>
<b>Cash used in investing activities</b>		<u>3,604,798</u>	<u>272,232</u>

The notes on pages 12 to 49 are an integral part of these 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	Group	
		For the year ended 31 December	
		2016 TTD	2015 TTD Restated
<b>Financing activities:</b>			
Net change in Small Business Development Company Fund		--	(1,690,000)
Dividends and interest rebate		(31,246,398)	(42,083,137)
Increase in members' shares		62,926,126	107,476,659
Increase in members' deposits		<u>24,115,950</u>	<u>40,812,485</u>
<b>Cash provided by financing activities</b>		<u>55,795,678</u>	<u>104,516,007</u>
Net change in cash resources		30,569,959	1,798,025
Cash, beginning of year		<u>258,359,682</u>	<u>256,561,657</u>
<b>Cash, end of year</b>		<u>288,929,641</u>	<u>258,359,682</u>
<b>Represented by:</b>			
Cash and cash equivalents	5	<u>288,929,641</u>	<u>258,359,682</u>

The notes on pages 12 to 49 are an integral part of these financial statements.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 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 available for sale 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 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 significant 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 Society'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 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### d. New accounting standards and interpretations

- (i) The Society has not applied the following standard that became effective during the current year, as it does not apply to the activities of the Society or have a material impact on its financial statements:

IFRS 14	Regulatory Deferral Accounts - Amendment re: investment entities applying the consolidation exemption. (effective for accounting periods beginning on or after 1 January 2016).
IAS 16	Property Plant and Equipment – Amendment re: Agriculture: Bearer Plants (effective for accounting periods beginning on or after 1 January 2016).
IAS 27	Separate Financial Statements – Amendment to equity method in separate financial statements (effective for accounting periods beginning on or after 1 January 2016).
IAS 28	Investments in Associates and Joint Ventures - Amendment re: investment entities applying the consolidation exemption. (effective for accounting periods beginning on or after 1 January 2016).
IAS 41	Agriculture - Amendment re: Agriculture: Bearer Plants (effective for accounting periods beginning on or after 1 January 2016).

- (ii) The Society has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Society or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

IAS 7	Statement of Cash Flows – Amendment on disclosure initiative (effective for accounting periods beginning on or after 1 January 2017).
IAS 12	Income Taxes – Amendment on recognition of deferred tax assets for unrealised losses (effective for accounting periods beginning on or after 1 January 2017).
IAS 28	Investment in Associates - Amendments regarding the sale or contribution of assets
IFRS 15	Revenue from contracts with customers' (effective for accounting periods beginning on or after 1 January 2018).
IFRS 2	Share-based Payment – Amendment on clarifying share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	'Financial instruments – classification and measurement' (effective from 1 January 2018 and applicable to the Society from 1 January 2018). This new standard on classification and measurement of financial assets and financial liabilities will replace the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. The standard also includes an expected credit losses model that replaces the current incurred loss impairment model.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 2 Significant accounting policies (continued)

##### d. New accounting standards and interpretations (continued)

IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets IFRS 15 'revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018).

IFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018 and applicable to the Society from 1 January 2018). IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

IFRS 16 Leases (effective 1 January 2019). This standard specifies how an IFRS reporter will recognise, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months and less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance.

##### 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 and software	-	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.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### f. *Financial instruments*

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 Society's Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument. Eastern Credit Union has classified its Financial Instruments as "Loans and receivables" – Cash, Loans to members, Receivables; "Financial assets" – available for sale and held-to-maturity and "Financial Liabilities" – Accounts Payable and Members' Deposits and Shares.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that arise as a result of Eastern Credit Union's normal business operations.

##### *Cash and cash equivalents*

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

##### *Loans to members*

Loans to members are stated at principal amounts outstanding net of allowances for loan losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realizable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions.

Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.

##### *Accounts receivable*

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

##### *Financial assets*

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date on which the Society 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 are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### f. Financial instruments (continued)

###### *Financial assets (continued)*

###### *Investments*

The Society has classified all investments into the following categories:

###### *Available-for-sale*

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at fair value with unrealised gains or losses recognised in the Investment Re-measurement Reserve.

For actively traded investments, fair value is determined by reference to the Stock Exchange and other quoted market prices at the reporting date, adjusted for transaction costs necessary to realise the investment. For investments where there is no quoted market price, the carrying value is stated at cost, including transaction costs, less impairment losses.

###### *Held to maturity*

These are securities which are held with the positive intention of holding them to maturity and are stated at amortised cost less provisions made for any permanent diminution in value. Amortised cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

###### *Impairment of financial assets*

The Society assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial assets or group of financial assets is impaired includes observable data that comes to the attention of the Society about the following loss events:

- (i) Significant financial difficulty of the issuer or obligor.
- (ii) A breach of contract, such as default or delinquency in interest or principal payments.
- (iii) It becoming probable that the borrower will enter in bankruptcy or other financial reorganisation.
- (iv) The disappearance of an active market for that financial asset because of financial difficulties.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### f. *Financial instruments (continued)*

###### *Impairment of financial assets (continued)*

- (v) Observable data indicating that there is a measurable decrease in the estimated cash-flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Society or national or economic conditions that correlate with defaults on assets in the Society.

The Society first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal is recognised in the Statement of Comprehensive Income.

###### *Financial liabilities*

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

###### *Accounts payable*

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

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### f. Financial instruments (continued)

###### *Financial liabilities (continued)*

###### *Members' deposits*

Members' deposits are stated at the principal amounts invested by members together with any capitalized 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.

###### *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. 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.

For non-performing loans, specific provisions are made for the unsecured portion of the loan. The amount of the provision is dependent upon the extent of the delinquency.

###### *Investment income*

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard (IAS) #18.

##### h. 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 financial statements.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### i. 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.

##### j. Provisions

Provisions are recognised when the Society 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.

##### k. 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 that 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 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.

