



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

EMBRACE CHANGE
SUPPORT WHAT YOU OWN
ANNUAL REPORT 2017

The Stephanie Wilson Administrative Floor



CREDIT UNION PRAYER

Lord, Make me an instrument of thy peace
Where there is hatred, let me sow love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light
And where there is sadness, joy.

O Divine Master, grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love
For it is in giving, that we receive
It is in pardoning, that we are pardoned
And it is in dying, that we are born to eternal life.

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
Accountability Professionalism Confidentiality Impartiality**

Strategic Priorities

Generate Sales Revenue

Improve Customer Service

Reduce Delinquency

Intensify Member Engagement

Reinforce Compliance & Risk Management

MANAGE YOUR MONEY CONVENIENTLY. ANYTIME. ANYWHERE.

Eastern Credit Union - Online & Mobile Credit Union

ACCOUNT INFORMATION - Obtain balances on your accounts

TRANSFER FUNDS - Transfer funds between your own accounts

PAYMENTS - Make payments to loans and shares

STATEMENTS ON ACCOUNTS - Obtain statements on your accounts

Sign Up Today!



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



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President's Message

Members, other specially invited guests, welcome to our 44th Annual General Meeting. The theme this year is **"Embrace Change Support What You Own"** which emerges naturally from last year's **"A New Experience, A New Reality, A New Attitude"**. I take this opportunity on behalf of the Board and other elected and appointed Committees to commend our founders, pioneers and all the members, who would have supported and continue to support the credit union by participating in its products and service offerings. I appeal to you to be ambassadors of your credit union by promoting the quality member services you would have received. Should the services meted out to you, be not in keeping with the desired level, please draw it to our attention so that we can address same, being mindful at all times, that you are the owners of your credit union, Eastern.

Members, credit unions are financial co-operatives and in this regard trust and confidence must be their hallmark. Eastern Credit Union is determined to uphold and maintain that status in every way possible. We value integrity, honesty, professionalism, confidentiality, impartiality, accountability and being member-focused. We are regulated and supervised by the Financial Intelligence Unit (FIU), Central Bank of Trinidad and Tobago (CBTT), and the Co-operatives Division; rated by CariCris and audited by PricewaterhouseCoopers. Members, we continue to work assiduously towards meeting the new accounting standards as required under International Financial Reporting Standard 9 (IFRS 9). This has

placed us in a position to leverage our value system and to aspire towards even higher standards.

Eastern Credit Union must not only be known for its size, but also for transforming the lives of our members as well as the communities in which we operate. Our strategic plan mandates that we must engage our communities so as to assist them in meeting their needs. We have had our signature events: Annual Diabetes Walk, Children's Christmas Party, SEA Workshop, Photography Competition, and Credit Union Management Programme; strengthened our compliance programme; engaged our fellow credit unions on IFRS 9 matters and refurbished our administrative floor at La Joya.

In accordance with our renewed governance structure as outlined in the amendments to our Bye-Laws, the Secretarial functions were removed from the office of the Group Chief Executive Officer and are now handled by the Secretary to the Board. I must add, that the transition appeared seamless, as it was executed with an unwavering level of commitment by the incumbent officer.

Our financial performance has improved to the extent that your dividend payment and rebate now amount to \$47.8 million which is to be allocated from a surplus of \$63.9 million. Our shares stand at \$1.4 billion, loans \$1.3 billion, and Assets at \$2.1 billion.

Our relationship with the apex bodies, the Cooperative Credit Union League of Trinidad and Tobago (CCULTT), North East Regional Chapter (NERC), Association of Co-operative Credit Union

Presidents of Trinidad and Tobago (ACCUPTT), Central Finance Facility (CFF) and Caribbean Confederation of Credit Unions (CCCU) have been strengthened. This is evidenced by our presence at the level of the Board of the first two bodies, and the registering of our Board of Directors, some elected Committee members and staff to attend the 61st CCCU Conference and AGM, to be held at this venue, the Hyatt, in June 2018. The sharing of space and services at our facilities with member credit unions are definite signs of us living the co-operative principle of 'Co-operation amongst Co-operatives'.

Members, our AGM is not only to be treated as a forum for your Board of Directors and Statutory Committees to account for their stewardship but for the membership to learn and provide feedback on how, as owners, we can satisfy the needs of all.

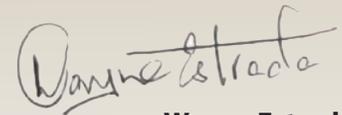
The Board, through its Committees and Subsidiary EPL Properties Limited, has been working continuously to satisfy some of the housing needs of our members at the Las Viviendas site. This project is ongoing.

Members, as we celebrate our 45th Anniversary, we are indeed proud of our achievements and give thanks to the Almighty, as we pursue other ideas and dreams, one of which is to build a mini La Joya type facility in Tobago, and another to provide added shared services to our brother and sister credit unions. We also intend to embolden our fit and proper and fit for purpose policies.

Members, I want to assure you that your Credit Union is strong, stable and sound. Our future lies in

how resilient we can be in the changing fortunes of time. As such, we need to prepare and put in place systems and structures to accommodate these changes.

I thank you, and let us have another successful Annual General Meeting.



Wayne Estrada



NOTICE AND AGENDA

Notice is hereby given that the Forty Fourth (44th) 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 20th May, 2018 at 10.00am.

AGENDA

10.00 AM

- 1 National Anthem
- 2 Invocation/Credit Union Prayer
- 3 Reading of Notice convening the 44th Annual General Meeting
- 4 Adoption of Standing Orders
- 5 Credentials Report
- 6 Welcome Remarks
- 7 Confirmation of Minutes of the 43rd Annual General Meeting of Sunday 30th July 2017
- 8 Matters Arising from the Minutes
- 9 Reports
 - i. Board of Directors
 - ii. Auditors' Report
 - iii. Consolidated Audited Financial Statements 2017
 - iv. Nominating Committee
 - v. Credentials Report
- 10 Election of Officers
- 11 Credentials Report
- 12 Other Reports
 - i. Supervisory Committee
 - ii. Credit Committee
 - iii. Education Committee
- 13 Resolutions
- 14 General Business
- 15 Closing Observations

Ronald Bobb
Secretary

N.B.

- Registration begins at 8.00 am.
- Please present VALID NATIONAL IDENTIFICATION (i.e. National ID, Passport, Driver's Permit) for Registration.
- Proof of membership must be provided for minors (i.e. Birth Certificate or valid Passport).
- ONLY MEMBERS of the Eastern Credit Union Co-Operative Society Limited will be allowed access to the meeting.
- To facilitate catering arrangements, members are required to pre-register at any Branch, or by contacting the Call Center at 800-4ECU (4328) by Thursday 17th May, 2018.

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.
9. A Member shall not "Call another member to order" but may draw the attention of the Chair to a "Breach of Order"
10. In no event can a Member call the Chair to order.
11. A "Question" shall not be put to the vote if a Member desires to speak on it or move an amendment to it, except that a "Procedural Motion", The "Previous Question", "Proceed to the Next Question" or the closure: "That the Question be now put" may be moved at any time.
12. Only one amendment should be put before the meeting at one and the same time.
13. When a motion is withdrawn, any amendment to it fails.
14. The Chairman shall have the right to a "casting vote"
15. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
16. Provision is to be made for the protection by the Chairman from vilification (personal abuse).
17. No Member shall impute improper motives against another Member
18. Electronic recording of the proceedings is prohibited unless prior permission is obtained from the Chairman.

MINUTES OF THE 43RD ANNUAL GENERAL MEETING OF EASTERN CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

**HELD ON SUNDAY JULY 30TH, 2017
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 10.10 a.m. A recording of the National Anthem was played and those gathered sang along.

2.0 INVOCATION/CREDIT UNION PRAYER

Those in attendance recited the Credit Union Prayer and Mr. James George Thomas (Port of Spain Branch), did the invocation.

3.0 1ST CREDENTIALS REPORT

The Credentials Report at 10.00 a.m. revealed that four hundred and twenty-nine (429) members were present.

4.0 NOTICE OF MEETING

The Secretary/Group CEO, Mr. Conrad Enill, read the Notice and Agenda of the 43rd Annual General Meeting of Eastern Credit Union Co-operative Society Limited (ECU).

The Notice of the Meeting and Agenda were unanimously adopted on a motion moved by Mr. James George Thomas (Port of Spain Branch) and seconded by Mr. Cyril Barran (Port of Spain Branch).

5.0 ADOPTION OF STANDING ORDERS

The Standing Orders were unanimously adopted on a motion moved by Mr. Francis Pau (St. Joseph Branch) and seconded by Mr. Mahmud Muhammad (Tunapuna Branch).

6.0 WELCOME REMARKS/PRESIDENT'S ADDRESS

The Chairman extended a warm welcome to all and acknowledged the presence of the under-mentioned specially invited guests and other distinguished members of Eastern Credit Union:

Mr. Martin Minguel	-	President, Rhand Credit Union
Mr. Terrence Jules	-	Co-operative Division of the Ministry of Labour and Small & Micro Enterprise Development
Ms. Paula Labarrie	-	-do-
Mr. Kent Byer	-	Aero Services Credit Union
Mr. Dwayne Rodriguez-Seijas	-	PricewaterhouseCoopers

Ms. Krystle George	-	-do-
Mr. Andre Goindoo	-	Head, CUNA Caribbean Insurance Society Limited
EPL Board Members	-	EPL Properties Limited
Ms. Esme Raphael	-	Member, Central Financing Facility
Mr. Joshua Spencer	-	President, Agricola Credit Union
Mr. Lloyd Gellineau	-	Vice-President, Agricola Credit Union
Mr. Francis Pau	-	Former President, Eastern Credit Union
Ms. Charmaine Girod	-	Agricola Credit Union
Mr. Fitzroy Frederick	-	President, Police Credit Union
Ms. Dianne Joseph	-	COO, Co-operative Credit Union League of Trinidad and Tobago
Mrs. Gloria Apparicio	-	ECU founder
Mr. Gary Cross	-	-do-
Ms. Linda Besson	-	-do-
Mr. Reynold Cooper	-	Former Head of Public Service and former President of Eastern Credit Union

The Secretary/Group CEO highlighted the challenges faced by Eastern Credit Union in 2016:

- Changes within Trinidad and Tobago's economic environment which had a direct effect on ECU's loan portfolio.
- The failure of ECU's IT infrastructure on February 26, 2016, which ultimately led to the change in the date of the 2017 Annual General Meeting.
- In August 2016 PricewaterhouseCoopers completed an information diagnostic review of ECU's IT system and submitted a report which identified critical changes to be made within the short, medium and long terms. All the short-term critical changes have been completed and the medium-term recommendations are 80% completed.
- The recovery exercise involved employing additional resources to review and correct a substantial number of transactions to the satisfaction of the external Auditors.
- Despite the major challenges experienced, in 2017 CariCris maintained ECU's credit rating they had with one particular change. They maintained the rating based on the strength of the Credit Union in two areas:
 - (a) ECU's leading market position in the expanding credit union industry in Trinidad and Tobago; and
 - (b) ECU's healthy financial performance based on good profitability and moderate loan growth.
- ECU realised a \$56M surplus and is recommending a return of \$36M to members.
- The focus moving forward will be on a risk-based approach to the business including that of cybersecurity.

7.0 2ND CREDENTIALS REPORT

A Credentials Report at 10.33 a.m., indicated that five hundred and forty-three (543) members were in attendance.

8.0 PRESIDENT'S MESSAGE

The President's Message which was taken as read, referenced the following achievements:

- Amendment to the Bye-Laws at a Special General Meeting in 2016.
- Validation of policies and the strengthening of the code of ethics by including sanctions for breaches committed.
- ECU's return to the membership of the Credit Union League of Trinidad and Tobago and also becoming a member of the Association of Co-operative Credit Union Presidents of Trinidad and Tobago.

9.0 CHANGE OF AGENDA

On a motion moved by Mr. Andre Goindoo and seconded by Mr. James George Thomas (Port of Spain Branch), the meeting agreed to change the agenda by treating with the Auditor's Report and Financial Statements.

10.0 AUDITOR'S REPORT

Mr. Dwayne Rodriguez-Seijas, representative of PricewaterhouseCoopers presented the Auditor's Report.

10.1 Acceptance

The Auditor's Report was accepted on a motion moved by Ms. Stephanie Benjamin (Arima Branch) and seconded by Mr. Cyril Barran (Port of Spain Branch).

11.0 CONSOLIDATED AUDITED FINANCIAL STATEMENTS, 2016

The Secretary/Group CEO presented the Consolidated Audited Financial Statements for the year ended December 31, 2016 following which he provided responses to the following question:

What strategies will be initiated to address the institutional capital?

- The pricing strategy will be reviewed. Emphasis will be placed on product pricing and product relevance.
- The share capital will be managed to ensure that there is a balance between the required capital structure and the cost of capital.
- Continued training of staff related to credit and delinquency management.

11.1 Acceptance

On a motion moved by Mr. Bobby Charles (Arima Branch) and seconded by Mr. James George Thomas (Port of Spain Branch), the Consolidated Financial Statements for the year ended December 31, 2016 were approved.

12.0 3RD CREDENTIALS REPORT

The Credentials Report at 11.22 a.m., revealed that six hundred and forty-nine (649) members were present.

13.0 BUDGET 2017

The Secretary/Group CEO (Mr. Conrad Enill) presented the 2017 Budget of Eastern Credit Union. Members expressed concerns about the following issues:

- Poor member service quality at ECU Branches.
- Non-receipt of quarterly statements by the membership.
- Adequate information not provided to members when loan applications are made.
- New passbooks not being issued and the receipts issued fade with time.
- Delinquency challenge faced by ECU and whether measures have been adopted to address it.
- Whether steps have been taken to avoid another IT challenge.
- Training and development for staff in utilising the IT software.

The following responses were provided:

- (a) The issuance of quarterly statements to members ceased because the statement was not reader friendly. Changes are being made to the format. In the meantime, statements can be provided to members upon request. According to ECU's Bye-Laws a passbook is discretionary.
- (b) ECU has intensified its efforts to address delinquency.

14.0 4TH CREDENTIALS REPORT

A Credentials Report at 12.08 p.m. indicated that seven hundred and sixty-one (761) members were present at the meeting.

15.0 CONFIRMATION OF MINUTES OF THE 42ND ANNUAL GENERAL MEETING

The Minutes of the 42nd Annual General Meeting were taken as read on a motion moved by James George Thomas (Port of Spain Branch) and seconded by Ms. Jacquelyn Humphrey (Port of Spain Branch).

15.1 Amendment

- Page 15: In the first list of names, delete the comma after "Picou".

The Minutes of the 42nd Annual General Meeting, as amended, were unanimously confirmed on a motion moved by Mr. Brian Moore (St. Joseph Branch) and seconded by Mr. Cameron Mitchell.

16.0 MATTERS ARISING FROM THE MINUTES

There were no matters arising from the Minutes.

17.0 5TH CREDENTIALS REPORT

According to the Credentials Report, at 2.27 p.m., nine hundred and ninety-eight (998) members were registered for the meeting.

18.0 BOARD OF DIRECTORS' REPORT

The Board of Directors' Report was taken as read on a motion moved by Mr. James George Thomas (Port of Spain Branch) and seconded by Mrs. Anna McCleaver-Carabache (Port of Spain Branch).

18.1 Amendments

The following amendments were made to the Board of Directors' Report:

Page 33: Under "Improved Service Delivery", 1st line, delete "required" and insert "requested".

Page 37: In the table, against the name "Conrad Enill", insert "1" under "Pres". Also, at item "2" of the footnote, delete "August" and insert "September". Additionally, delete the information at item "5" of the footnote and insert the following: "Mr. Conrad Enill was elected in April 2016 and attended the Board meeting in May. He acted in the position of Group CEO from June to August, 2016 and resigned his directorship in September 2016. He was appointed Group CEO in October 2016.

Members observed one minute silence for the following individuals who died since the 2016 AGM: Ms. Stephanie Wilson, an ECU founder and a then sitting Director; Ms. Theresa Nivet, an ECU founder; Mr. Alston Wilson, ECU's first President; Mr. Ivan Bocas, an ECU member and also Ms. Candice Warner, an employee and also for the three hundred and one (301) members listed in the Brochure.

Issues raised by members and the responses given are listed below:

- (a) Delinquent members should be informed before funds from their shares accounts are applied to their loan accounts.

Shares are applied to delinquent members' loan accounts only with their consent. Members should however bear in mind that the loan agreement contains a clause which authorises the credit union to utilise shares or other securities members may have, if the terms of the loan agreement are not adhered to.

- (b) Not enough is being done to assist delinquent members. Procedures should be put in place for delinquent members to meet with either the Board or the Credit Committee.

Members can appeal to the Credit Committee.

- (c) Provide washroom and parking facilities for members at the Port of Spain Branch.

That is currently being explored.

- (d) What is ECU's position in respect of governance at the level of the Co-operative Credit Union League?

ECU is seeking to bring about change in the governance structure of the League. To this end, two resolutions have been put forward for changing the League's Bye-Laws in respect of the number of delegates.

- (e) How functional is the senior citizens line at the Port of Spain Branch?

The arrangements for the senior citizens lines will be reviewed in an effort to make members' experience as comfortable as possible.

18.2 Acceptance

The Board of Directors' Report, as amended, was adopted on a motion moved by Mr. Joshua Spencer (Sangre Grande Branch) and seconded by Mr. Trevor Rogers (Tunapuna Branch).

19.0 6TH CREDENTIALS REPORT

A Credentials Report at 3.37 p.m. indicated that there were one thousand and twenty-one (1,021) members present.

20.0 SUPERVISORY COMMITTEE'S REPORT

The Chairman of the Supervisory Committee, Ms. Wendy Williams, presented the Report of the Supervisory Committee.

20.1 Amendment

The under-mentioned amendment was made to the Report:

- Page 42, under the heading "Review of HR/IR Issues", 2nd line, delete "2017" and insert "2016".

The issue regarding the publication of a list of delinquent members was raised and a commitment was given that the matter will be considered.

20.2 Adoption

The Supervisory Committee's Report, as amended, was adopted on a motion moved by Mr. Cameron Mitchell (Port of Spain Branch) and seconded by Ms. Jacquelyn Humphrey (Port of Spain Branch).

21.0 CREDIT COMMITTEE'S REPORT

The Credit Committee's Report, along with the Addendum, was taken as read on a motion moved by Mr. Gregory Cova (Tunapuna Branch) and seconded by Ms. Allison Lewis (Port of Spain Branch).

21.1 Amendments

The following amendments were made to the Credit Committee's Report:

- Page 47: Under "Delinquency", line 1, delete "7.15%" and insert "7.45%".
- Page 49: In the "Attendance at Meetings" table, against the name "Delroy Burris, remove "6" from under "ABS" and place it under "EXC".

The Chairman of the Credit Committee, Mr. Delroy Burris, provided the following responses to questions raised:

- Delinquent members are entitled to receive dividends. However, in accordance with the By-Laws 25(c)(i), the dividend would be credited to the members' loan accounts. They are also eligible to attend AGMs.
- As at July 25, 2017 two thousand, two hundred and twenty-seven (2,227) accounts valued at \$91,252, 948.81 were at the Recoveries Department.
- With regard to interest on delinquent loans, a measure was implemented whereby, once a file reaches the Recoveries Unit, the Collections Co-ordinator is required to make a recommendation to the Credit Committee for the cessation of interest. The Credit Committee deliberates and takes the necessary action.

Members proposed the following for the Committee's consideration:

- (i) Provide information on delinquency by branch, including the number of members within the 0-90 days and so on, and its impact on the credit union.
- (ii) Conduct analysis to determine the Loans Officer and Branch Manager who has the most loans becoming delinquent and either provide training and development or take disciplinary action.
- (iii) Undertake a study to establish where ECU's loans rank in comparison to those of other financial institutions and, if necessary, reduce the cost of loans.
- (iv) Determine the type of loan with the highest rate of delinquency and review the lending criteria for that loan category.
- (v) Reduce the loan processing time.

21.2 Adoption

The Report of the Credit Committee, as amended, was adopted on a motion moved by Ms. Loma Warner (San Juan/Barataria Branch) and seconded by Mrs. Rhona Adams-Arrindell (St. Joseph Branch).

22.0 CHANGE OF AGENDA

On a motion moved by Mr. Gregory Cova (Tunapuna Branch) and seconded by Ms. Victoria Jemmott (Sangre Grande Branch), the Agenda was altered to treat with the items, "Nominating Committee Report" and "Elections".

23.0 NOMINATING COMMITTEE'S REPORT

The Nominating Committee's Report was taken as read on a motion moved by Mr. Gregory Cova (Tunapuna Branch) and seconded by Mr. Joshua Spencer (Sangre Grande Branch).

23.1 Amendment

- Page 66: Under "Credit Committee", in the 2nd line, change "Adama" to "Adams".

The Chairman of the Nominating Committee, Mr. Darius Figuera, highlighted the following salient information contained in the report:

- Thirty-five (35) individuals participated in the 6th Credit Union Organization and Management Training Programme held from September 10, 2016 to October 15, 2016. The Committee recommended that accreditation be sought for the programme from the Accreditation Council of Trinidad and Tobago.
- On April 20, 2017 the prospective candidates underwent an Orientation Programme to familiarize them with the basic roles and functions of the Board, and statutory committees.

It was suggested that prospective candidates should be given the opportunity to correct any inaccurate information in the Nomination Profiles before publication.

23.2 Adoption

The Report of the Nominating Committee, as amended, was adopted on a motion moved by Mr. Cyril Barran (Port of Spain Branch) and seconded by Mr. James George Thomas (Port of Spain Branch).

24.0 7TH CREDENTIALS REPORT

A Credentials Report at 5.18 p.m., revealed that there were one thousand and thirty (1,030) members present.

25.0 ELECTION OF OFFICERS

Mr. Terrence Jules, the Supervising Officer for County St. George East and a representative of the Co-operative Development Division of the Ministry of Labour, Small & Micro Enterprise Development conducted the elections, with the assistance of other Co-operative Officers and ROSE IT Services Limited.

Ms. Pearl Gonzales, a candidate for the Board of Directors, withdrew her nomination due to illness.

25.1 Election Results

Board of Directors

Names	Votes	Tenure
Janelle Benjamin	314	3 years
Wendy Williams	301	3 years
Marlon Phillips	285	3 years
Cyril Barran	278	3 years
Stephanie Benjamin	260	2 years (unexpired term)
Clyde Herbert	231	2 years (unexpired term)
James George Thomas	223 (1 st Substitute)	
Lyndon Williams	207 (2 nd Substitute)	
Don Isaac	207	
Allison Lewis	124	
K'areece Rogers	106	
Ann Antoine	105	

Mr. Don Isaac and Mr. Lyndon Williams scored the same number of votes (207), however, Mr. Don Isaac volunteered for Mr. Williams to be named the 2nd Substitute.

Supervisory Committee

Names	Votes	Tenure
Maria Ann Joseph	314	2 years
Deborah Picou	299	2 years
Stacy Alleyne	293	2 years
Ann Marie Arnaud-Thomas	281	1 year
Camille Lisa Rolingson	276	1 year
Trevor Rogers	263 (1 st Substitute)	
Bridgette Harry	230 (2 nd Substitute)	

Credit Committee

Names	Votes	Tenure
Delroy Burris	325	2 years
Mary Thompson	250	2 years
Rhona Adams-Arrindell	229	2 years
Patricia Ward	218	1 year
Jacquelyn Humphrey	176	1 year
Kirk Ferguson	163 (1 st Substitute)	
Mahmud Muhammad	159 (2 nd Substitute)	
Shezrae Nesbitt	149	
Denise Elizabeth Andrews	142	

Kenneth Wilson	138
Tremaine Rogers	86
Shelly Ann Berkeley	81

25.2 Destruction of Ballots

A motion for the destruction of ballots (physical and electronic) moved by Mr. James George Thomas (Port of Spain Branch) and seconded by Mr. Thomas Henry (Barataria/San Juan Branch) was approved.

26.0 EDUCATION COMMITTEE'S REPORT

The Report of the Education Committee was taken as read on a motion moved by Ms. Carolyn Warner (Port of Spain Branch) and seconded by Ms. Bernadette Stewart (San Fernando Branch).

The Chairman of the Education Committee, Ms. Janelle Benjamin, responded to the queries raised by members. She also suggested that Ms. Rhonda Jones can volunteer to serve on the Education Committee as a co-opted member.

Members made the following suggestions:

- The activities for children in the play area should be structured in such a way that they are left with at least one financial literacy competency. Shares can also be awarded as an incentive.
- Efforts should be made to communicate information on ECU's events to members who are incapacitated.
- In order to increase attendance at ECU's events, the schools should be used as a medium to disseminate information via the District Offices/Schools Supervisors. Alternatively, the outreach approach via groups within communities should be used.

26.1 Adoption

The Report of the Education Committee was adopted on a motion moved by Ms. Rhonda Jones (St. Joseph Branch) and seconded by Mr. Joshua Spencer (Sangre Grande Branch).

27.0 RESOLUTIONS

The membership approved the following Resolutions moved by Director Wayne Estrada on behalf of the Board:

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 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) (ii) and (iii), a dividend of 5% be declared and credited to members' Deposit Accounts; and

Be it 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 31st December 2016 be appropriated to the Education Fund.

5. Write Offs

Be it resolved

That 450 accounts valued at \$12,559,466.32 representing accounts that were statute barred and where efforts to collect have been pursued and repayments seemed uncertain, be written off against provisions set aside for such loans.

6. Auditors

Be it resolved

That the firm PwC be retained as Auditors for the year 2017.

28.0 GENERAL BUSINESS

28.1 Las Viviendas Project – Video

Members were shown a video presentation which gave an insight to the development contemplated for the Las Viviendas property, a 16-acre plot along the Valencia main road.

28.2 Token of Appreciation/Door Prizes

A token of appreciation was presented to Mrs. Gloria Aparicio, a founding member of Eastern Credit Union. Hampers were also distributed to Ms. Denise Gregoire-Saunders who celebrated **seven** years as a member of Eastern Credit Union; Ms. Charmaine Caraballo, the first member to register for the meeting; and Mrs. Velma Goodman-Francois, the 100th member to register.

A number of door prizes were also drawn and the lucky members received prizes which included a laptop, cell phones, home security package, vouchers in respect of a queen-sized mattress from Lensyl, gym membership and cooking course.

The membership was informed that at a later date tribute will be paid to Mrs. Gloria Rolingson, the first Group CEO, a former President of Eastern Credit Union and also former Chairman of EPL Properties Limited, for her contribution to Eastern Credit Union and its subsidiary and the wider Credit Union Movement.

The Chairman congratulated the sponsors who donated the prizes. He also thanked the membership for their attendance and participation.

28.3 Budget 2017

The 2017 Budget was presented for discussion and recommended changes by the Membership. There were no changes.

29.0 ADJOURNMENT

There being no other business the meeting was adjourned at 7.55 p.m.



Conrad Enill
Secretary

Executive Management Team



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.)



Thayne Borel

INTERNAL AUDITOR



Charlene Webb-Breton

HEAD, INFORMATION TECHNOLOGY



Cecil Gittens

SECURITY CO-ORDINATOR

Board of Directors



Wayne Estrada
PRESIDENT



Clyde Herbert
VICE PRESIDENT



Ronald Bobb
SECRETARY



Francisca Lassalle
ASSISTANT SECRETARY



Gerard Mathews
EXECUTIVE MEMBER



Cyril Barran
DIRECTOR



Janelle Benjamin
DIRECTOR



Stephanie Benjamin
DIRECTOR



Darius Figuera
DIRECTOR



Lindhurst Murray
DIRECTOR



Marlon Mark Phillips
DIRECTOR



Wendy Williams
DIRECTOR

BOARD OF DIRECTORS REPORT FOR THE FISCAL YEAR 2017

1. **Board Members**

Following the 43rd Annual General Meeting the Board of Directors comprised of the following persons:

President	Wayne Estrada
Vice President	Clyde Herbert
Secretary	Ronald Bobb
Asst. Secretary	Francisca Lassalle
Executive Director	Gerard Mathews
Director	Darius Figuera
Director	Marlon Mark Phillips
Director	Lindhurst Murray
Director	Janelle Benjamin
Director	Cyril Barran
Director	Stephanie Benjamin
Director	Wendy Williams
1 st Substitute	James George Thomas
2 nd Substitute	Lyndon Williams

2.0 **The Executive Management Team**

Our Executive Management Team is comprised of the following persons:

Group Chief Executive Officer	Conrad Enill
Deputy Chief Executive Officer	Steve Albino
Group Financial Comptroller	Sherry Ann Mc Donald Joseph
Group Executive Manager, Human Resources	Jessell Moraldo-Cumberbatch
Executive Manager, Branch Operations and Financial Advisory Services	Stacey Bravo-Chaitram
Group Executive Manager, Marketing, Research and Business Development	Kester Regis
Ag. Executive Manager, Credit Administration	Anne Marie Alexander
Head, Information Technology	Charlene Webb-Brereton
Security Co-ordinator	Cecil Gittens
Internal Auditor	Thayne Borel

Immediately following the Annual General Meeting which was held on July 30th 2017, the Board of Directors, with the strong support of the management team, embarked on a series of actions emanating from the Strategic Plan 2017-2019 under the theme: "A New Experience. A New Reality...A New Attitude". These included the hosting of an Orientation Retreat for members of the Board and the Executive Management of the Group i.e. Eastern Credit Union and its subsidiary, EPL Properties Limited. This afforded participants the opportunity to get a sound overview of the challenges facing the organisation and to identify the areas for priority action during the rest of 2017.

However, in acknowledging the very dynamic nature of our economic and social environment and the need to respond effectively to the needs of our growing membership, the Board revisited the strategic plan during the last quarter of 2017. The outcome of this was a revised strategic direction for the society for the year 2018 which the Board accepted at its statutory meeting held in December 2017. These strategic priorities which are also highlighted on page 1 of our brochure are as follows:

- i. **Generate Sales Revenue** – This recognizes the need for strengthening our business development and sales functions in order to generate the earnings and surplus needed for the future development of the credit union.
- ii. **Improve Customer Service** – The Board and the membership mandated at the AGM held last year that significant action be taken to address the sub-optimal service performance and strengthen member care.
- iii. **Reduce Delinquency** – This recognizes that poor credit risk losses can weaken our balance sheet and imperil our collective future and opportunities.
- iv. **Intensify Member Engagement** – A significant asset and resource is our 177,000 membership base. However, less than 30% of them regularly use our products and services and often use the services of competing institutions. We will be vigorous and proactive in increasing members' inclusiveness, participation and usage of ECU products.
- v. **Reinforce Compliance and Risk Management** – The year 2018 will see the demand for compliance with tighter prudential regulations. The IFRS 9 accounting standard came into effect in January 2018 and has significant implications for our structuring and reporting.