##### (i) 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 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 ten years.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Significant accounting policies (continued)

##### i. Comparative figures (continued)

1. In 2016, the Society made adjustments to correct several prior period errors in compliance with International Financial Reporting Standards. As a result the comparative figures for the years 2015 and 2014 were restated. The following details the adjustments made and the impact on the previously presented financials for the years 2015 and 2014.
2. Included in cash resources were assets that did not meet the definition of cash and cash equivalents as defined by IAS 7 Statement of Cash Flows – Short Term (where the original maturity is 3 months or less, irrespective of maturity timing post balance date). Assets classified as cash and cash equivalents are highly liquid investments, readily convertible to known amounts of cash, subject to insignificant risk of changes in value. The effect of this re-classification on the Statement of Financial Position for the comparative periods 2015 and 2014 is shown below. The cash of the Society is now reflected in the line item "Cash and cash equivalents" only.
3. The Society reclassified an investment in real property from Long Term Investments to a separate disclosure of Investment Properties. An investment Property is defined in IAS 40 as Property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both. The effect of this re-classification on the Statement of Financial Position for the comparative periods 2015 and 2014 is shown below.
4. In 2016, the society reviewed the Loans to members for impairment in accordance with the requirements of IAS 39. It was noted that the provision did not adequately reflect the difference between the carrying value of individually impaired loans and the present value of cashflows from these loans. Further the provision had not reflected a collective assessment of loans not individually impaired. The Society made the required increase to the Loan Provision with retrospective application to prior years. Also, the Society decided to disclose the annual adjustment to the provision in the Statement of Comprehensive Income and reclassify it from inclusion in Administrative Expenses due to its materiality to the Financial Statements presented.
5. The Society reclassified the carrying value of computer software from Fixed Assets to Intangible Assets. Intangible Assets is defined in IAS 38 as identifiable, non-monetary assets, without physical substance. In addition all other physical assets reported in prior years as Fixed Assets were reclassified as Property, Plant and Equipment as required by IAS16. The effect of this re-classification on the Statement of Financial Position for the comparative periods 2015 and 2014 is shown below.
6. In 2016 the Society implemented to recognize interest on loans on an accruals basis. This change meets the requirements of IAS 18 and IAS 39. In prior years the Society recognised Interest on loans on a cash basis only. The effect of this change of policy on the Statement of Financial Position for the comparative periods 2015 and 2014 is shown below.
7. In 2016, the Society sought to apply uniform rates for depreciation of similar assets within its subsidiary EPL Properties Ltd with that applied by the parent Credit Union. The application of uniform accounting policies for like transactions and other events in similar circumstances in preparing consolidated financial statements is a requirement of IFRS 10. This resulted in an increase in the depreciation charged retrospectively for the years 2014 and 2015 for assets owned by the subsidiary.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 2 Significant accounting policies (continued)

##### i. Comparative figures (continued)

8. The accounts payable of the Group for the Years 2014 and 2015 was understated due to an error in the amount of intercompany liabilities eliminated in the preparation of the consolidated accounts. The accounts payable and accruals balances were restated with retrospective application to the years 2014 and 2015 in compliance with IAS 8 Accounting policies, changes in accounting estimates and errors.
9. In accordance with the Cooperative Societies Act 1971 restatements affecting on undivided earnings have resulted in a restatement of historical allocation to the Reserve Fund. See Note 17.

Statement of Financial Position	As previously presented Year end: 31 December 2015 \$	Adjusted Amount \$	Restated Value \$	Relevant to Note # above
<b>Assets:</b>				
Cash in hand and at bank	126,285,298	(126,285,298)	--	Note 1.
Cash and cash equivalents	--	258,359,683	258,359,683	Note 1.
Short term investments	142,141,995	(132,074,385)	10,067,610	Note 1.
Accounts receivable and prepayments	7,533,792	11,111,174	18,644,966	Note 5.
Long term investments	221,282,683	(9,384,273)	211,898,410	Note 2.
Investment properties	--	9,384,273	9,384,273	Note 2.
Loans to members	1,315,940,282	(66,088,888)	1,249,851,394	Note 3.
Fixed assets	106,673,878	(106,673,878)	--	Note 4.
Property, plant & equipment	--	93,481,545	93,481,545	Notes 4 & 6.
Intangible assets	--	7,534,398	7,534,398	Note 4.
<b>Total assets</b>	<b>1,921,093,791</b>	<b>(60,635,648)</b>	<b>1,860,458,142</b>	
<b>Liabilities:</b>				
Accounts payable and accruals	53,474,177	2,567,028	56,041,205	Note 7.
<b>Total liabilities</b>	<b>1,735,101,271</b>	<b>2,567,028</b>	<b>1,737,668,298</b>	
<b>Members equity:</b>				
Reserve fund	87,665,922	1,294,118	88,960,040	Notes 3 & 8
Undivided earnings	74,367,687	(64,496,794)	9,870,893	Notes 3
<b>Total members' equity</b>	<b>185,992,520</b>	<b>(63,202,676)</b>	<b>122,789,844</b>	

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 2 Significant accounting policies (continued)

##### i. Comparative figures (continued)

Statement of Comprehensive Income	As previously presented Year end: 31 December 2015 \$	Adjusted Amount \$	Restated Value \$	Relevant to Note # above
Income:				
Interest on loans	151,198,946	(250,820)	150,948,126	Note 1.
<i>Total income</i>	185,337,482	(250,820)	185,086,662	
Expenditure:				
Administrative Expenses	80,495,656	(26,261,847)	54,233,809	Notes 3 & 6.
Provision for loan losses	--	(18,395,168)	(18,395,168)	Note 3.
<i>Total expenditure</i>	143,870,949	(44,657,015)	99,213,934	
<i>Net Surplus for the year</i>	41,466,533	44,406,195	85,872,728	
Statement of Financial Position	As previously presented Year end: 31 December 2014 \$	Adjusted Amount \$	Restated Value \$	Relevant to Note # above
Assets:				
Cash in hand and at bank	128,603,181	(128,603,181)	--	Note 1.
Cash and cash equivalents	--	256,561,657	256,561,657	Note 1.
Short term investments	139,498,376	(127,958,476)	11,539,900	Note 1.
Accounts receivable and prepayments	11,849,888	12,291,025	24,140,913	Note 5.
Long term investments	224,975,757	(9,000,000)	215,975,757	Note 2.
Investment properties	--	9,000,000	9,000,000	Note 2.
Loans to members	1,156,673,859	(115,081,474)	1,041,592,385	Note 3.
Fixed assets	114,969,803	(114,969,803)	--	Note 4.
Property, plant & Equipment	--	103,976,538	103,976,538	Notes 4 & 6.
Intangible assets	--	8,236,092	8,236,092	Note 4.
<i>Total assets</i>	1,777,769,994	(105,547,721)	1,672,222,273	
Liabilities:				
Accounts payable and accruals	48,171,834	2,061,150	50,232,984	Note 7.
<i>Total liabilities</i>	1,581,721,432	2,061,150	1,583,782,582	
Members equity:				
Reserve fund	83,600,770	(3,146,501)	80,454,269	Notes 3 & 8.
Undivided earnings	79,291,411	(104,462,370)	(25,170,959)	Notes 3

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 2 Significant accounting policies (continued)

##### i. Comparative figures (continued)

Statement of cash flows	As previously presented Year end: 31 December 2015 \$	Adjusted Amount \$	Restated Value \$	Relevant to Note # above
Cash, end of year	268,427,293	(10,107,610)	258,359,683	Note 1.
Cash, beginning of year	268,101,557	(11,539,900)	256,561,657	Note 1.
Increase in investment property	--	(384,273)	(384,273)	Note 1.
Net charge in investments	(4,362,771)	1,756,563	(2,606,208)	Note 1.

##### m. Investment Property

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

##### n. Taxation

###### Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

###### Deferred tax

Deferred income tax is provided, using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management

##### Financial instruments

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

	2016	
	Book value TTD	Fair value TTD
<b>Financial assets</b>		
Cash and cash equivalents	288,929,641	292,919,404
Short-term investments	4,096,743	4,096,743
Accounts receivable	21,165,101	21,165,101
Long-term investments (held to maturity)	118,203,216	119,467,807
Long-term investments (available for sale)	89,526,125	89,512,903
Loans to members	1,359,091,525	1,359,091,525
<b>Financial liabilities</b>		
Accounts payable and accruals	72,512,651	72,512,651
Members deposits	389,348,048	389,348,048
Members' shares (non-permanent)	1,375,538,754	1,375,538,754
<b>2015</b>		
<b>Financial assets</b>		
Cash and cash equivalents	258,359,683	258,359,683
Short-term investments	10,067,610	10,067,610
Accounts receivable	17,839,315	17,839,315
Long-term investments (held to maturity)	121,095,152	118,912,380
Long-term investments (available for sale)	90,803,258	90,803,258
Loans to members	1,249,851,394	1,249,851,394
<b>Financial liabilities</b>		
Accounts payable and accruals	56,041,205	56,041,205
Members deposits	365,232,099	365,232,099
Members' shares (non-permanent)	1,313,384,628	1,313,384,628

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 3 Financial risk management (continued)

##### *Financial risk factors*

The Society 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 Society to manage these risks are discussed below:

##### (i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society 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 Society 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 Society 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 2016, if interest rates had been 1% higher/lower with all other variables held constant, net equity would have been \$1,182,032 (2015: \$1,210,952) lower/higher, mainly as a result of lower/higher unrealised losses/gains on fixed rate investments.

##### (b) *Loans*

The Society 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.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### Interest rate sensitivity analysis

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

	Effective Rate	2016				Non-Interest Bearing \$	Total \$
		Up to 1 year \$	1 to 5 years \$	Over 5 years \$			
<b>Financial assets</b>							
Cash and cash equivalents	0.77%	200,488,675	-	-	88,440,966	288,929,641	
Short term investments	1.95%	2,096,743	2,000,000	-	-	4,096,743	
Accounts receivable	0.00%	-	-	-	21,165,101	21,165,101	
Long term investments	2.77%	38,768,822	38,707,757	88,527,159	41,725,603	207,729,341	
Loans to members	11.54%	40,061,591	896,506,687	422,523,247	-	1,359,091,525	
<b>Total financial assets</b>		<b>281,415,831</b>	<b>937,214,444</b>	<b>511,050,406</b>	<b>151,331,670</b>	<b>1,881,012,351</b>	
<b>Financial liabilities</b>							
Accounts payable and accruals	0.00%	-	-	-	72,512,651	72,512,651	
Members' deposits	0.73%	389,348,048	-	-	-	389,348,048	
Members' shares	-	-	-	-	1,375,538,754	1,375,538,754	
<b>Total financial liabilities</b>		<b>389,348,048</b>	<b>-</b>	<b>-</b>	<b>1,448,051,405</b>	<b>1,837,399,453</b>	
<b>Interest sensitivity gap</b>		<b>(107,932,217)</b>	<b>937,214,444</b>	<b>511,050,406</b>			
	Effective Rate	2015				Non-Interest Bearing \$	Total \$
		Up to 1 year \$	1 to 5 years \$	Over 5 years \$			
<b>Financial assets</b>							
Cash and cash equivalents	0.70%	162,066,442	-	-	96,293,241	258,359,683	
Short term investments	1.81%	10,067,610	-	-	-	10,067,610	
Accounts receivable	0.00%	-	-	-	17,839,315	17,839,315	
Long term investments	2.85%	32,805,134	45,822,809	90,459,488	42,810,979	211,898,410	
Loans to members	12.27%	59,747,966	876,505,878	313,597,550	-	1,249,851,394	
<b>Total financial assets</b>		<b>264,687,152</b>	<b>922,328,687</b>	<b>404,057,038</b>	<b>156,943,535</b>	<b>1,748,016,412</b>	
<b>Financial liabilities</b>							
Accounts payable and accruals	0.00%	-	-	-	56,041,205	56,041,205	
Members' deposits	0.68%	365,232,099	-	-	-	365,232,099	
Members' shares	-	-	-	-	1,313,384,628	1,313,384,628	
<b>Total financial liabilities</b>		<b>365,232,099</b>	<b>-</b>	<b>-</b>	<b>1,369,425,833</b>	<b>1,734,657,932</b>	
<b>Interest sensitivity gap</b>		<b>(100,544,947)</b>	<b>922,328,687</b>	<b>404,057,038</b>			

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (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 Society 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 Society'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 Society'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 Society has policies to limit the amount of exposure to any single financial institution.