3. **Overview**

Global economic performance improved somewhat in 2017 as a consequence of higher investment activity along with an increase in global trade and more stable energy prices. This performance was reflected in the advanced economies as well as the developing and emerging markets, although the Caribbean economies were less impressive as they were adversely affected by several factors, including natural disasters. Many countries adopted accommodative monetary and fiscal policy stances intended to boost economic activity with varying levels of success.

There was curtailment in economic activity in Trinidad and Tobago in 2017, with major cutbacks in government expenditure resulting from the sharp decline in government revenue. Business activity was adversely affected by the depressed economic conditions and difficulty in accessing foreign exchange due to rationing by the commercial banks. The unemployment rate trended upwards as several business establishments retrenched workers or even closed their operations, while inflation persisted. These conditions posed hardship for some members of our credit union who lost their jobs or experienced sharp declines in their earnings. The high crime rate was also an area of major concern.

The foreign exchange market remained very tight with many factors experiencing difficulty in accessing foreign exchange. There was limited growth in credit during the year as consumer, business and real estate lending grew only marginally overall. Interest rate trends (deposit rates as well as lending rates) were however maintained despite excess liquidity conditions.

With the recent strengthening of oil prices in 2017, and the prospects of increased production in the natural gas and petrochemical sectors, the economic outlook for the local economy in 2018 is somewhat more positive than in the previous year. However, the scourge of crime and other adverse social and environmental conditions continue to be causes of major concern.

4. **Financial Performance**

Despite the challenges faced both externally and internally we are pleased to report on positive financial results for the year 2017. Total assets of Eastern Credit Union stood at \$2.1 billion at the end of 2017, which was 5.5% higher than in 2016 when the asset base was \$1.99 billion. More than half of these assets are represented by loans to our members amounting to \$1.3 billion, while long term investments amounted to \$206.5 million or 9.8% of total assets. During the year our members' share capital grew by 2.9% to a level of \$1.4 billion, which represented 73.5% of our total liabilities of \$1.9 billion.

In 2017 the credit union earned \$196.6 million which was marginally below the \$198.3 million earned in the previous year. Interest income on loans accounted for the largest share of this income (\$166.4 million), increasing marginally over the period. However, expenditure fell by 6.7% during the year to \$131.9 million resulting in a net surplus for the year 2017 of \$63.9 million. This reflects an improvement of 13.5% (\$7.6 million) for the year of which we are understandably very proud. This performance bears testimony to the view that credit unions survive and even thrive during difficult times when other institutions fail.

Summary of Highlights 2017-2015

	2017	2016	2015
Dividend on Special Shares	7.0%	5.0%	3.5%
Patronage Refund	7.0%	5.0%	5.0%
Dividend on Redeemable Shares	2.5%	2.0%	2.5%
Surplus	\$63m	\$56m	\$85m
Institutional Capital	9.0%	7.5%	6.6%
Bureau de Change Licence	1 year	6 months	6 months

5. **The Internal Operations**

The Board of Directors afforded priority to ensuring that there was compliance with the stricter regulatory requirements emanating from the Central Bank of Trinidad and Tobago associated with our Bureau De Change operations as well as with the International Accounting Standards especially IFRS 9.

In preparation for the coming into force of the IFRS 9 in January 2018, Eastern Credit Union hosted a Breakfast Seminar in November 2017 at the Eric Williams Multi-purpose Facility. This was aimed at sensitizing stakeholders

as to the impact of this standard on the treatment of financial assets in our Balance Sheets. We have received very positive feedback from our fellow financial cooperatives on this forum.

During our AGM last year we reported that we had encountered a major failure in our IT system which had impacted negatively on the quality of our service delivery. We are pleased to report a full restoration of our system. We thank our dedicated staff who, under the direction of our Group CEO, Mr. Conrad Enill, literally burnt the “midnight oil” to ensure that this failure was rectified within the shortest possible timeframe. We are grateful to our valued retirees, who were willing to return to work during this very difficult period, for their dedication and loyalty to our beloved institution.

Indeed, the workload in all areas increased considerably as Directors were obliged to practice a level of oversight consistent with their fiduciary and regulatory obligations. To achieve this, Board members were assigned to Committees with responsibilities for specific areas. These Committees were as follows:

- i. Waiver
- ii. ICT
- iii. Governance and Bye Laws
- iv. Human Resources and Industrial Relations
- v. Finance, Investment, Tenders and Marketing
- vi. Delinquency
- vii. Risk Management
- viii. ECU/EPL Memorandum of Understanding (MOU)

We are indeed very proud to be the only credit union licensed by the Central Bank of Trinidad and Tobago to operate bureau de change services. Although the regulatory requirements have proven to be stringent and at times onerous, we continue to make substantial progress in compliance as we endeavour to meet the needs of our membership. In 2017 the Central Bank approved the grant of licences to our nine (9) bureaux for a period of one (1) year, representing an improvement over the previous two years when licences were granted for six monthly periods. This has resulted from the satisfactory examinations conducted by the Central Bank.

Our current regulatory, accounting and reporting standards demand that our elected officers attain the minimum educational standards and competencies to enable them to perform their functions effectively. In addition to the recent amendments to our Bye-Laws which have virtually eliminated nominations from off the floor, the Governance and Bye-Laws Committee continues to review our Bye-Laws and policies in order to recommend the appropriate changes.

6. **Delinquency**

There is no doubt that the state of the economy has resulted in a larger percentage of our borrowing members being unable to service their obligations, in accordance with the terms of their loan agreements. It is to be noted however that other factors over which we have little or no control also impact on our delinquency rates, a major one being the delayed remittance of standing orders and salary deductions by other institutions. This results in members’ loan accounts being credited well beyond the due date.

The credit union is always willing to work with members to ensure that they can continue to service their loans. Accordingly, management has implemented measures to expand the advisory services offered to our members including rescheduling arrangements and counselling, to ensure that they do not become delinquent. We continue to encourage members who may be experiencing difficulties in servicing their loans to visit their branches to seek the assistance and guidance of our staff. The society was built on the trust and confidence of its members in one another and we wish to ensure that this culture will endure even in times of difficulty.

7. Administrative Office Renovations

In 2017, with the approval of the Board of Directors, management embarked on the renovation and refurbishment of the Administrative offices on the third floor of the La Joya complex. This project was intended to provide management and elected officials a more comfortable and technologically advanced environment in which they could perform their duties. The offices of the CEO and Group Executive Managers, the IT and Human Resource departments as well as the Board Room, Secretariat, and Lunch Room facilities are now located on this floor which has been named the Stephanie Wilson Administrative Floor in tribute to our late founder. Renovations to the remaining floors which house the St. Joseph Branch and the Securities department are in progress.

Additionally, the Accounts department was relocated to the top floor of the Arima branch as the space which formerly housed the Banquet Hall and Conference facilities were converted to offices. This move has also provided the staff a more comfortable working environment and has generated additional rental income to our subsidiary, EPL Properties Ltd. We thank staff for the patience and tolerance displayed during the period of renovation, as some of them had to be temporarily relocated offsite to enable the works to be completed.

8. Industrial Relations

A healthy industrial relations climate continues to prevail through ongoing dialogue and collaboration between the credit union and the representative trade union, the Banking, Industrial and General Workers Trade Union (BIGWU), in the interest of achieving strategic objectives. Negotiations for all three bargaining units are progressing with the Union for the current period. The Board is hopeful that these negotiations will be concluded shortly.

9. Attendance at Conferences

The credit union continued to afford elected officials and staff the opportunity to participate in conferences and training programmes, both locally and abroad, in order to keep abreast of developments which impact on the operations of the society. Our delegates/nominees attended the following conferences and programmes between August 2017 and March 2018:

- Caribbean Development Education Programme (CaribDE) – St Lucia - September 2017
- Caribbean Development Education Programme (CaribDE) – Barbados - October 2017
- Association of Credit Union Presidents Leadership Programme – Mexico –October 2017
- Caribbean Confederation of Credit Unions (CCCU)
- North East Regional Chapter (NERC)
- World Council of Credit Unions (WOCCU)
- Co-operative Credit Union League of Trinidad and Tobago (CCULTT) Training Programmes
- IFRS 9 Programme

10. **Acknowledgement**

The Board of Directors is extremely grateful to the entire staff body of the credit union under the leadership of the Group Chief Executive Officer, Mr. Conrad Enill, for their dedication and commitment to the attainment of our stated goals and objectives. We appreciate the strong team spirit and camaraderie that they displayed in delivering service to our membership.

We also wish to thank our colleagues on the Board of Directors whose terms of office have come to an end. These include our President, Mr. Wayne Estrada, Executive Directors Messrs. Gerard Mathews and Ronald Bobb and Director Mr. Darius Figuera, all of whom made invaluable contributions to our leadership team during the year. Thanks are also due to our Substitute Directors who were very supportive when required. We also express our gratitude to the members of the Credit, Supervisory, Education and Nominating Committees who performed their statutory roles with professionalism and dedication thus assisting us tremendously in delivering on our mandate.

In keeping with our philosophy of "People Helping People" Eastern Credit Union responded promptly in 2017 to the call to assist the people of Dominica in the wake of Hurricane Maria. In addition to a financial contribution to the Dominica Hurricane Relief Fund, members donated supplies and foodstuff to our collection boxes located throughout our branch network. We thank them for their generosity.

11. **Obituaries**

We express our sincere condolences to relatives and friends of our deceased members who passed on during the calendar year 2017, among whom were founders Mr. Alston Wilson, our first President and Ms. Theresa Nivet.

Aberdeen, Roger 12/13/2017	Babwah, Anderson 12/1/2017	Boodhoo, LaToya 2/25/2017	Castillo, Otelianoe 2/1/2017
Alexander, Andre 2/19/2017	Bacchus, Osbert 2/1/2017	Boynes, Abigail 5/26/2017	Charles, Fenwick 6/12/2017
Alfred-Gray, Marilyn 8/30/2017	Baptiste, Gwendolyn 5/12/2017	Bradshaw, Arnold 10/18/2017	Charles, Suzette 3/16/2017
Ali ,Debbie 1/1/2017	Baptiste, Purnell 4/17/2017	Brathwaite, Lisa 7/7/2017	Charles-David, Lucina 8/13/2017
Ali, Elvira 10/14/2017	Barry, Joseph 8/17/2017	Brereton, Lloyd 3/20/2017	Chow Chung, Marc 7/19/2017
Alleyne, Alicia 1/14/2017	Bethelmy, Leon 10/9/2017	Brizan, Valentine John 7/24/2017	Clarke, Roy 2/7/2017
Anderson, John Fitzgerald 10/28/2017	Bishop, Rupert 5/24/2017	Browne-Simpson, Lorna 5/5/2017	Collette, Clayton 9/12/2017
Antoine, Buzz 7/17/2017	Blair, Sheila 3/9/2017	Burke, Christy Ann 11/6/2017	Collins, Lyndon 1/29/2017
Antoine , Francis Joseph 2/3/2017	Bocas, Ivan 3/23/2017	Caliste, Steve 11/29/2017	Cowie, Averta 7/25/2017
Ayers, Theodora 7/30/2017	Bonnett, Mark 6/4/2017	Cassie, Peter 7/15/2017	Cox , Christiana 9/29/2017

Critchlow, Lloyd 12/30/2017	Figaro, Wayne 12/28/2017	Harewood, Kathleen 6/22/2017	Joseph, Andrew 5/3/2017
Cudjoe, Alvin 1/30/2017	Fisher, Marcia 2/10/2017	Harrigin, Sharon 7/19/2017	Joseph, Elva Modestine 5/31/2017
Cudjoe, Leon 6/26/2017	Fletcher-Small, Margaret 10/17/2017	Harris, Marjorie 10/23/2017	Joseph, Eunice 6/6/2017
Cummings, James D 7/25/2017	Forde, Marianne 7/1/2017	Henry, Jennifer 11/30/2017	Joseph, Mc Donald 2/24/2017
Daniel, Fitzroy 7/25/2017	Forgenie, Claudette 5/12/2017	Hercules, Albertha 6/23/2017	Joseph, Michelle 4/16/2017
Daniel, Jabari 7/25/2017	Fortune, Felix Winston 3/24/2017	Hernandez, Albert 11/13/2017	Joseph, Patrick 8/22/2017
David-Durant, Juliana 3/8/2017	Francis, Enrique 8/22/2017	Housen, Anthony James 8/2/2017	Joseph, Wendell Roger 8/4/2017
Del Pino, Dawn 5/8/2017	Francis, Everill 9/29/2017	Huggins, David 4/22/2017	Joshua, Joycelyn 4/3/2017
Dempster, Charles 4/30/2017	Francis, Idena 8/18/2017	Hurst, Donald 5/6/2017	Julien, Elsa 11/8/2017
Dennis, Herold 1/14/2017	Garcia, Akil 8/15/2017	Jagmohan, Stephen 7/3/2017	Kanhai, Margaret 1/16/2017
Dennis, Nunez 1/11/2017	George, Kerlan 1/19/2017	Jagoo-Fiddler, Lenora 10/25/2017	Kelly, Tina 6/24/2017
Denny, Dillon 3/30/2017	George, Lalita Norma 1/26/2017	Jerome, Winston 10/17/2017	King, Jhawadd 5/10/2017
Devenish, Brensley 1/15/2017	George, Victor 12/6/2017	Job, Rutherford 7/20/2017	Knight, Marie 3/4/2017
Diaz, Kent 4/19/2017	Gilkes-Saunders, Kathleen 4/20/2017	Joe, Cynthia 2/25/2017	Knights, Keston 8/5/2017
Dick, Valcina 1/16/2017	Gittens, Harold 12/9/2017	John, Kerwayne 1/19/2017	Kooman, Kimchan 12/8/2017
Dottin-Johnson, Michelle 5/21/2017	Gittens, Norman 2/8/2017	John, Kieron 8/12/2017	Lackhai, Darryl 1/16/2017
Drakes, Christopher 8/15/2017	Glasgow, Jennylind 5/24/2017	John, Pearl 9/4/2017	Lavia, Benjamin 5/13/2017
Dyer, Marlon 8/24/2017	Gomes, Anella 1/7/2017	Johnson, Lunar 9/30/2017	Leacock, Benedict 5/30/2017
Edmond, Sydney 4/8/2017	Gomez, Vilma 11/16/2017	Jones, Barbara 5/3/2017	Lee-Earle, Gizelle 4/30/2017
Edwards, Frank 6/12/2017	Gooding, Alvin 3/21/2017	Jones, Nathaniel 10/17/2017	Lewis, Arthur 8/21/2017
Ettienne, John 7/6/2017	Grant, Ronald 1/5/2017	Jones, Olton 11/18/2017	Lewis, Leonel 2/4/2017
Figaro, Rosey 2/4/2017	Guillaume-Hamilton, Jennifer 10/20/2017	Jordan, Leon 9/19/2017	Lezama, Peter 12/11/2017