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

Loans to members and other financial assets are classified as follows:

#### 31 December 2016

	Loans to members	Financial Assets (available-for-sale)	Financial Assets (held-to-maturity)	Accounts Receivable	Cash and cash equivalents
Neither past due nor impaired	1,125,672,869	52,007,663	114,671,411	20,969,470	288,929,641
Past due but not impaired	164,082,867	--	--	195,631	--
Individually impaired	<u>189,335,789</u>	<u>9,000,000</u>	<u>8,063,610</u>	<u>3,244,028</u>	--
<b>Gross</b>	1,479,091,525	61,007,663	122,735,021	24,409,129	288,929,641
Allowance for impairment	<u>(120,000,000)</u>	<u>(5,200,000)</u>	<u>(4,531,805)</u>	<u>(3,244,028)</u>	--
<b>Net</b>	<u>1,359,091,525</u>	<u>55,807,663</u>	<u>118,203,216</u>	<u>21,165,101</u>	<u>288,929,641</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### (ii) Credit risk (continued)

	Restated 31 December 2015				
	Loans to members	Financial Assets (available-for- sale)	Financial Assets (held- to-maturity)	Accounts Receivable	Cash and cash equivalents
Neither past due nor impaired	1,137,586,328	58,654,879	121,095,152	17,643,684	258,359,683
Past due but not impaired	93,222,216	--	--	195,631	--
Individually impaired	<u>135,809,182</u>	<u>9,000,000</u>	<u>1,000,000</u>	<u>3,164,191</u>	<u>--</u>
<b>Gross</b>	1,366,617,726	67,654,879	122,095,152	21,003,506	258,359,683
Allowance for impairment	<u>(116,766,332)</u>	<u>(5,200,000)</u>	<u>(1,000,000)</u>	<u>(3,164,191)</u>	<u>--</u>
<b>Net</b>	<u>1,249,851,394</u>	<u>62,454,879</u>	<u>121,095,152</u>	<u>17,839,315</u>	<u>258,359,683</u>

##### (iii) Liquidity risk

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Society has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

The Society 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 Society. The Society employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Society's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

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

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### (iii) Liquidity risk (continued)

##### Liquidity gap

The Society's exposure to liquidity risk is summarised in the table below which analyses assets and liabilities based on the remaining period from the Balance Sheet date to the contractual maturity date.

	Up to 1 year TTD	1 to 5 years TTD	2016 Over 5 years TTD	Total TTD	Carrying Values TTD
<b>Financial assets</b>					
Cash and cash equivalents	291,154,399	--	--	291,154,399	288,929,641
Short term investments	2,124,001	2,120,000	--	4,244,001	4,096,743
Accounts receivable	20,969,470	--	195,631	21,165,101	21,165,101
Long-term investments	85,425,195	59,000,134	106,006,528	250,431,857	207,729,341
Loans to members	448,728,490	1,012,106,702	400,184,071	1,861,019,263	1,359,091,525
<b>Total financial assets</b>	<b>848,401,555</b>	<b>1,073,226,836</b>	<b>506,386,230</b>	<b>2,428,014,621</b>	<b>1,880,712,351</b>
<b>Financial liabilities</b>					
Accounts payable and accruals	72,512,651	--	--	72,512,651	72,512,651
Members' deposits	392,190,288	--	--	392,190,288	389,348,048
Members' shares (non-permanent)	1,375,538,754	--	--	1,375,538,754	1,375,538,754
<b>Total financial liabilities</b>	<b>1,840,241,693</b>	<b>--</b>	<b>--</b>	<b>1,840,241,693</b>	<b>1,837,399,453</b>
<b>Liquidity gap</b>	<b>(991,840,138)</b>	<b>1,073,226,836</b>	<b>506,386,230</b>	<b>587,772,928</b>	
	Up to 1 year TTD	1 to 5 years TTD	2015 Over 5 years TTD	Total TTD	Carrying Values TTD
<b>Financial assets</b>					
Cash and cash equivalents	260,168,201	--	--	260,168,201	258,359,683
Short-term investments	10,575,989	--	--	10,575,989	10,067,610
Accounts receivable	17,643,684	--	195,631	17,839,315	17,839,315
Long-term investments	93,636,028	39,767,474	119,728,164	253,131,666	211,898,410
Loans to members	667,743,603	989,575,136	296,976,880	1,954,295,619	1,249,851,394
<b>Total financial assets</b>	<b>1,049,767,505</b>	<b>1,029,342,610</b>	<b>416,900,675</b>	<b>2,496,010,790</b>	<b>1,748,016,412</b>
<b>Financial liabilities</b>					
Accounts payable and accruals	56,041,205	--	--	56,041,205	56,041,205
Members' deposits	367,715,677	--	--	367,715,677	365,232,098
Members' shares (non-permanent)	1,313,384,628	--	--	1,313,384,628	1,313,384,628
<b>Total financial liabilities</b>	<b>1,737,141,510</b>	<b>--</b>	<b>--</b>	<b>1,737,141,510</b>	<b>1,734,657,931</b>
<b>Liquidity gap</b>	<b>(687,374,005)</b>	<b>1,029,342,610</b>	<b>416,900,675</b>	<b>758,869,280</b>	

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### (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 Society's measurement currency. The Society 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 Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2016	TTD	USD	Other	Total
<b>Financial assets</b>				
Cash and cash equivalents	277,391,216	8,117,968	3,420,457	288,929,641
Short term investments	4,096,743	--	--	4,096,743
Accounts receivable	22,326,162	--	--	22,326,162
Long term investments	202,515,376	5,213,965	--	207,729,341
Loans to members	<u>1,359,091,525</u>	--	--	<u>1,359,091,525</u>
Total financial assets	<u>1,865,421,022</u>	<u>13,331,933</u>	<u>3,420,457</u>	<u>1,882,173,412</u>
<b>Financial liabilities</b>				
Accounts payable and accruals	72,512,651	--	--	72,512,651
Members' deposits	389,348,048	--	--	389,348,048
Members' shares (non-permanent)	<u>1,375,538,754</u>	--	--	<u>1,375,538,754</u>
Total financial liabilities	<u>1,837,399,453</u>	--	--	<u>1,837,399,453</u>
Net position	<u>28,021,569</u>	<u>13,331,933</u>	<u>3,420,457</u>	
<b>As at 31 December 2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	247,902,513	6,594,582	3,862,588	258,359,683
Short term investments	10,067,610	--	--	10,067,610
Accounts receivable	18,644,966	--	--	18,644,966
Long term investments	203,111,169	8,787,241	--	211,898,410
Loans to members	<u>1,249,851,394</u>	--	--	<u>1,249,851,394</u>
Total financial assets	<u>1,729,577,652</u>	<u>15,381,823</u>	<u>3,862,588</u>	<u>1,748,822,063</u>
<b>Financial liabilities</b>				
Accounts payable and accruals	56,041,205	--	--	56,041,205
Members' deposits	365,232,098	--	--	365,232,098
Members' shares (non-permanent)	<u>1,313,384,628</u>	--	--	<u>1,313,384,628</u>
Total financial liabilities	<u>1,734,657,931</u>	--	--	<u>1,734,657,931</u>
Net position	<u>(5,080,279)</u>	<u>15,381,823</u>	<u>3,862,588</u>	

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 500 basis points against the US\$ the profit would decrease by approximately \$0.84m. In 2016 the TT\$ depreciated by 451 basis points against the US\$ and in 2015

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 3 Financial risk management (continued)

(v) *Operational risk*

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. In April 2008 a new IT platform was implemented. Supervisory controls are also installed to minimise human error. There is also an Internal Audit department that is adequately staffed with personnel who are equipped with the required skills, knowledge and expertise. Additionally, staff is often rotated and trained on an on-going basis.

(vi) *Compliance risk*

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Society. The Society has a Internal Audit department, which does routine reviews on compliance.

(vii) *Reputation risk*

The risk of loss of reputation arising from the negative publicity relating to the Society's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Society. The Society engages in public social endeavours to engender trust and minimize this risk.

(viii) *Fair values*

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) *Current assets and liabilities*

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

(ii) *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 financial statement amounts.

(iii) *Investments*

The fair values of investments that are available for sale are determined on the basis of market prices available at 31 December 2016.

(iv) *Members' deposit*

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.

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### (viii) Fair values

IFRS 7 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 investments 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:

<b>As at 31 December 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Available-for-sale financial assets:				
- Investment securities – debt	--	43,408,797	11,032,290	54,441,087
- Investment securities – equity	37,815,205	1,366,576	--	39,181,781
<b>Total financial assets</b>	<b>37,815,205</b>	<b>44,775,373</b>	<b>11,032,290</b>	<b>93,622,868</b>
<b>As at 31 December 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Available-for-sale financial assets:				
- Investment securities – debt	--	49,040,392	11,682,313	60,722,705
- Investment securities – equity	38,415,989	1,181,160	--	39,597,149
<b>Total financial assets</b>	<b>38,415,989</b>	<b>50,221,552</b>	<b>11,682,313</b>	<b>100,319,854</b>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

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#### 4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Society'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 Society 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 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 judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

(i) *Estimation of impairment losses on members' loans*

The Group estimates the impairment loss on its loan portfolio by comparing the present value of the future cashflows to the carrying amounts in the consolidated financial statements. The Group makes assumptions about the amount and timing of future cashflows as well as the loss experience of the portfolio. The loss experience considers both the recovery rate on the portfolio as well as the probability of default by the customer. Management considers both the market and economic conditions at the year end and may modify the loss experience on the portfolio if necessary, to reflect current conditions. The Group uses three (3) years of historical data in its assessment.

Future cashflows for the individually significant loans and loans in arrears are estimated based on credit reviews performed by management and management's estimate of the value of the collateral held.

If the Group's estimation of the loss experience on the portfolio of loans not considered individually impaired were adjusted by 100 basis points upwards, the impairment provision for loans and receivables would increase by \$14 million (2015 - \$13 million).

(ii) *The value of available for sale financial assets*

The Group uses the TTSE index to determine the fair value of available-for-sale financial assets which primarily comprise listed local equities. The carrying amount of available-for-sale financial assets would increase by \$0.8K if the index is increased by 100 basis points from management's estimates (2015 - \$0.9K).

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 4 Critical accounting estimates and judgments (continued)

##### (iii) *Held to maturity investments*

The Group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire category of \$118 million (2015: \$121 million) as available for sale. The investments would therefore be measured at fair value not amortised cost. If the entire held-to-maturity investments are tainted, the fair value of investments would increase by \$1 million and decrease by \$2 million in 2015, with a corresponding entry in the fair value reserve in shareholders' equity.

##### (iv) *Impairment losses on debt securities*

The Group reviews its debt securities portfolios to assess impairment at least on an annual basis. In determining whether an impairment loss should be recorded in the statement of income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of debt securities before the decrease can be identified with an individual receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. The Group also makes judgements on the mitigating factors impacting the probability of impairment losses.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### (i) *Impairment of assets*

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

##### (ii) *Fixed assets*

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

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 5 Cash and cash equivalents

	2016 TTD	Group 31 December 2015 TTD	2015 TTD
Money market mutual funds	135,624,079	132,074,384	127,958,476
Current/savings accounts	141,752,380	114,540,937	119,092,873
Cash in hand	<u>11,553,182</u>	<u>11,744,362</u>	<u>9,510,308</u>
	<u>288,929,641</u>	<u>258,359,683</u>	<u>256,561,657</u>

#### 6 Short-term investments

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
<u>Available-for-sale</u>			
Home Mortgage Bank - Mutual Fund	2,096,743	2,067,610	2,039,900
First Citizens Investment Services Limited-Fixed Income Paper	--	3,000,000	3,000,000
Bourse Securities Limited - Repurchase Agreements	2,000,000	5,000,000	5,000,000
RE Mathews And Associates	<u>--</u>	<u>--</u>	<u>1,500,000</u>
	<u>4,096,743</u>	<u>10,067,610</u>	<u>11,539,900</u>
<u>Held-to-maturity</u>			
Various overseas bonds held in foreign currencies	1,000,000	1,000,000	1,000,000
Provision for investment loss	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	<u>--</u>	<u>--</u>	<u>--</u>
	<u>4,096,743</u>	<u>10,067,610</u>	<u>11,539,900</u>
Total short term investments			

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 7 Accounts receivable and prepayment

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
Accrued interest on loans	15,299,638	11,111,172	11,361,992
Accrued interest on investments	3,117,532	3,145,998	6,171,712
Claim recoverable	195,631	195,631	195,631
Other receivables	4,911,740	5,878,347	8,290,321
Prepayments	1,161,060	805,652	627,508
Recoverable expenses	261,946	236,289	237,751
Rent receivable	42,917	43,836	109,489
Staff loans and advances	<u>579,726</u>	<u>392,232</u>	<u>310,700</u>
	25,570,190	21,809,157	27,305,104
Less: Provision for doubtful debts	<u>(3,244,028)</u>	<u>(3,164,191)</u>	<u>(3,164,191)</u>
	<u>22,326,162</u>	<u>18,644,966</u>	<u>24,140,913</u>
<u>Provision for doubtful debts</u>			
Balance, beginning of year	3,164,191	3,164,191	3,164,191
Bad debts written-off	--	--	--
Charge for the year	<u>79,837</u>	<u>--</u>	<u>--</u>
Balance, end of year	<u>3,244,028</u>	<u>3,164,191</u>	<u>3,164,191</u>