Liverpool, John 10/12/2017	Mohammed Charmaine 10/1/2017	O'Brien, Louis 5/6/2017	Rajkumar, Sumintra 9/10/2017
Lucas, Cassie 7/12/2017	Mohammed, Eastman 8/22/2017	O'Kieffe-Carimbocas, Andrea 11/1/2017	Ramcharan Singh, Crystalle 6/13/2017
Mahabir, Bonifacio 12/14/2017	Mohammed, Imran 7/5/2017	O'Brian, Francisca 9/21/2017	Ramdeen, Partap 1/4/2017
Maillard, Andrea 6/11/2017	Mohammed, Shamshoodeen 1/3/2017	Oxley, David 10/22/2017	Ramlochan, Rajesh 1/12/2017
Manmohan, Iona 4/20/2017	Mohammed, Travis 4/17/2017	Parris, Cynthia 2/16/2017	Ramlogan, Chandai 7/18/2017
Marchan, Cleo 3/16/2017	Mohan, Randolph 7/2/2017	Partap-Gomes, Camilia 4/26/2017	Ramoutar, Johnny 7/31/2017
Marshall, Winston 11/3/2017	Monroe, Umay 11/29/2017	Patterson, Winston 2/16/2017	Rampersad, Ammar 11/24/2017
Martin, Vanfield 9/27/2017	Montano, Lloyd 9/26/2017	Paul, Wilfreda Kieran 10/19/2017	Ramsawak, Johnny 8/20/2017
Mascall, Agnes 6/30/2017	Moore, Gregory M. 6/7/2017	Penco, Enrico 2/1/2017	Ramsingh, Marie 1/2/2017
Maxima, Carla 1/26/2017	Moore, Junior 10/18/2017	Pequette, Phyllis 9/9/2017	Reece, Carlyle 12/26/2017
Mayers, Arthur 3/23/2017	Moore-Belgrave, Thora 11/23/2017	Persaud, Ria 8/1/2017	Regis, Patsy 4/9/2017
McClellan, Lincoln 9/30/2017	Morgan, Marjorie 7/20/2017	Philip-Smith, Mary 1/30/2017	Richardson, Anandabar 10/12/2017
McConney, Tyrek 6/25/2017	Morley, Latheise 5/27/2017	Pierre, Russell 2/24/2017	Rodney-Hernandez, Merle 3/10/2017
Mc Dowell, Dorothy 2/13/2017	Morris, Monica 3/13/2017	Pirtam, Verna 10/12/2017	Rolle, Luke 4/18/2017
Mc Neil, Sharon 4/23/2017	Moses, Jabari 9/1/2017	Pran, Deryck 8/3/2017	Rooplal, Ramesh 6/1/2017
Mejias-Mohammed, Claudia 12/20/2017	Mullin, Lenora 2/26/2017	Pran, Sharon 8/8/2017	Ross, Kelvin 2/10/2017
Melville, Lystra 4/18/2017	Mungroo, Herman 3/10/2017	Prashad, Chandra 11/15/2017	Ruiz, Grace 2/17/2017
Mendoza, Clement 7/25/2017	Nero, Marlon 12/15/2017	Prince, Jennifer 3/27/2017	Ryan, Margaret 7/27/2017
Millington, Conrad 2/9/2017	Newton, Graciella 5/27/2017	Prospere, Akido 1/6/2017	Sahadeo, Rush Reza 1/28/2017
Millington, Dixie-Ann 9/7/2017	Nicholas, Wayne 10/20/2017	Pryce, Valerie 1/9/2017	Samuel, Dillon 8/3/2017
Mitchell, Lena 1/20/2017	Nivet, Theresa 4/8/2017	Pysadee, Roger 2/12/2017	Samuel, Michael 8/8/2017
Mitchell, Winston 1/11/2017	Noriega, Philip 8/8/2017	Quanchan, Lionel 7/30/2017	Savary-Mc Queen, Jethro 7/29/2017

Sequea, Rafael 3/22/2017	Thomas, Helen 2/23/2017	Warner, Patrick 11/3/2017	Williams, Paul Anthony 6/15/2017
Simon, David 5/10/2017	Thomas, Stanley 1/10/2017	Webb, Lyndon 1/6/2017	Williams, Sylvester 6/16/2017
Singh, Kimraj 5/15/2017	Thomas, Willie 4/24/2017	Weekes-Lloyd, Claudette 6/22/2017	Wilson, Alston 6/28/2017
Singh, Ramesh 4/25/2017	Thompson, Audrey 12/10/2017	Wellington, Theophilus 8/11/2017	Wilson, Marilyn 5/26/2017
Smith, Kelvin 1/25/2017	Vaughn-Best, Suzana 2/14/2017	Whittington, Wallace 10/25/2017	Winter, Ryan 1/1/2017
St Cyr, Roslyn 10/6/2017	Virri, Julie 12/30/2017	Williams, Albert Henry 7/20/2017	Woods, Sydney 5/29/2017
St.Louis, Shaniece 2/21/2017	Walcott, Errol 6/18/2017	Williams, Elizabeth 3/23/2017	Workman, Kenneth 9/30/2017
Stephenson, Selma 3/24/2017	Walker, Stephanie 7/19/2017	Williams, Glenroy 10/18/2017	Worrell, Stephen 6/27/2017
Stewart, Carol 7/28/2017	Warner, Allerson 1/3/2017	Williams, James 1/3/2017	
Teelucksingh, Irene 4/5/2017	Warner, Candace 5/27/2017	Williams, Margaret 7/27/2017	

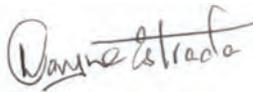
We also pay tribute to a former President and distinguished member and former Mr. Edward Garcia who recently passed on. In recognition of the tremendous contribution he had made to the credit union, many years ago we had dedicated our Gymnasium at La Joya in his name. May our departed members rest in peace.

12. **Conclusion**

There is no doubt that Eastern Credit Union is a stable, forward-looking, institution that is making every effort to bring a new and exciting experience to its membership. We have established and continuously review the sound governance, operating, management and ICT systems and infrastructure that provide the platform from which we are poised to deliver an improved menu of services and products. Our performance and results for the year 2017 show that we are capable of not only attaining the ambitious targets set for the year 2018 but also continuing to lead the way in providing quality service to our large and diverse membership.

**BOARD OF DIRECTORS ATTENDANCE AT MEETINGS
(AUGUST 2017-MARCH 2018)**

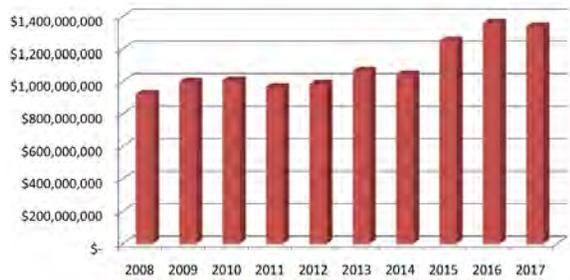
Name	BOARD			SPECIAL BOARD			EXECUTIVE		
	Pres	Abs	Exc.	Pres	Abs	Exc.	Pres	Abs	Exc.
1. Wayne Estrada	8	-	-	5	-	-	8	-	-
2. Clyde Herbert	8	-	-	4	-	1	7	-	1
3. Ronald Bobb	7	-	1	5	-	-	7	-	1
4. Francisca Lassalle	8	-	-	5	-	-	8	-	-
5. Gerard Mathews	8	-	-	5	-	-	8	-	-
6. Janelle Benjamin	7	-	1	5	-	-			
7. Stephanie Benjamin	7	-	1	5	-	-			
8. Cyril Barran	7	-	1	5	-	-			
9. Darius Figuera	8	-	-	3	-	2			
10. Lindhurst Murray	8	-	-	4	-	1			
11. Marlon Phillips	6	-	2	4	1	-			
12. Wendy Williams	6	-	2	4	-	1			



Wayne Estrada
Chairman

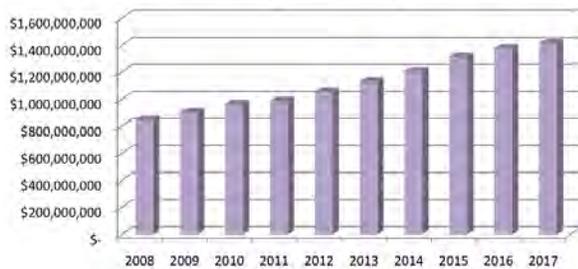
PERFORMANCE HIGHLIGHTS

LOANS TO MEMBERS



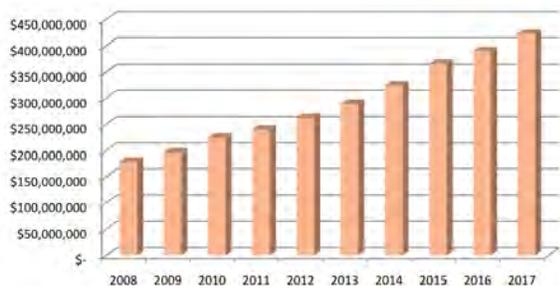
2008	\$921,889,830	2013	\$1,065,591,874
2009	\$996,244,194	2014	\$1,041,592,386
2010	\$1,005,010,007	2015	\$1,249,851,394
2011	\$964,333,637	2016	\$1,359,091,525
2012	\$982,683,186	2017	\$1,338,640,280

TOTAL SHARES



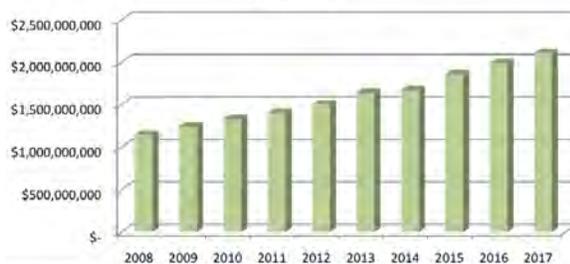
2008	\$846,148,293	2013	\$1,129,748,846
2009	\$902,426,992	2014	\$1,206,923,148
2010	\$961,613,243	2015	\$1,313,384,628
2011	\$985,363,468	2016	\$1,375,538,754
2012	\$1,052,937,796	2017	\$1,415,742,792

DEPOSITS



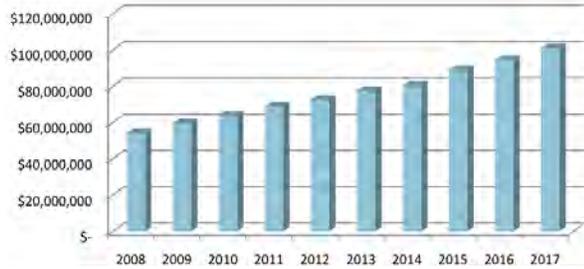
2008	\$178,341,617	2013	\$289,275,816
2009	\$196,297,162	2014	\$324,419,614
2010	\$224,624,547	2015	\$365,232,099
2011	\$239,930,293	2016	\$389,348,048
2012	\$261,930,468	2017	\$422,964,506

TOTAL ASSETS



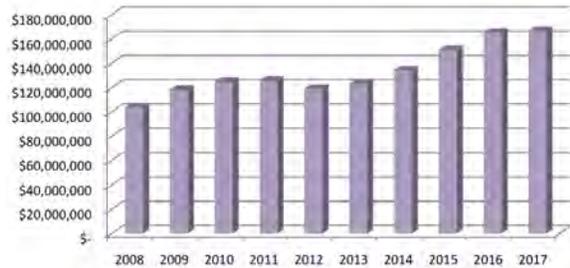
2008	\$1,144,980,992	2013	\$1,640,991,397
2009	\$1,242,777,886	2014	\$1,672,222,273
2010	\$1,329,991,213	2015	\$1,860,458,142
2011	\$1,405,773,250	2016	\$1,990,982,139
2012	\$1,505,759,123	2017	\$2,107,730,463

RESERVE FUND



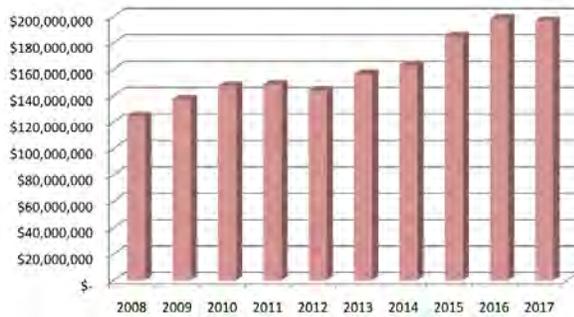
2008	\$54,160,513	2013	\$77,425,300
2009	\$59,667,037	2014	\$80,454,269
2010	\$63,861,584	2015	\$88,960,040
2011	\$68,708,811	2016	\$94,599,071
2012	\$72,715,716	2017	\$100,994,732

INTEREST ON LOANS



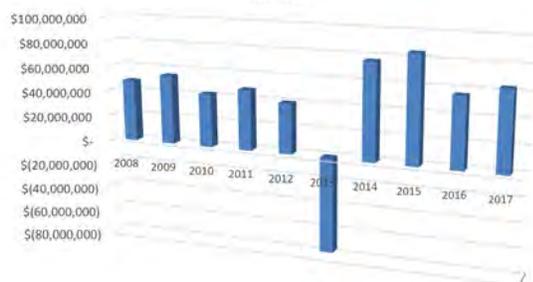
2008	\$103,806,362	2013	\$123,223,810
2009	\$118,277,357	2014	\$134,240,606
2010	\$124,931,518	2015	\$150,948,126
2011	\$125,748,385	2016	\$165,020,596
2012	\$118,951,524	2017	\$166,366,226

INCOME



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
2012	\$143,917,410	2017	\$196,595,489

NET SURPLUS



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
2012	\$40,057,069	2017	\$63,911,373



Ms. Stacy Alleyne



Ms. Maria Ann Joseph



Ms. Deborah Picou



Ms. Anne-Marie Arnaud Thomas



Ms. Camille Lisa Rolingson

Supervisory Committee Report

Supervisory Committee Report 2017/2018

In accordance with Bye-Law 22(e), the Supervisory Committee of Eastern Credit Union Cooperative Society Limited (ECU), takes pleasure in presenting its report to the Annual General Meeting (AGM) of our esteemed society having served for the period August 2017 to May 2018.

Composition of the Supervisory Committee

At the 43rd AGM held on July 30, 2017, the under mentioned Members were elected to the Supervisory Committee.

Committee Member	Position on Committee	Length of Tenure
Ms. Stacy Alleyne	Chairperson	2 years
Ms. Maria Ann Joseph	Secretary	2 years
Ms. Deborah Picou	Member	2 years
Ms. Anne-Marie Arnaud-Thomas	Member	1 year
Ms. Camille Lisa Rolingson	Member	1 year
Mr. Trevor Rogers	1 st Substitute	1 year
Bridgette Harry	2 nd Substitute	1 year

In accordance with Bye-Law 22(d), on August 7, 2017, the Supervisory Committee convened and duly elected Ms. Stacy Alleyne and Ms. Maria Ann Joseph its Chairman and Secretary respectively. On December 3, 2017, Ms. Bridgette Harry, initially elected as 2nd alternate resigned her position.

Supervisory Committee Training

The members of the Supervisory Committee embraced training and development as a critical aspect of understanding its mandate and function, as custodians of a financial institution and participated in the undermentioned programmes:

- **ECU's Annual Elected Officials Retreat**-August 25 to27, 2017
- **Anti-Money Laundering (AML)** -August 26, 2017
- **ECU's Organisation & Management Programme** - October 9 to November 11, 2017
- **Role and Responsibilities of Supervisory Committee** - November 2, 2017
- **CaribDE** (Supervisory Committee Chairperson,Ms. Stacy Alleyne)- September 17 to 23, 2017
- **CaribDE** (Supervisory Committee Member, Ms. Deborah Picou) - March 18 to24, 2018

SUPERVISORY COMMITTEE MANDATE

In accordance with Bye-Law 22(a)(i), 'the committee shall 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'. For the period 2017/2018, the Supervisory Committee reviewed the following:

1.Cash Counts

In keeping with Bye-Law 22(e)(vi), the Supervisory Committee conducted bi-annual cash counts at the nine (9) branches in Trinidad and Tobago and found that there were no discrepancies.

2. Delinquency

The Supervisory Committee attended meetings of the Delinquency Committee and observed that several strategies and initiatives to reduce delinquency were undertaken. These will be further addressed in detail by the Board of Directors and the Credit Committee.

3. Human Resources/Industrial Relations (HR/IR) Issues

During its tenure, the Supervisory Committee noted a substantial reduction in the number of HR/IR matters and anticipates an even greater reduction based on the diligence of the HR/IR Department. The Board and the HR/IR Committee are currently reviewing existing policies and working toward the implementation of new ones.

The Supervisory Committee also wishes to highlight efforts of the Board of Directors and Executive Management in its strategic and succession planning through the implementation of its Accelerated Management Programme initiative.

4. Risk

The Risk Committee sustained its thrust towards strengthening ECU's risk management capability. In this regard, the committee oversaw the adoption of a risk based model for the production and presentation of reports from the Internal Auditor and continued to assist in ensuring that appropriate responses to External Auditor's reports were effected in a timely manner. Monitoring of compliance with international standards and regulatory requirements also accounted for a significant measure of the committee's work as an oversight team. The members maintained their advocacy for regular data analysis and innovation in treating with contingency planning and business continuity.

5. Examination of the files of Elected Officials

During the course of its tenure, a sample of files of elected officials was reviewed and the Supervisory Committee is pleased to report that those officers were in good standing as none of their accounts were found to be delinquent.

6. Implementation of Peer Review/Appraisal

The Supervisory Committee is in full support of the implementation of a comprehensive appraisal system by which to evaluate both individual and committee performance of elected officials.

7. Member Issues

- During the end of year Barataria Branch cash count, a member of staff indicated that elderly members would like to see the return of passbooks to check the movement of their entries. The Supervisory Committee therefore urges Management to explore this issue further.
- The Supervisory Committee urges members to repay loans in a timely manner and to utilise the member services and facilities provided by management.

8. Meeting Attendance

In accordance with Bye-Law 22(e)(viii), the Supervisory Committee attended and observed discussions that took place at Executive Committee Meetings, meetings of the Board of Directors, Statutory Committees and all other sub-committee meetings during its 2017/2018 tenure. This included: Education, Nominating, Credit, Risk, Human Resource /Industrial Relations, Governance and Bye-laws, Finance Investments Tenders and Marketing, Delinquency, AGM Stakeholders, and Information Technology, with an accumulation of over sixty (60) attendance to meetings.

9. Acknowledgements

We take this opportunity to thank:

- God for his many blessings and for the chance to be here among our friends and fellow members.
- You the membership, for the opportunity to serve you.
- The members of the ECU Board of Directors for their diligence and commitment to ECU.
- The dedicated and loyal Management and staff of ECU for their hard work and persistence in serving the membership tirelessly.

10. Closing Remarks

Despite the many challenges and numerous limitations we faced, the Supervisory Committee 2017/2018 had a successful tenure. We recognise that there is always room for improvement and we anticipate your support in helping ECU to achieve its full potential as People helping People.

Respectfully submitted,



Ms. Stacy Alleyne
 Chairperson
 ECU Supervisory Committee

Supervisory Committee Statutory Meeting Attendance: August 2017 - March 2018

Committee Member	Present	Absent	Excused
1. Ms. Stacy Alleyne	10	-	-
2. Ms. Maria Ann Joseph	9	-	1
3. Ms. Deborah Picou	8	-	2
4. Ms. Anne-Marie Arnaud-Thomas	10	-	-
5. Ms. Camille Lisa Rolingson	9	-	1



Mr. Delroy Burris



Ms. Mary Thompson



Ms. Jacquelyn Humphrey



Mrs. Rhona Adams-Arrindell



Ms. Patricia Ward

Credit Committee Report

Credit Committee Report January - December 2017

At the conclusion of the **43rd** Annual General Meeting of the Society held on 30th July 2017, the mandate was handed to five (5) members and two (2) substitutes to function as the Principal Guardians of the membership's Assets. The Committee took the task very seriously and at the 1st Joint Committees' Inaugural Meeting held on Monday July 31st 2017, the Committee elected a Chairman and a Secretary. The members of the current Committee are;

Delroy Burris	Chairman
Mary Thompson	Secretary
Rhona Adams-Arrindell	Member
Jacquelyn Humphrey	Member
Patricia Ward	Member

Substitutes

1st Kirk Ferguson

2nd Mahmud Muhammad

Once those formalities were discharged, the Committee sat every Tuesday or at least once per week for the remainder of the year. Upon assuming office, the Committee was mindful of the limited time at its disposal, to make a positive impact on the lives of our membership. The Committee held its first statutory meeting on Thursday 3rd August 2017, during which the Chairman reminded the Committee of the Bye-Laws of the Society and our core responsibility to discharge our duties and to guard jealously the integrity and good name of the Credit Union.

Further discussions were held regarding the state of the Trinidad and Tobago economy and the effects of current conditions on lending and delinquency.

The Committee contemplated measures and proposed recommendations for changes that are likely to have a positive impact on the organization in the mid to long term. However, we continue to be concerned about the number of members who have found themselves in difficulties, due to our current economic climate and the resulting increased demand for share-withdrawals and share to loan transfers being referred to the Committee.

The Committee also notes that the reasons proffered by our members for the transfers were genuine and could not be declined, since the nature and purpose of the requests were mainly to bring accounts out of a state of delinquency and/or to pay off loans totally. Whatever the purpose, we had to choose between the lesser of two evils, on the one hand reduce our delinquency levels through the requested transfers and on the other, to pay off the members' loans to avoid these accounts continued delinquency.

The Committee also saw unprecedented levels of meeting requests from our membership for various reasons. These meetings were generally with members in dire straits who had no choice but to seek help from their Credit Committee. We facilitated all requests in this regard and saw a total of **19 members**. On conclusion of all our meetings, we were able to arrive at a decision that assisted our members to alleviate whatever situation they were faced with.

Files Seen

Whilst the Committee is responsible for all loans across the Society, in the interest of time and expediency, there is a Board approved limit entrenched in policy that guides the loan approval process with fixed limits from the level of Credit Officer to Executive Management and the Committee. Whilst the Credit Union approved an overall **27,526** loan applications for 2017, owing to the limits set by the policy, the Credit Committee interacted with a total of **439** files, of which **176** were loan applications. Throughout the period under review, there were requests that exceeded the limit set by the policy for this Committee and the Waiver Committee had to be convened to waive the policy thus allowing the Committee to grant approval for these requests.

A total of **37 files** were sent to the Waiver Committee of which **33** were granted waivers and subsequent approvals and **4** were declined.

The total loan portfolio segmentation for 2017 is outlined in Table 1 and highlighted graphically in Figure 1.

Table 1. 2017 Loan Portfolio Segmentation

Type	Total No. of Loans	% of Total No. of Loans	\$ Value \$M	% of \$ Value
Housing	6,191	19.92	599	41.3
Vehicle	2,751	8.85	280	19.33
Miscellaneous	2,838	9.13	83.5	5.76
Ceremonies and Xmas Expenses	2,354	7.57	73.8	5.09
Business	548	1.76	36.1	2.49
Consumer	13,226	42.56	250.4	17.26
Vacation	735	2.37	24.7	1.7
Debt Consolidation	860	2.77	46.9	3.23
Education	779	2.51	28.1	1.94
Medical	408	1.31	13.8	0.95
Domestic	61	0.2	1.6	0.11
Legal Fees	113	0.36	4.6	0.32
Insurance	100	0.32	4.2	0.29
Share Investment	114	0.37	3.4	0.23
Total	31,078	100	1,450.1	100

Figure 1

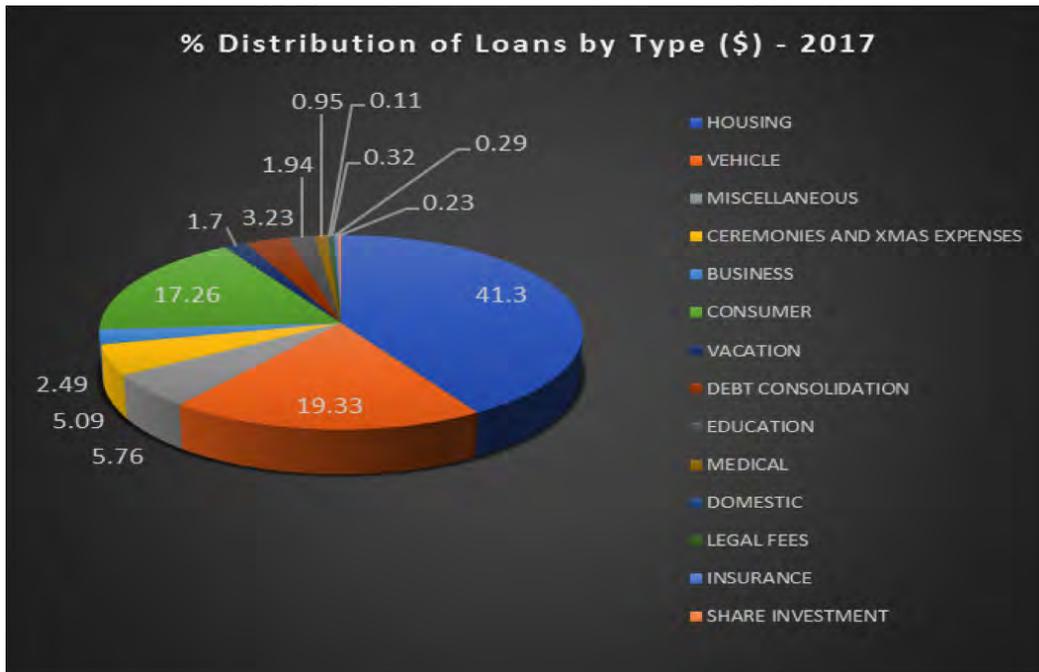


Table 2 provides a summary of Eastern Credit Union’s trend in lending and surplus generation over the period 2013 to 2017.

Table 2

YEAR	No. of Loans	Value of Loans Disbursed (\$M)	Interest Income (\$M)	Surplus (\$M)	Increase in Surplus (%)
2013	29,195	452.1	123.2	-76.1	-295.1
2014	29,511	464.9	134.2	77.3	201.6
2015	29,865	597.8	150.9	85.0	10.0
2016	28,424	546.9	160.0	56.3	-33.8
2017	27,526	450.5	166.4	63.9	13.5

As evidenced by the data provided, consumer loans continue to account for the largest number of loans while mortgages accounted for the highest value of loans disbursed.

Delinquency

Like most lending institutions, Eastern Credit Union continues to be challenged with the issue of delinquency and non-performing loans in 2017. The trending figures for our delinquency portfolio throughout the financial year reflected an average of 10-13% on our loan portfolio. The Credit Union sought to address this situation by implementing a more robust approach to the follow up of delinquent loans and adopting a write off policy that

seeks to rid the portfolio of legacy loans that have been deemed difficult to recover. The size of ECU is not to be ignored, (177,000 Members, -\$1.4 b-loan-portfolio, -31,078-active-loan-accounts, -27,726-loans- 2017). This Committee is not blind folded by those delinquent members and their accounts that showed signs of being deliberate and we dealt with those accordingly.

Recommendation

The Credit Committee has proposed the implementation of a centralised Collections Unit with full responsibility for all loans in arrears, from the first signs of delinquency to the realisation of collateral held against loans.

Conclusion

The year under review had its challenges and as we hold hands in the fight against the head wind. Let us remind ourselves of where we came from and what brought us here.

I want to take this opportunity to thank you the members for staying the course with us and believing in your Credit Union. I want to sincerely thank my Committee, the Board of Directors, Management and staff for their continued support. May God continue to bless this noble institution that is, Eastern Credit Union Cooperative Society Limited.

Credit Committee Meeting Attendance: August 2017 - March 2018

Name	Present	Absent	Excused
1. Delroy Burris	25	0	4
2. Mary Thompson	26	0	3
3. Jacquelyn Humphrey	26	-	3
4. Patricia Ward	27	0	2
5. Rhona Adams-Arrindell	25	0	4



Delroy Burris
Chairman
Credit Committee



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Mr. Clyde Herbert



Mr. Marlon Phillip



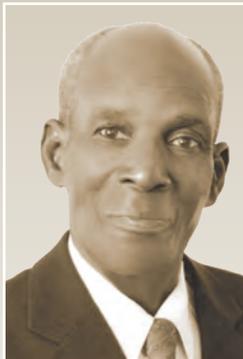
Ms. Janelle Benjamin



Mr. David Taitt



Mr. Gary Cross



**Mr. James Thomas
(Co-opted)**



**Mr. Kurt Flemming
(Co-opted)**



**Ms. Sandra Charles-
Maxwell (Co-opted)**



**Ms. K'Arece Rogers
(Co-opted)**

Education Committee Report

Education Committee Report August 2017 - April 2018

The Education Committee Members were:

Clyde Herbert	-	Chairman
David Taitt	-	Secretary
Janelle Benjamin	-	Member
Marlon Phillips	-	Member
Gary Cross	-	Member

The following persons were co-opted to serve on the Committee at the Inaugural Meeting:-

James Thomas	-	Co-opt Member
Kurt Flemming	-	Co-opt Member
K'areece Rogers	-	Co-opt Member
Sandra Charles-Maxwell	-	Co-opt Member

Our Mandate

Pursuant to 23(f) of the Society's Bye-laws, the Committee was charged with the responsibility to:-

- 1) Be in charge of publicity, education and training programmes and the holding of seminars and conferences.
- 2) Provide educational material for use by members.
- 3) 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 purpose.

Synopsis

The Education Committee hosted several programmes during the period August 2017-April 2018 in keeping with our mandate with a holistic approach towards Education, Business development and Financial responsibilities, while promoting the institution's products and services and the Co-operative philosophy for Empowerment. The following highlights some of the activities undertaken:

1. Breakfast Morning 2018

This event was previously known as "Member's Family Breakfast" and "Breakfast with the President".

The hosting of this orientation programme was held at two (2) venues, La Joya Complex, Trinidad on April 14th 2018 and May 05th 2018 at our Tobago Branch #203 Milford Road, Canaan. The purpose of which, was geared towards satisfying the following objectives:

- Show appreciation to our new and existing members and thank them for choosing us.
- Exhibit and enlighten our new members of the many benefits of being a part of Eastern Credit Union.
- Acquaint all members with the history, products and services that ECU has to offer.
- Promote ECU as a definitive choice of a financial institution.

The topics were:-

- a) Historical Development of Eastern Credit Union
- b) Products and Services of Eastern Credit Union
- c) Estate planning essentials
- d) Understanding our Financial Statements

The Committee took its cue from the cry of the members at the 43rd Annual General Meeting. The members insisted on the improvement of member's service at all locations. It is proposed to hold similar sessions at all branch locations of Eastern.

2. Sanctuary Series

Connecting with our membership is a virtual necessity and it is done through the electronic media of I95.5 FM every Monday morning at 7:25 a.m. The membership and potential membership are enlightened on the activities of the Credit Union and EPL Properties Limited which is our 100% owned subsidiary.

3. Education Awards Ceremony 2017

The 24th Annual Education Awards Ceremony was held on Tuesday 29th August, 2017 at the Eric Williams Auditorium, La Joya, St. Joseph. In keeping with our commitment to further the educational goals of our youth, bursaries were awarded to students at our Primary Schools and University levels.

One hundred and five (105) SEA students received awards valued at \$700.00 and four (4) UWI students were awarded \$1,000.00 each. The students were well supported by their family and friends with approximately 159 in attendance. The bursaries were awarded to all students based on merit and economic need.