#### 8 Inventories

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
Stationery/office supplies	262,418	198,400	236,116
ATM Card Stock	<u>150,957</u>	<u>88,337</u>	<u>105,056</u>
	<u>413,375</u>	<u>286,737</u>	<u>341,172</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 9 Long-term investments

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
<u>Held-to-Maturity</u>			
Bonds - Government of Trinidad and Tobago	61,244,056	61,244,056	61,244,056
- Government of Antigua and Barbuda	--	471,390	471,390
- Government of Belize	7,063,610	7,063,610	7,063,610
- HDC Fixed rate Loan	10,800,000	4,000,000	--
- First Citizens Bank Limited	4,000,000	8,678,998	10,008,633
- National Insurance Property Development Company Limited	6,731,924	1,521,008	1,721,008
- Prestige Holdings Limited	1,321,008	32,500,000	28,750,000
- Trinidad and Tobago Mortgage Finance Company Limited	27,000,000	2,282,757	2,657,757
- Urban Development Company of Trinidad and Tobago	1,907,757	3,333,333	5,000,000
- Telecommunications Services of Trinidad and Tobago	<u>1,666,666</u>	<u>--</u>	<u>549,999</u>
- Various overseas bonds held in foreign currencies	<u>121,735,021</u>	<u>121,095,152</u>	<u>117,466,453</u>
Provision for investment loss	<u>(3,531,805)</u>	<u>--</u>	<u>--</u>
	<u>118,203,216</u>	<u>121,095,152</u>	<u>117,466,453</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 9 Long-term investments (continued)

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
<u>Available-for-sale</u>			
Shareholdings			
- Capital and Credit Merchant Bank	1,050	1,050	1,050
- One Caribbean Media	466,456	515,680	586,000
- Central Finance Facility Co-operative Society of Trinidad and Tobago Limited	200,000	200,000	200,000
- Co-operative Credit Union League	3,000	3,000	3,000
- First Caribbean International Bank	709,317	418,080	417,245
- First Citizens Bank Limited	6,086,905	6,090,385	6,448,847
- Grace Kennedy and Company Limited	400,500	202,500	182,500
- Guardian Holding Limited	1,199,486	1,256,378	1,256,378
- JMMB Group	113,153	69,149	54,062
- Republic Bank Limited	10,473,027	10,810,087	11,564,369
- Unilever Caribbean Limited	897,600	1,024,500	967,500
- National Enterprises Limited	526,430	809,169	861,071
- Massy Limited	2,941,328	3,475,858	3,860,493
- Scotiabank Limited	1,828,453	1,924,785	1,911,734
- PLIPDECO	55,063	58,337	55,807
- The West Indian Tobacco Company Limited	2,538,800	2,525,800	2,426,600
- Sagicor Financial Corporation Limited	463,800	372,000	357,000
- Trinidad Cement Limited	115,333	104,586	65,530
- Prestige Holdings Limited	550,000	505,000	478,000
- Royal Bank of Canada	1,013,007	775,582	995,921
- Clico Investment Fund	7,232,497	7,274,063	7,373,182
	<u>37,815,205</u>	<u>38,415,989</u>	<u>40,066,259</u>
Units			
- Trinidad and Tobago Unit Trust Corporation	587,024	580,900	575,614
- Schroders Energy Fund	669,152	476,660	777,390
- Praetorian Fund Investment	110,400	123,600	140,000
- Guardian Asset Management Emerging Market Bond Fund	--	551,014	577,561
	<u>1,366,576</u>	<u>1,732,174</u>	<u>2,070,565</u>
Other			
- First Citizens Bank Limited – El Tucuche Fund	26,242,371	26,045,406	27,772,795
- First Citizens Bank Limited – Immortelle Fund	5,306,870	5,270,578	5,392,048
- Ansa Merchant Bank Limited	5,000,000	5,000,000	5,000,000
- Guardian Life of the Caribbean Limited	2,762,813	2,656,798	2,618,593
- Other investments	11,032,290	11,682,313	15,589,014
	<u>50,344,344</u>	<u>50,655,095</u>	<u>56,372,450</u>
	<u>89,526,125</u>	<u>90,803,258</u>	<u>98,509,304</u>
	<u>207,729,341</u>	<u>211,898,410</u>	<u>215,975,757</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 10 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.

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
Loans to members	1,479,091,525	1,366,617,726	1,190,441,731
Less: Provision for loan losses	<u>(120,000,000)</u>	<u>(116,766,332)</u>	<u>(148,849,346)</u>
	<u>1,359,091,525</u>	<u>1,249,851,394</u>	<u>1,041,592,385</u>
		Group 31 December	
	2016 TTD	2015 TTD	2014 TTD
Balance, beginning of year	116,766,332	148,849,346	157,683,716
Charge/(credit) for the year	19,650,278	(18,395,168)	2,074,612
Amounts written off	<u>(16,416,610)</u>	<u>(13,687,846)</u>	<u>(10,908,982)</u>
Balance, end of year	<u>120,000,000</u>	<u>116,766,332</u>	<u>148,849,346</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

**31 December 2016**

*(Expressed in Trinidad and Tobago Dollars)*

#### 11 Intangible assets

Group Cost	PC Software TTD	Network Software TTD	Total TTD
Balance as at 1 January 2016	1,240,107	19,836,024	21,076,131
Additions	--	--	--
Transfer	--	--	--
Balance as at 31 December 2016	<u>1,240,107</u>	<u>19,836,024</u>	<u>21,076,131</u>
<b>Accumulated depreciation</b>			
Balance as at 1 January 2016	689,936	12,851,797	13,541,733
Charge for the year	157,663	856,185	1,013,847
Balance as at 31 December 2016	<u>847,599</u>	<u>13,707,982</u>	<u>14,555,580</u>
<b>Net book value</b>			
Balance as at 31 December 2016	<u>392,508</u>	<u>6,128,042</u>	<u>6,520,550</u>
Balance as at 31 December 2015	<u>550,171</u>	<u>6,984,227</u>	<u>7,534,398</u>
<b>Cost</b>			
Balance as at 1 January 2015	1,229,509	19,563,484	20,792,993
Additions	10,598	272,540	283,138
Transfer	--	--	--
Balance as at 31 December 2015	<u>1,240,107</u>	<u>19,836,024</u>	<u>21,076,131</u>
<b>Accumulated depreciation</b>			
Balance as at 1 January 2015	532,780	12,024,120	12,556,900
Charge for the year	157,156	827,677	984,833
Balance as at 31 December 2015	<u>689,936</u>	<u>12,851,797</u>	<u>13,541,733</u>
<b>Net book value</b>			
Balance as at 31 December 2015	<u>550,171</u>	<u>6,984,227</u>	<u>7,534,398</u>
Balance as at 31 December 2014	<u>696,728</u>	<u>7,539,364</u>	<u>8,236,092</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 11 Intangible assets (continued)