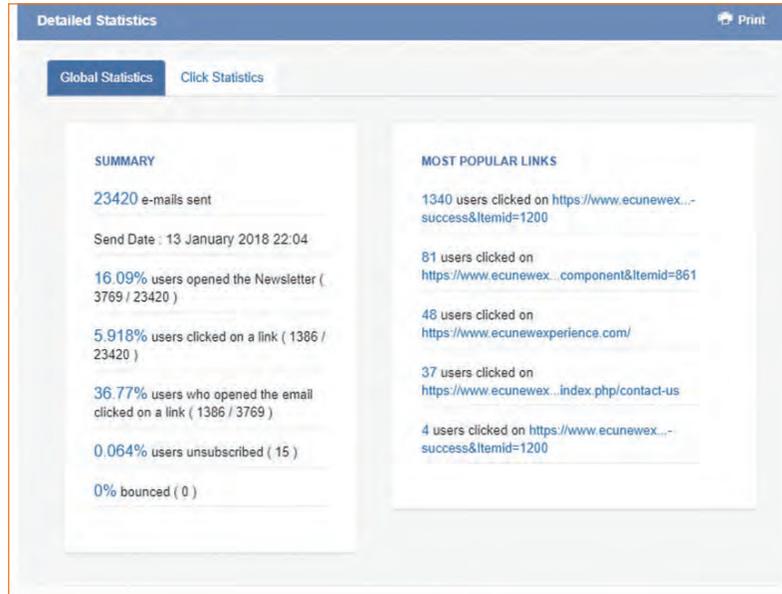
4. BLOGS (Educating Our Members Through Online Communication Platform)

In the month of January the Education Committee shared two issues of their Steps to Success blog with the membership of the credit union. The 'Steps to Success' series gave an insight into a number of 'Life Hacks' that members could use to set them on the right path to financial stability.

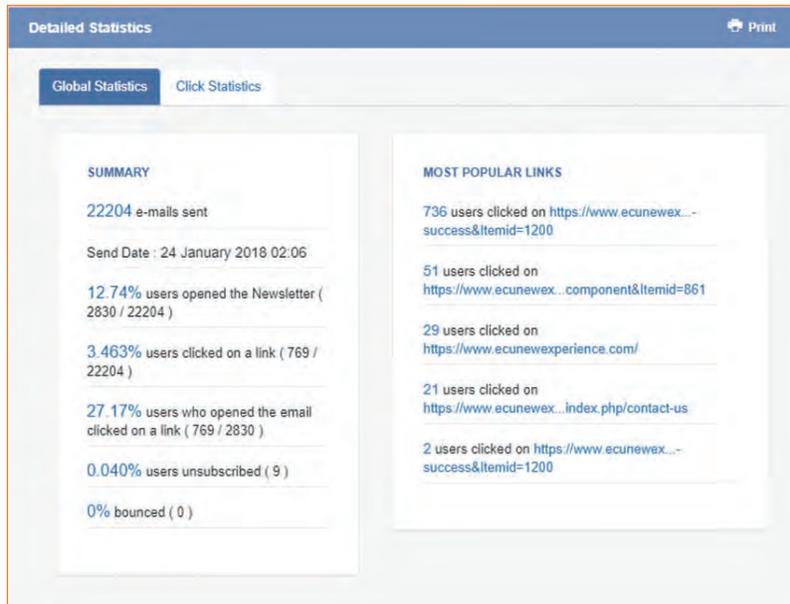
These blogs were uploaded to our Facebook, Instagram and Twitter pages as well as the website for easy accessibility.

The first issues were distributed throughout the course of one week from January 8th – 13th, 2018 whilst the second issue was sent out from January 22nd – January 24th, 2018. A total of 45,624 emails were sent to our membership. The statistics are attached below:

Steps To Success Issue #1



Steps To Success Issue #2



5. Diabetes Walk

Eastern Credit Union hosted its 8th Annual Diabetes Walk on Saturday 11th November 2017. The event started with a warm up session at 3:30 p.m. at the Store Bay Beach Facility and the walk commenced from this point and concluded at the Gulf City Mall, Lowlands.

Nine (9) glucose testing strips and kits were distributed to persons suffering from diabetes at a Health Fair at the mall.

This has now become a calendar event in Tobago and continues to garner excellent participation.

6. Photography Workshop

Our second Annual Photography Workshop attracted twenty-nine (29) participants who gathered at the La Vega Estate on September 23rd, 2017 for this significant creative arts project. Mr. Roger Neckles, National Geographic Wildlife Photographer was the facilitator.

7. Photography Competition

Emerging from the workshop was the actual competition displayed at a reception on November 17th, 2017.

The winners were:-

1 st place	-	"Pelican Fishing" by Candice Barnes
2 nd place	-	"Anhinga Bird" by Seema Ramkissoon
3 rd place	-	"Spiked Nectar" by Carlos Hosten
4 th place	-	"A Sea and Leafless Tree" by Malaysia Hewitt
5 th place	-	"Masked Cardinal" by Jerome Foster
6 th place	-	"Ruby Topaz" by Kareem Forde
7 th place	-	"A Sand Castle Crab" by Krystal Ramkissoon
8 th place	-	"Basking Caimans" by Praimchand Anderson
9 th place	-	"The One that Got Away" by Davis Gunn
10 th place	-	"The Hollows" by Ruben Cato
11 th place	-	"Heaven on Earth" by Deneicere Arrindell
12 th place	-	"The Albino Python" by Gerard Quamina
People's choice	-	"Ruby Topaz" Kareem Forde

The 3rd Annual Amateur Photography competition again proved to be a tremendous success as the twelve winners were showcased in our official Eastern Credit Union Calendar 2018. It must be noted that the quality of photographs submitted in the competition of 2017 were of a very high standard. HATS off to the photography workshop.

8. SEA Motivational Workshop

The 19th Annual SEA Motivational Workshop was approved by the Ministry of Education following which an invitation was sent to all schools from the Ministry. The attendance was remarkable both in Trinidad and Tobago with an overall attendance of three thousand and eighteen (3,018) pupils from 52 schools over the six (6) day period.

TRINIDAD	-	LA JOYA
Monday 26 th February, 2018	-	451
Tuesday 27 th February, 2018	-	570
Wednesday 28 th February, 2018	-	472
Thursday 1 st March, 2018	-	587
Friday 2 nd March, 2018	-	704

Tobago – Scarborough Library Facility

Monday 5 th March 2018	-	234
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The Trinidad Guardian was present on Monday 26th February, 2018 to cover the event. Inspiring and interesting presenters were Pastor Clive Dottin and Errol Fabien. Inter-Caribbean Children Ministry headed by Pastor Derek Downer provided entertainment through the use of a puppet show with the main character “George” who wanted to be a scientist but did not have his father’s support. Eventually George’s father came around and encouraged his son to be who he wanted to be.

The Youth Training Centre presented a skit and encouraged the students to make the correct decisions in their lives.

The Two Cents Movement Kyle Hernandez and Alexandra Stewart were the feature speakers of the programme. They had a very interactive session with the students. The performers motivated the children and encouraged them to be focused in their studies.

9. Eastern Children’s Christmas Party

The event was intended to pay tribute, recognition and acknowledgement to the young members of Eastern Credit Union during the Christmas season of goodwill. This event was held on November 26, 2017 in Tobago and December 10, 2017 in Trinidad. In excess of nine hundred (900) of Eastern’s children were directly involved and the Committee continues to be alert and sensitive to the needs of our young offspring in spite of challenging economic times.

10. Primary Schools Calypso Competition

The 29th Edition of the Primary School Competition was held on January 18, 2018 with the following students emerging as winners.

No.	Winner's Placement	PLACEMENT	School	Tune of Choice
1	Johnathon Simon		Barataria Anglican	Things That Really Count
2	Suri Saith		Curepe Presbyterian	Make A Difference
3	Jonathon Cotton		Curepe Presbyterian	Stand Up
THE OTHER CONTESTANTS WERE				
4	Jessica Emanuel		Curepe Presbyterian	Wrecker
5	Alisha Harewood		San Juan Presbyterian	Pelau
6	Jade Celestine		St. Michael's Anglican	In This Land Mine
7	Isabella Ramcharitar		Curepe Presbyterian	Higher Still

Master of Ceremonies, Sunny Bling received a warm welcome by those in attendance. His energetic personality really touched the students. Tribute was paid to Calypsonian Sherwin Winchester who joined a long line of icons and legends, namely:

David Michael Rudder
 'Singing Sandra'
 'The Mighty Sparrow'
 'Brother Mudada'
 'Calypso Rose'
 'Lord Relator'
 'Drupatee'
 Machel Montano
 Ella Andall
 'Lord Kitchener' (deceased)
 'Brigo' (deceased)
 'Ras Shorty I' (deceased)
 'Lord Blakie' (deceased)

11. The Way Forward

Plans are underway to host several critical events for 2018 - 2019 period:

- The resumption of the **Youth Conversation**. We need to embrace our youth membership and prepare them for leadership in our great institution.
- It is proposed to convene a Mathematics Contest "**Magnificent Mental Minds – 2018**" with a pilot project carded for East Trinidad to be held in October 2018 to coincide with the observances of credit union month.
- Plans to mount a project with our senior citizens to acknowledge their contributions to the growth and sustainability of Eastern Credit Union.

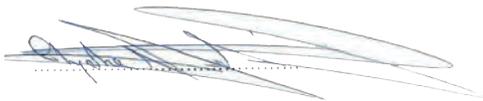
12. Conclusion

Our business model continues to be challenged in these tough economic times. However, our resilience as a people-based institution will always result in ongoing success. It is going to happen, you may not see it right now, but it is going to happen. Our strength lies in togetherness and unity.

Our thanks to the Board of Directors for their unwavering support, to the Marketing Department for their commitment, diligence, counsel and guidance, and to all other persons who contributed and assisted with the various activities facilitated over the past year. We look forward in the true spirit of “Co-operativism” to another year of growth and learning for all members and contributors.

May God continue to bless and guide us in establishing the full potential and purpose of this institution.

“By Wisdom a house is built, and through understanding it is established...”



Clyde Herbert
Chairman
Education Committee



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

**Education
Committee
Highlights of
Annual
Acvtivities**



ECU Education Awards 2017

ECU Photography Competition 2017



Trinidad SEA Motivational Workshop



Tobago SEA Motivational Workshop



Trinidad Childrens Christmas Party 2017

Tobago Children Christmas Party 2017

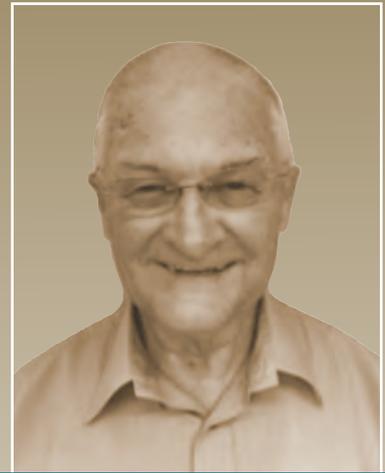




Ms. Stephanie Benjamin



Mr. Clyde Herbert



Mr. Christopher Power



Mr. Gary Cross



Mrs. Suzanne Wyse-Lewis



Ms. Helen Bernard

Nominating Committee Report

Nominating Committee Report August 2017 - April 2018

NOMINATING COMMITTEE REPORT

1. Introduction

The Nominating Committee of Eastern Credit Union Co-operative Society Limited (ECU) for the period August 2017- April 2018 comprised the following persons:

Director Stephanie Benjamin	Chairman
Director Clyde Herbert	Member
Mr. Christopher Power	Member
Mr. Gary Cross	Member
Mrs. Suzanne Wyse-Lewis	Member
Ms. Helen Bernard	Member

2. Committee's Mandate

The Nominating Committee exercised its remit as outlined in Section 24 of the Institution's Bye-Laws. For the period under tenure, focus was placed on training, preparing nominees to serve on the Board of Directors, Credit and Supervisory Committees and reviewing the internal governance of the nomination process. In consideration of selecting suitable persons to serve, the Committee took a holistic approach and was mindful of other factors, which included the changing economic environment particularly the most recent introduction of the International Financial Reporting Standard (IFRS 9) and the varying skills sets that may be required at the leadership level to fully appreciate its impact on the stability of our organization moving forward. Further to this, the impending legislative reform of the Co-operative Societies Act (Chapter 81:03), regulations within the proposed Credit Union Bill and the Fit and Proper guidelines of the Central Bank of Trinidad and Tobago that guide our Institution were all considered.

3. Training Initiatives

Credit Union Organization and Management Programme

The Committee conducted its 7th Credit Union Organization and Management Programme during the period October 9th 2017 to November 11th 2017. Thirty (30) participants including employees of Eastern Credit Union and other credit unions received training in nine (9) modules. The programme concluded with a graduation ceremony on Saturday November 11th, 2017. The programme has the distinct benefit as appropriate certification for entry into the Cipriani College of Labour and Cooperative Studies (CCLCS) Diploma, Associate Degree and Degree Programmes.

In furtherance to the groundwork provided by the former Committee, board approval was granted in January 2018 for the commencement of the process to obtain local programme approval for the Credit Union Organization and Management Programme by the Accreditation Council of Trinidad and Tobago (ACTT). Further steps will also include seeking international accreditation which is aligned to Credit Union training. We are happy to be on our way of having a Credit Union programme branded as "our own".

4. Nominations

Eligibility Criteria

1. Under Bye Law 24 (a) the Nominating Committee is charged with selecting suitable members to serve on the Board, Credit and Supervisory Committees.
 - i. Persons who stand for election to the Board and Statutory Committees of Eastern Credit Union must not be delinquent in his/her loan repayment on the date of his/her nomination application.
 - ii. Over the age of 18 years.
 - iii. A citizen of Trinidad and Tobago or a person lawfully admitted permanent residency who is ordinarily a resident in Trinidad and Tobago.
 - iv. Not an undischarged bankrupt.
 - v. 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.
2. At the Special General Meeting held in December 2016, policies and amendments to the Bye-Laws were ratified and approved based on the mandate from the membership. These are outlined as follows:
 - a) 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 1st and December 31st each year.
 - b) Persons with litigation against ECU should not be allowed to serve on the Board or Committees of ECU.
 - c) Officers serving in elected positions on other credit unions should not be allowed to serve on the Board of Directors or Statutory Committees of ECU.
 - d) A grace period of three years must elapse before former employees of ECU become eligible to serve as an elected official.

It is also important to note that our Institution is the only Credit Union to possess a Bureau de Change in Trinidad and Tobago. This means that we fall under the remit of the Central Bank of Trinidad and Tobago and as such, upon being elected, our officials are required to submit to that authority's Fit and Proper guidelines. While this is not enshrined in our Bye-Laws in terms of a criterion for selection, the Committee cannot operate in ignorance to all applicable Acts, regulations and guidelines that help our organization to operate according to best practices and according to prevailing legal/and or regulatory frameworks.

Nominations were opened on December 22nd 2017 and invitation notices were published at all Eastern Credit Union branches, the print and electronic media, Eastern Credit Union's website and social media inviting eligible members to serve on the Board, Credit Committee and Supervisory Committee.

The Committee, in recognizing and understanding both the external economic environmental changes and the internal needs of our Credit Union made a further call to our members with special skills and training to offer themselves to serve, to add to the diversity of talent required. Prospective nominees were required to submit their completed Nomination form to any branch of Eastern Credit Union on or before Friday 02nd February 2018. Thirty-four (34) members responded to the invitation to serve. All applications were subsequently screened to ensure compliance with the Institution's Bye Laws. From this pool, twenty-seven (27) persons met the criteria and two persons withdrew. There were seven (7) persons who did not meet the criteria.

Interviews were held on February 22nd, 23rd and 26th of 2018 for the Credit Committee, Supervisory Committee and Board of Directors, respectively. This process provided eligible nominees with an opportunity to seek clarity about the organization, to understand the commitment required as Elected Officers and to understand nominees' knowledge and awareness of their Credit Union experience and personal intended contributions to the organization.

5. Recommendations

All candidates were screened by the Nominating Committee and the Committee is pleased to recommend the following candidates:

Board of Directors

Ronald Bobb
Wayne Estrada
Darius Figuera
Don Isaac
Narada Latchman
Gerard Mathews
Richard Noray
Kendra Persad
Duke Pollard
Trevor Rogers

James Thomas
Lyndon Williams

Supervisory Committee

Ann Marie Arnaud-Thomas
Dionne Compton
Deryck Cyrus
Hollis Kent
Camille Rolingson
David Taitt

Credit Committee

Sharmela Dilraj-Boodoo
Kirk Ferguson
Jacquelyn Humphrey
Mahmud Muhammad
Shezrae Nesbitt
Marlene Stafford
Patricia Ward

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

6. Orientation Programme for Prospective Officers

On Saturday March 17th 2018, an Orientation programme was convened for all nominees. The orientation programme aimed at familiarizing nominees with the basic roles and functions exercised by members of the Board and Statutory Committees. Emphasis was placed on team effort, integrity and ethics in decision-making at the policy making levels of the Institution. Case studies, presentations and a feedback session formed a part of the orientation exercise, which allowed nominees a simulated experience where the requisite skill-sets required for the desired office could be applied.

The facilitators were the former Head of the Public Service – Mr. Reynold Cooper, Consultant on Credit Administration – Mr. Charles Mitchell and Industrial Relations Consultant – Mr. Stephen Thomas.

This year, we were happy to ascribe to one of our global Credit Union principles “Co-operation among Co-operatives”, where Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together, the Committee welcomed ten (10) fellow co-operators, also potential nominees from TATECO Credit Union to benefit from this orientation exercise. They were most grateful for the opportunity and experience. Again, Eastern Credit Union Leading the way!

7. Appreciation

The Committee wishes to express its thanks and gratitude to the following Directors and Statutory Committee members who made invaluable contributions to the stability and growth of our organization and whose term of office ends at the 2018 Annual General Meeting:

Board of Directors

Mr. Ronald Bobb
Mr. Wayne Estrada
Mr. Darius Figuera
Mr. Gerard Mathews

Supervisory Committee

Ann Marie Arnaud-Thomas
Camille Rolingson

Credit Committee

Patricia Ward
Jacquelyn Humphrey

8. Conclusion

As Chairperson, I wish to extend a personal thank you for the support from my team members during this term in office. As a Committee we wish to extend appreciation to the fellow directors, elected officials, management and staff who worked with us throughout the year, which enabled us to meet our mandate.

The Committee takes this final opportunity to remind our members of good stewardship and the importance of exercising their duty in a responsible manner, ensuring that the most suitable candidates are elected to the Board of Directors and Statutory Committees. This is necessary to guarantee the continued growth, progress, integrity and most of all the financial stability of our Credit Union.

Yours in service,



Stephanie M.E. Benjamin
Chairman
Nominating Committee

Resolutions

1. Patronage Refund

Be it resolved.

That a patronage refund of 7% be declared for the financial year ended 31st December 2017 and credited to members' Deposit Accounts.

2. Dividend

Be it resolved:

That in accordance with Bye- Laws 15(b) (v) a dividend of 2.5% be approved for the financial year ended 31st December 2017 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- Laws 6(a) (1), 6(b)(1), (ii) and (iii), a dividend of 7% be declared and credited to members' Deposit Account 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. Auditors

Be it resolved:

That the firm PwC be retained as Auditors for the year 2018.

5. 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 2017 be appropriated to the Education Fund.

6. Maximum Liability

Whereas the Co-operative Society Regulations section (14) requires a general meeting of members to fix a maximum liability a society may incur.

Be it resolved:

That the Maximum Contingent Liability to be maintained by Eastern Credit Union Co-operative Society Limited be fixed at \$3.0 billion for the year 2018

7. Loan Write Offs

Be it resolved:

That 1,647 accounts valued \$33,551,857.99 representing accounts that were statute barred and where efforts to collect have been pursued and repayments seemed uncertain, be written off against provisions set aside for such loans.

NOMINATION PROFILES 2018

Board of Directors



RONALD BOBB

PLACE OF WORK: Former CEO, Arima Borough Corporation

CREDIT UNION EXPERIENCE:

- Director of Eastern Credit Union (2016 – Present)
- President of Eastern Credit Union (2007 – 2010)
- Director of Eastern Credit Union (2004 – 2010)
- Member of the Credit Committee of Eastern Credit Union (1999 – 2003)
- WOCCU Leadership Delegate (2007 and 2008)
- AML/CFT Certified
- Certified Caribbean Development Educator
- Director of the North East Regional
- Member for nineteen (19) years



WAYNE ESTRADA

PLACE OF WORK: Former Account Relationship Manager – CUNA

CREDIT UNION EXPERIENCE:

- President of Eastern Credit Union (2015 to present)
- Chairman of Waiver Committee of Eastern Credit Union (2017 to present)
- Vice President of Eastern Credit Union (2011 – 2012)
- Chairman, Education Committee, Eastern Credit Union (2001 – 2012)
- Chairman, Marketing Committee, Eastern Credit Union (2009 – 2011)
- Chairman, Supervisory Committee, Eastern Credit Union
- World Conference of Credit Unions (WOCCU) Leadership Delegate (2015)
- Director at The Co-operative Credit Union League of Trinidad and Tobago (CCULTT)
- Caribbean Confederation of Credit Unions Delegate
- Certified Caribbean Development Educator
- Member for forty (40) years



DARIUS FIGUERA

PLACE OF WORK: Ministry of Education

POSITION: Teacher

CREDIT UNION EXPERIENCE:

- Director of Eastern Credit Union (2015 – Present)
- Board of Directors, Alternate – Eastern Credit Union (2014)
- Member of Supervisory Committee, Eastern Credit Union (2010 – 2012)
- Served as Chairman and Member of various Board Sub-Committees (Human Resources and Industrial Relations, Education, Nominating, Risk, Corporate Governance and Bye-Laws)
- Credit Union Employee (1993 – 2003)
- Certified Caribbean Development Educator
- 2017 Delegate at World Conference of Credit Unions (WOCCU)
- Member of the International Credit Union Executives Society
- AML/CFT Certified
- Member for twenty-five (25) years



DON ISAAC

PLACE OF WORK: Airport Authority of Trinidad and Tobago

POSITION: Aviation Training Officer

CREDIT UNION EXPERIENCE:

- Director – Board of Directors, Eastern Credit Union (2014 – 2017)
- Supervisory Committee Chairman, Eastern Credit Union (2013 – 2014)
- Supervisory Committee Member, Eastern Credit Union (2012 – 2013)
- 2015 Delegate at the World Conference of Credit Unions (WOCCU)
- Certified Caribbean Development Educator
- AML/CFT Certified
- Member for thirty (30) years



NARADA LATCHMAN

PLACE OF WORK: Guardian Life of the Caribbean

POSITION: Insurance Agent

CREDIT UNION EXPERIENCE:

- Branch Manager of Hindu Credit Union (2001 – 2007)
- Member for eleven (11) years



GERARD MATHEWS

PLACE OF WORK: Works Credit Union

POSITION: Credit Supervisor

CREDIT UNION EXPERIENCE:

- Eastern Credit Union Elected Official (2010 – Present):
 - Director – Board of Directors
 - Member – Supervisory Committee
 - Member – Credit Committee
- Staff Member, Works Credit Union (2005 – Present)
- 2017 Delegate at the World Conference of Credit Unions (WOCCU)
- Former employee of Eastern Credit Union (1987 – 2005)
- AML/CFT Certified
- Certified Caribbean Development Educator
- Member for thirty-one (31) years



RICHARD NORAY

PLACE OF WORK: Ministry of Education

POSITION: Teacher

CREDIT UNION EXPERIENCE:

- Education Committee Member, Eastern Credit Union (2015 – 2017)
- Member for six (6) years

**KENDRA PERSAD**

PLACE OF WORK: Ministry of Education

POSITION: Teacher III

CREDIT UNION EXPERIENCE:

- Attendance at Credit Union's Annual General Meetings
- Member for fourteen (14) years

**DUKE POLLARD**

PLACE OF WORK: Capital Markets Elite Group Limited

POSITION: Managing Director

CREDIT UNION EXPERIENCE:

- None
- Member for four (4) years

**TREVOR ROGERS**

PLACE OF WORK: Caterer – Own Business

CREDIT UNION EXPERIENCE:

- Previously served on the Supervisory Committee of Eastern Credit Union
- AML/CFT Certified
- Eastern Credit Union member for thirty-two (32) years

**JAMES THOMAS**

PLACE OF WORK: Former Public Servant

CREDIT UNION EXPERIENCE:

- Served on the Credit & Supervisory Committees of Eastern Credit Union
- First Substitute, Board of Directors – Eastern Credit Union (2017/2018)
- AML/CFT Certified
- Member of Eastern Credit Union for twenty-four (24) years

**LYNDON WILLIAMS**

PLACE OF WORK: Accounting Consultant

POSITION: H. Simms & Co. Chartered Accounts

CREDIT UNION EXPERIENCE:

- Second Substitute, Board of Directors – Eastern Credit Union (2017-2018)
- Committee Member – Finance & Tenders Committee, Eastern Credit Union
- AML/CFT Certified
- Attended the Credit Union Organization and Management Programme (2017)
- Member for thirty-two (32) years

NOMINATION PROFILES 2018

Supervisory Committee



ANNE MARIE ARNAUD-THOMAS

PLACE OF WORK: Former Social Worker

CREDIT UNION EXPERIENCE:

- Supervisory Committee Member, Eastern Credit Union (2017/2018)
- AML/CFT Certified
- Attended the Credit Union Organization and Management Programme
- Member for twenty-eight (28) years



DIONNE COMPTON

PLACE OF WORK: Auditor General's Department

POSITION: Audit Manager (Ag.)

CREDIT UNION EXPERIENCE:

- None
- Attended the Credit Union Organization and Management Programme (2016)
- Member for twenty-three (23) years



DERYCK CYRUS

PLACE OF WORK: North West Regional Health Authority

POSITION: Industrial Relations Manager

CREDIT UNION EXPERIENCE:

- None
- Member for thirty-seven (37) years



HOLLIS KENT

PLACE OF WORK: Ministry of National Security

POSITION: Police Officer

CREDIT UNION EXPERIENCE:

- None
- Member for four (4) years

**CAMILLE ROLINGSON**

PLACE OF WORK: Tutor – Own Business

CREDIT UNION EXPERIENCE:

- Supervisory Committee Member, Eastern Credit Union (2017/2018)
- Attended the Credit Union Organization and Management Programme (2017)
- Member for fifteen (15) years

**DAVID TAITT**

PLACE OF WORK: Ministry of Education

POSITION: Clerical Officer

CREDIT UNION EXPERIENCE:

- Supervisory Committee Member (6 years)
- Credit Union League Chairman (3 years)
- Supervisory Committee Member, Eastern Credit Union (2 years)
- Education Committee Member, Eastern Credit Union (3 years)
- Member for thirty (30) years

NOMINATION PROFILES 2018

Credit Committee



SHARMELA DILRAJ-BOODOO

PLACE OF WORK: Sugarcane Feeds Centre

POSITION: Accounts Clerk

CREDIT UNION EXPERIENCE:

- Eastern Credit Union Liaison Officer – Sugarcane Feeds Centre
- Member for twenty-five (25) years



KIRK FERGUSON

PLACE OF WORK: Ministry of Education

POSITION: Teacher

CREDIT UNION EXPERIENCE:

- Eastern Credit Union – Credit Committee Chairman
- Eastern Credit Union – Delinquency Committee Member
- Eastern Credit Union – Supervisory Committee Member
- AML/CFT Certified
- Member for twenty-nine (29) years



JACQUELYN HUMPHREY

PLACE OF WORK: Former Public Servant

CREDIT UNION EXPERIENCE:

- Serving Member of the Credit Committee of Eastern Credit Union
- Served on the Supervisory Committee of Eastern Credit Union
- Attended the Credit Union Organization and Management Programme
- AML/CFT Certified
- Member for thirty-eight (38) years



MAHMUD MUHAMMAD

PLACE OF WORK: Former Member of the Trinidad and Tobago Police Service (TTPS)

CREDIT UNION EXPERIENCE:

- Served on the Education, Credit and Supervisory Committees of Eastern Credit Union
- Attended the Credit Union Organization and Management Programme
- Member for twenty-four (24) years

**SHEZRAE NESBITT**

PLACE OF WORK: Airports Authority of Trinidad and Tobago

POSITION: Graduate Intern

CREDIT UNION EXPERIENCE:

- Attended the Credit Union Organization and Management Programme (2017)
- Member for nineteen (19) years

**MARLENE STAFFORD**

PLACE OF WORK: Home Construction Limited

POSITION: Office Assistant

CREDIT UNION EXPERIENCE:

- None
- Member for twelve (12) years

**PATRICIA WARD**

PLACE OF WORK: Former Credit Supervisor, Eastern Credit Union

CREDIT UNION EXPERIENCE:

- Former employee of Eastern Credit Union (27 years). Held positions from Credit Officer to Branch Manager (Ag.)
- Member of Credit Committee
- AML/CFT Certified
- Member for thirty-four (34) years

Eastern Credit Union
Co-Operative Society Limited and its Subsidiary

Consolidated Financial Statements

31 December 2017

(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 consolidated statement of financial position as at 31 December 2017, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

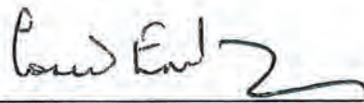
In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards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

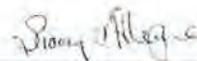
Management affirms that it has carried out its responsibilities as outlined above.



Member: Board of Directors
2 May 2018



Group Chief Executive Officer
2 May 2018



Member: Supervisory Committee
2 May 2018



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 matter 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 2017, and its consolidated financial performance and its 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 2017;
- 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 \$112,134,290 as at 31 December 2017, \$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 2017, 2016 and 2015 were necessary.

Independent Auditor's Report (Continued)

Basis for qualified opinion (continued)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

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

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Eastern Credit Union Cooperative Society Limited, 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 to those charged with governance. As described in the *Basis for qualified opinion* section above, we were unable to quantify any additional adjustments to the loan loss provision. 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.

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.