Group Cost	PC Software TTD	Network Software TTD	Work in Progress TTD	Total TTD
Balance as at 1 January 2014	676,049	15,442,153	2,970,098	19,088,300
Additions	430,410	1,274,283	--	1,704,693
Transfer	123,050	2,847,048	(2,970,098)	--
Balance as at 31 December 2014	1,229,509	19,563,484	--	20,792,993
<b>Accumulated depreciation</b>				
Balance as at 1 January 2014	451,788	11,274,160	--	11,725,948
Charge for the year	80,993	749,960	--	830,953
Balance as at 31 December 2014	532,781	12,024,120	--	12,556,901
<b>Net book value</b>				
Balance as at 31 December 2014	696,728	7,539,364	--	8,236,092
Balance as at 31 December 2013	224,261	4,167,993	2,970,098	7,362,352

#### 12 Investment property

Property situated in the ward of Valencia known as "Las Viviendas"

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
Balance, beginning of year	9,384,273	9,000,000	--
Additions	112,000	384,273	9,000,000
Balance, end of year	9,496,273	9,384,273	9,000,000

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

## Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

13 Property plant & equipment	Land and Buildings TTD	Furniture, Fixtures and Fittings TTD	Office Equipment TTD	Computer Facilities TTD	Other Equipment TTD	Motor Vehicles TTD	Leasehold Improvements TTD	Capital Work-in-progress TTD	Total TTD
<b>Cost</b>									
Balance as at 1 January 2015	92,670,550	16,017,062	17,791,182	19,270,540	8,332,508	1,501,019	9,093,823	194,055	164,870,769
Additions	1,258,960	282,970	308,492	1,275,484	66,341	634,403	18,838	737,829	4,583,317
Disposals	—	(790,275)	(245,810)	(309,911)	(868,457)	(578,835)	—	—	(2,793,288)
Transfers/Re-classifications	—	—	231,255	—	—	—	—	(231,255)	—
Balance as at 31 December 2016	93,929,510	15,509,787	18,065,119	20,236,113	7,530,392	1,556,587	9,112,661	700,629	166,660,798
<b>Accumulated depreciation</b>									
Balance as at 1 January 2016	17,658,508	12,184,489	13,068,547	15,248,762	5,172,545	591,295	7,265,080	—	71,389,226
Charge for the year	1,562,545	628,590	1,133,551	986,070	866,426	345,650	581,522	—	6,104,354
Disposals	—	(888,169)	(213,315)	(277,089)	(677,070)	(338,664)	—	—	(2,194,307)
Transfers/Re-classifications	—	—	—	—	—	—	—	—	—
Balance as at 31 December 2016	19,421,053	12,124,910	13,988,783	15,957,743	5,361,901	598,281	7,846,602	—	75,299,273
<b>Net book value</b>									
Balance as at 31 December 2016	74,508,457	3,384,877	4,096,336	4,278,370	2,168,491	958,306	1,266,059	700,629	91,361,525
Balance as at 31 December 2015	74,812,042	3,832,603	4,722,635	4,021,778	3,159,963	909,724	1,828,743	194,055	93,481,543

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

## Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

## 13 Property plant &amp; equipment (continued)

Group (continued)

Cost	Land and Buildings TTD	Furniture, Fixtures and Fittings TTD	Office Equipment TTD	Computer Facilities TTD	Other Equipment TTD	Motor Vehicles TTD	Leasehold Improvements TTD	Work-in-progress TTD	Total TTD
<b>Balance as at 1 January 2015</b>	97,875,310	16,021,817	16,844,960	19,071,697	7,815,529	1,744,494	8,818,736	978,306	169,170,879
Additions	704,758	251,287	588,562	284,283	666,979	319,000	275,087	247,114	3,337,070
Disposals	(6,517,066)	(256,012)	(12,019)	(15,000)	(150,000)	(562,475)	--	--	(7,512,572)
Transfers/Re-classifications	607,548	--	369,649	(70,440)	--	--	--	(1,031,365)	(124,608)
<b>Balance as at 31 December 2015</b>	92,670,550	16,017,092	17,791,182	19,270,540	8,332,508	1,501,019	9,093,823	194,055	164,870,769
<b>Accumulated depreciation</b>									
<b>Balance as at 1 January 2015</b>	14,836,585	11,840,146	12,076,728	14,408,386	4,725,497	611,075	6,695,924	--	65,194,341
Charge for the year	3,599,799	562,051	999,079	847,376	597,047	302,171	569,156	--	7,476,679
Disposals	(577,876)	(217,708)	(7,260)	(7,000)	(149,999)	(321,951)	--	--	(1,281,794)
Transfers/Re-classifications	--	--	--	--	--	--	--	--	--
<b>Balance as at 31 December 2015</b>	17,858,508	12,194,489	13,068,547	15,248,762	5,172,545	591,295	7,265,080	--	71,389,226
<b>Net book value</b>									
<b>Balance as at 31 December 2015</b>	74,812,042	3,832,603	4,722,635	4,021,778	3,159,963	909,724	1,828,743	194,055	93,481,543
<b>Balance as at 31 December 2014</b>	83,038,725	4,181,671	4,768,262	4,663,311	3,090,032	1,133,419	2,122,812	978,306	103,976,538



## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 14 Accounts payable and accruals

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
CUNA Claims	29,128,787	23,642,326	18,327,083
Trade creditors	910,001	396,809	27,123
Interest payable	837,806	838,210	818,551
Other payables	9,805,992	3,058,910	4,046,146
Accrued expenses	1,182,552	1,375,921	2,693,706
Statutory deductions payable	866,042	678,018	302,351
Provision for retroactive salaries	462	–	(862)
Provision for severance	29,830,359	25,377,302	22,348,133
Automated Teller Machine – Branch Settlement	(49,350)	673,709	1,670,753
	<u>72,512,651</u>	<u>56,041,205</u>	<u>50,232,984</u>

#### 15 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.

#### 16 Deferred taxation

	2016 TTD	Group 31 December 2015 TTD	2014 TTD
Balance at beginning of year	3,002,996	2,203,347	8,043,960
Effect of Statement of Comprehensive Income	422,669	799,649	(5,840,613)
Balance at end of year	<u>3,425,665</u>	<u>3,002,996</u>	<u>2,203,347</u>
Deferred taxation is attributable to the following items:			
Excess of written-down value over net book value	9,275,037	8,522,229	7,752,821
Tax losses carried forward	(5,849,372)	(5,519,233)	(5,549,474)
	<u>3,425,665</u>	<u>3,002,996</u>	<u>2,203,347</u>

#### 17 Reserve fund

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

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

*(Expressed in Trinidad and Tobago Dollars)*

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#### 18 Education fund

The Board of Directors has set aside at the end of the year an amount to an Education Fund of 3% 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.

#### 19 Investment re-measurement reserve

In accordance with IAS #39, an investment re-measurement reserve has been created to capture unrealised gains/losses on available-for-sale investments.

#### 20 Dividends

The Board of Directors has proposed a dividend of \$27,510,775 and interest rebate of \$6,899,484 for the year ended 31 December 2016. This dividend is subject to approval by the membership at the Annual General Meeting and has not been included as a liability in these consolidated financial statements in accordance with IAS #10.

#### 21 Capital risk management

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

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

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 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 Society.

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	
	2016 TTD	2015 TTD
<b>Assets, liabilities and members' equity</b>		
<b>Loans and other receivables</b>		
Directors, committee members, key management personnel	6,769,429	7,311,625
<b>Shares, deposits and other liabilities</b>		
Directors, committee members, key management personnel	2,420,135	4,311,464
<b>Interest and other income</b>		
Directors, committee members, key management personnel	496,748	681,474
<b>Interest and other expenses</b>		
Directors, committee members, key management personnel	100,763	142,562
<b>Key management compensation</b>		
Short-term benefits	2,388,957	2,474,700

#### 23 Other income

	Group 31 December	
	2016 TTD	2015 TTD
Loan processing fees	10,766,038	11,732,780
Loan late fees	1,554,802	1,587,017
CUNA commissions	1,675,970	1,329,942
Service charges	232,799	195,526
Entrance fees	3,249	1,609
Commission	410,687	577,905
Miscellaneous income	2,280,460	2,519,209
Gym income	2,111,993	1,984,564
Custodial unit income	693,324	--
Gain on disposal of fixed assets	44,649	527,535
	<u>19,773,971</u>	<u>20,456,087</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 24 Administrative expenses

	Group	
	31 December	
	2016	2015
	TTD	TTD
Annual and special general meetings	1,447,211	845,442
Audit fees	429,600	253,200
Bad debt expense	57,027	3,335,673
Credit Union League dues	39,635	112,494
Computer supplies and expenses	2,617,595	1,370,102
Depreciation and amortisation	7,104,527	8,461,509
Donations and sponsorships	90,274	125,540
Education supplies and expenses	2,366,048	1,824,705
Electricity	1,436,319	1,481,726
Green fund levy	44,739	15,809
Insurances	5,655,259	5,417,380
Interest on members' deposits	2,760,239	2,350,345
Loss on investments	3,531,805	5,200,000
Maintenance	4,279,727	4,853,881
Miscellaneous expenses	2,022,165	1,467,554
Motor vehicle expenses	93,742	56,811
Office expenses	1,931,845	1,531,445
Printing, postage and stationery	651,916	728,229
Professional services	2,164,984	793,842
Property rental	6,220,647	5,987,894
Rates and taxes	--	(19,000)
Security	4,245,024	3,959,140
Sports and family day expenses	464,197	241,108
Staff training	573,089	595,101
Telephone	3,481,780	3,243,879
	<u>53,709,374</u>	<u>54,233,809</u>

#### 25 Board and committee expenses

	Group	
	31 December	
	2016	2015
	TTD	TTD
Stipend	1,261,862	1,196,996
Meeting expenses	369,988	287,117
Training and conferences	17,648	10,677
Entertainment	4,275	14,737
Corporate wear	16,796	13,403
Donations	80,087	45,750
Miscellaneous	23,263	44,224
	<u>1,773,919</u>	<u>1,612,904</u>

## Eastern Credit Union Co-Operative Society Limited and its Subsidiary

### Notes to the Consolidated Financial Statements (continued)

31 December 2016

(Expressed in Trinidad and Tobago Dollars)

#### 26 Personnel cost

	Group 31 December	
	2016 TTD	2015 TTD
Salaries and other staff benefits	60,134,450	56,990,230
Travelling and subsistence	1,421,730	1,089,996
	<u>61,556,180</u>	<u>58,080,226</u>

#### 27 Taxation

	Group 31 December	
	2016 TTD	2015 TTD
Business levy	(89,329)	(31,459)
Deferred taxation	(422,944)	(799,649)
Reversal of over-provision on corporation tax	--	--
	<u>(512,273)</u>	<u>(831,108)</u>
Net surplus before taxation	55,876,678	89,790,047
Tax calculated at 25%	(13,969,170)	(22,447,512)
Portion re Credit Union activities	13,985,647	21,817,063
Business levy	(89,329)	(31,459)
Expense not deductible for tax purposes	--	(1,325)
Exempt income	--	(19,835)
Other	(439,421)	(148,040)
	<u>(512,273)</u>	<u>(831,108)</u>

#### 28 Events after the balance sheet date

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



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## EASTERN CREDIT UNION BRANCHES

### **Arima**

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Fax: 667-0559

### **Barataria**

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Fax: 675-4413

### **Chaguanas**

12 Main Road, Chaguanas  
Phone: 671-2295 / 665-1185  
Fax: 671-5309

### **Port of Spain**

22 Park Street, Port of Spain  
Phone: 624-5059 / 5061  
Fax: 625-5729

### **San Fernando**

Cor. Penitence & St. James Street  
San Fernando  
Phone: 652-2393 / 2919 / 653-1968  
Fax: 653-0790

### **Sangre Grande**

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Fax: 668-5875

### **St. Joseph**

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Fax: 663-7974

### **Tobago**

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Fax: 660-7090

### **Tunapuna**

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Fax: 645-3532

### **Administrative Headquarters**

La Joya  
Eastern Main Road, St. Joseph  
Phone: 662-1184 - 6  
Fax: 662-1192

### **Subsidiary**

EPL Properties Limited  
La Joya, Eastern Main Road  
St. Joseph  
Phone: 645-8346 / 1548  
Fax: 645-7843  
[enquiries@eplproperties.com](mailto:enquiries@eplproperties.com)



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