PricewaterhouseCoopers

2 May 2018
Port of Spain
Trinidad, West Indies

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

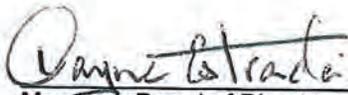
Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

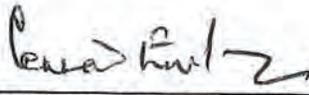
	Notes	2017 \$	As at 31 December 2016 \$ Restated	2015 \$ Restated
Assets				
Cash and cash equivalents	5	407,327,412	288,929,641	258,359,683
Short-term investments	6	16,128,411	4,096,743	10,067,610
Accounts receivable and prepayments	7	22,743,468	22,326,162	18,644,966
Deferred charges		1,064,847	1,017,004	949,126
Inventories	8	385,746	413,375	286,737
Long-term investments	9	206,457,098	207,729,341	211,898,410
Loans to members	10	1,338,640,280	1,359,091,525	1,249,851,394
Intangible assets	11	6,470,612	6,520,550	7,534,398
Investment properties	12	19,574,916	19,250,795	19,003,071
Property plant & equipment	13	88,937,673	81,607,003	83,862,747
Total assets		<u>2,107,730,463</u>	<u>1,990,982,139</u>	<u>1,860,458,142</u>
Liabilities				
Accounts payable and accruals	14	82,952,848	72,512,651	56,041,205
Members' deposits		422,964,506	389,348,048	365,232,098
Members' shares (non-permanent)	15	1,415,742,792	1,375,538,754	1,313,384,628
Corporation tax payable		28,564	4,872	7,371
Deferred taxation	16	4,070,257	3,425,665	3,002,996
Total liabilities		<u>1,925,758,967</u>	<u>1,840,829,990</u>	<u>1,737,668,298</u>
Members' equity				
Members' shares (permanent)	15	22,069,633	21,335,740	20,563,741
Reserve fund	17	100,994,732	94,599,071	88,960,040
Education fund	18	--	--	--
Investment re-measurement reserve	19	3,938,985	4,874,050	3,395,170
Undivided earnings		54,968,146	29,343,288	9,870,893
Total members' equity		<u>181,971,496</u>	<u>150,152,149</u>	<u>122,789,844</u>
Total liabilities and members' equity		<u>2,107,730,463</u>	<u>1,990,982,139</u>	<u>1,860,458,142</u>

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

On 21 April 2018, 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)

		For the year ended 31 December	
	Notes	2017 \$	2016 \$
Income			
Interest on loans		166,366,226	165,020,596
Investment income		9,804,242	10,787,899
Rental income		2,492,514	2,690,105
Other income	22	<u>17,932,507</u>	<u>19,773,971</u>
Expenditure		<u>196,595,489</u>	<u>198,272,571</u>
Administrative expenses	23	53,371,005	50,949,155
Provision for loan losses	10	499,052	19,650,278
Board and committee expenses	24	1,695,973	1,773,919
Finance cost		3,922,562	3,260,922
Marketing expenses		4,548,758	4,212,020
Personnel costs	25	<u>67,895,026</u>	<u>61,556,180</u>
Total expenditure		<u>131,932,376</u>	<u>141,402,474</u>
Net surplus before taxation		64,663,113	56,870,097
Taxation	26	<u>(751,740)</u>	<u>(512,273)</u>
Net surplus for the year		63,911,373	56,357,824
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Unrealised (loss)/gain on available-for-sale financial assets		<u>(935,065)</u>	<u>1,478,880</u>
Total comprehensive income for the year		<u>62,976,308</u>	<u>57,836,704</u>

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

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Members' Shares (Permanent) \$	Reserve fund \$	Education Fund \$	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
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 consolidated 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)

	Members' Shares (Permanent) \$	Reserve Fund \$	Education Fund \$	Investment Remeasurement Surplus \$	Undivided Earnings \$	Total \$
Balance as at 1 January 2017	21,335,740	94,599,071	--	4,874,050	29,343,288	150,152,149
Increase in Members' Shares (Permanent)	733,893	--	--	--	--	733,893
Total comprehensive income	--	--	--	(935,065)	63,911,373	62,976,308
Appropriations:						
(i) 10% to Reserve Fund	--	6,391,137	--	--	(6,391,137)	--
(ii) Education Fund	--	--	2,433,218	--	(2,433,218)	--
	22,069,633	100,990,208	2,433,218	3,938,985	84,430,306	213,862,350
Entrance fees	--	4,524	--	--	(4,524)	--
Education supplies and expenses	--	--	(2,433,218)	--	2,433,218	--
Dividends and interest rebate paid	--	--	--	--	(31,890,854)	(31,890,854)
Balance as at 31 December 2017	22,069,633	100,994,732	--	3,938,985	54,968,146	181,971,496

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

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Note	For the year ended 31 December	
		2017 \$	2016 \$ Restated
Operating activities:	2 (l)		
Net surplus before taxation		64,663,113	56,870,097
Add items not involving cash:			
Bad debts written-off/expense		666,316	57,027
Depreciation		6,847,606	7,104,527
Impairment of financial assets		--	3,531,805
Loan loss expense (net of recoveries)		499,052	19,650,279
Gain on disposal of fixed assets		--	(18,231)
Changes in non-cash working capital amounts		72,676,087	87,195,504
Net change in accounts receivable, prepayments and deferred charges		(1,131,465)	(3,388,319)
Net change in inventories		27,628	(126,638)
Net change in members' loans		19,952,193	(128,890,409)
Net change in accounts payable and accruals		10,440,197	16,471,448
Taxes paid		(83,457)	(92,103)
Cash generated from/(used in) operating activities		<u>101,881,183</u>	<u>(28,830,517)</u>
Investing activities:			
Net change in property plant & equipment		(12,983,315)	(5,079,843)
Net change in intangible assets		(973,912)	1,013,847
Net change in investment property		(495,233)	(247,725)
Net change in investments		(11,694,490)	7,505,006
Proceeds from disposal of financial assets		--	164,223
Proceeds from disposal of property plant & equipment		--	249,290
Cash (used in)/generated from investing activities		<u>(26,146,950)</u>	<u>3,604,798</u>

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

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Consolidated Statements of Cash Flows (continued)

(Expressed in Trinidad and Tobago Dollars)

	Notes	For the year ended 31 December	
		2017 \$	2016 \$ Restated
Financing activities:	2 (l)		
Dividends and interest rebate		(31,890,853)	(31,246,398)
Increase in members' shares		40,937,931	62,926,126
Increase in members' deposits		33,616,460	24,115,950
Cash generated from financing activities		<u>42,663,538</u>	<u>55,795,678</u>
Net change in cash resources		118,397,771	30,569,959
Cash, beginning of year		288,929,641	258,359,682
Cash, end of year		<u>407,327,412</u>	<u>288,929,641</u>
Represented by:			
Cash and cash equivalents	5	<u>407,327,412</u>	<u>288,929,641</u>

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

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

1 Registration and objectives

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

2 Significant accounting policies

a. Basis of financial statements preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements are prepared under the historical cost except for the measurement at fair value of 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 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 2017

(Expressed in Trinidad and Tobago Dollars)

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 unconsolidated financial statements:
- International Financial Reporting Standard for Small and Medium sized Entities (IFRS for SMEs) - Amendments as the result of the first comprehensive review (effective for annual periods beginning on or after 1 January 2017).
 - IAS 12 'Income Taxes' – amendments regarding the recognition of deferred tax assets for unrealized losses (effective for periods on or after 1 January 2017).
- (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 unconsolidated financial statements, except for IFRS 9 Financial Instruments:
- IAS 12 'Income Taxes' – Amendments resulting from Annual Improvements 2015 -2017 Cycle (income tax consequences of dividends) (effective annual periods beginning on or after 1 January 2019).
 - IAS 23 'Borrowing Costs' – Amendments resulting from Annual Improvements 2015 – 2017 Cycle (borrowing costs eligible for capitalization) (effective annual periods beginning on or after 1 January 2019).
 - IAS 28 'Investment in Associates and Joint Ventures' - Amendments resulting from Annual Improvements 2014 – 2016 Cycle (clarifying certain fair value measurements) (effective annual periods beginning on or after 1 January 2018). – Amendments regarding long-term interests in associates and joint ventures (effective annual periods beginning on or after 1 January 2019).
 - IFRS 2 'Share-based Payment' – Amendment on clarifying share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).
 - IFRS 3 'Business Combinations' – Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest) (effective annual periods beginning on or after 1 January 2019).
 - IFRS 9 'Financial Instruments' – Finalised Version, incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition (effective annual periods beginning on or after 1 January 2018). Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective annual periods beginning on or after 1 January 2019).
 - IFRS 15 'Revenue from Contracts with Customers' (effective for 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 lease 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.

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

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

- IFRS 17 'Insurance Contracts' – Original Issue (effective annual periods beginning on or after 1 January 2021).

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.

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.

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. Financial instruments (continued)

Financial assets (continued)

Loans to members

Loans to members are stated at principal amounts outstanding net of allowances for loan losses. 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.

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.

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.

Recognition of 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 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. Financial instruments (continued)

Financial assets (continued)

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.
- (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.

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

f. Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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).
- (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).

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

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.

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.

Rental income

Revenue includes rental income which is recognised on the accruals basis in accordance with the terms and conditions of the individual agreements.

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 2017

(Expressed in Trinidad and Tobago Dollars)

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

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

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

i. Comparative figures

In 2017, the Society made adjustments to correct prior period errors in compliance with International Financial Reporting Standards. As a result the comparative figures for the years were restated. The following details the adjustments made and the impact on the previously presented financials for the years 2016 and 2015.

- (i) The Society reclassified investments in properties at La Joya Complex; Mt. Lambert and Arima from Property, Plant and Equipment to Investment Property. These properties are held by the Society primarily for receiving rental income. 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 2016 and 2015 is shown below.

Statement of Financial Position	As previously presented Year end: 31 December 2016 \$	Adjusted amount \$	Restated value \$
Assets:			
Investment properties	9,496,273	9,754,522	19,250,795
Property plant & equipment	91,361,525	(9,754,522)	81,607,003

Statement of Financial Position	As previously presented Year end: 31 December 2015 \$	Adjusted amount \$	Restated value \$
Assets:			
Investment properties	9,384,273	9,618,798	19,003,071
Property plant & equipment	93,481,545	(9,618,798)	83,862,747

Statement of cash flows	As previously presented Year end: 31 December 2016 \$	Adjusted amount \$	Restated value \$
Investing activities:			
Net change in property, plant & equipment	(5,215,568)	135,725	(5,079,843)
Increase in investment property	(112,000)	(135,725)	(247,725)

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

2 Significant accounting policies (continued)

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 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 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management

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 2017, if interest rates had been 1% higher/lower with all other variables held constant, net equity would have been \$1,189,891 (2016: \$1,182,032) 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 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(i) Interest rate risk (continued)

Interest rate sensitivity analysis

The 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	2017				Total \$
		Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Non-Interest Bearing \$	
Financial assets						
Cash and cash equivalents	0.88%	227,133,757	--	--	180,193,655	407,327,412
Short term investments	1.87%	16,128,411	--	--	--	16,128,411
Accounts receivable	--%	--	--	--	21,649,105	21,649,105
Long term investments	3.15%	36,253,386	62,661,632	68,100,259	39,441,821	206,457,098
Loans to members	12.33%	368,108,111	782,760,421	187,771,748	--	1,338,640,280
Total financial assets		647,623,665	845,422,053	255,872,007	241,284,581	1,990,202,306
Financial liabilities						
Accounts payable and accruals	--%	--	--	--	82,952,848	82,952,848
Members' deposits	0.81%	422,964,506	--	--	--	422,964,506
Members' shares (non-permanent)	--%	--	--	--	1,415,742,793	1,415,742,792
Total financial liabilities		422,964,506	--	--	1,498,695,641	1,921,660,146
Interest sensitivity gap		224,659,159	845,422,053	255,872,007		

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(i) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

	Effective Rate	Restated 2016				Total \$
		Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Non-Interest Bearing \$	
Financial assets						
Cash and cash equivalents	.77%	200,488,675	--	--	88,440,966	288,929,641
Short term investments	1.95%	4,096,743	--	--	--	4,096,743
Accounts receivable	--	--	--	--	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%	412,269,521	785,522,646	161,299,358	--	1,359,091,525
Total financial assets		655,623,761	824,230,403	249,826,517	151,331,670	1,881,012,351
Financial liabilities						
Accounts payable and accruals	--	--	--	--	72,512,651	72,512,651
Members' deposits	.73%	389,348,048	--	--	--	389,348,048
Members' shares	--	--	--	--	1,375,538,754	1,375,538,754
Total financial liabilities		389,348,048	--	--	1,448,051,405	1,837,399,453
Interest sensitivity gap		266,275,713	824,230,403	249,826,517		

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The 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 2017				
	Loans to members	Financial Assets (available-for-sale)	Financial assets (held-to-maturity)	Accounts receivable	Cash and cash equivalents
Neither past due nor impaired	1,107,252,513	52,276,599	127,457,283	21,649,105	407,327,412
Past due but not impaired	200,226,798	--	--	--	--
Individually impaired	143,295,258	7,500,000	8,063,610	638,293	--
Gross	1,450,774,569	59,776,599	135,520,893	22,287,398	407,327,412
Allowance for impairment	(112,134,290)	(3,700,000)	(4,531,805)	(638,293)	--
Net	1,338,640,280	56,076,599	130,989,088	21,649,105	407,327,412

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) Credit risk (continued)

	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 Individually Impaired	253,299,389	--	--	195,631	--
	100,119,267	9,000,000	8,063,610	3,244,028	--
Gross	1,479,091,525	61,007,663	122,735,021	24,409,129	288,929,641
Allowance for impairment	(120,000,000)	(5,200,000)	(4,531,805)	(3,244,028)	--
Net	1,359,091,525	55,807,663	118,203,216	21,165,101	288,929,641

Past due but not impaired

Management considers loans to members and other financial assets less than 90 days past due not to be impaired, unless other information is made available to the contrary. The age of the Financial Assets categorised as past due but not impaired as at the Financial Year End was as follows.

31 December 2017	Up to 30 days	31 to 60 days	60 to 90 Days	Total
	\$	\$	\$	\$
Loans to members	114,190,173	65,210,610	20,826,015	200,226,798
31 December 2016	Up to 30 days	31 to 60 days	60 to 90 Days	Total
	\$	\$	\$	\$
Loans to members	164,082,867	68,454,941	20,761,581	253,299,389
Accounts receivable	--	--	195,631	195,631

Individually impaired

Management considers loans to members and other financial assets that are past due greater than 90 days to be individually impaired. Financial assets may also be deemed to be individually impaired if management receives information that the future cash flow associated with a financial asset has become negatively impacted by an event (See Note 2 (f)).

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(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 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (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	2017 Over 5 years TTD	Total TTD	Carrying values TTD
Financial assets					
Cash and cash equivalents	407,327,412	--	--	407,327,412	407,327,412
Short term investments	16,490,338	--	--	16,490,338	16,128,411
Accounts receivable	21,649,105	--	--	21,649,105	21,649,105
Long-term investments	89,526,316	73,398,095	89,620,141	252,544,552	206,457,098
Loans to members	385,910,415	900,272,172	315,617,893	1,601,800,480	1,338,640,280
Total financial assets	920,903,586	973,670,267	405,238,034	2,299,811,887	1,990,202,306
Financial liabilities					
Accounts payable and accruals	82,952,848	--	--	82,952,848	82,952,848
Members' deposits	426,390,519	--	--	426,390,519	422,964,506
Members' shares (non-permanent)	1,415,742,793	--	--	1,415,742,793	1,415,742,792
Total financial liabilities	1,925,086,160	--	--	1,925,086,160	1,921,660,147
Liquidity gap	(1,004,182,574)	973,670,267	405,238,034	374,725,727	--

	Up to 1 year TTD	1 to 5 years TTD	Restated 2016 Over 5 years TTD	Total TTD	Carrying values TTD
Financial assets					
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	82,467,177	59,000,134	106,006,526	247,473,837	207,729,341
Loans to members	448,728,490	1,012,106,702	400,184,071	1,861,019,263	1,359,091,525
Total financial assets	845,443,537	1,073,226,836	506,386,228	2,425,056,601	1,880,712,351
Financial liabilities					
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
Total financial liabilities	1,840,241,693	--	--	1,840,241,693	1,837,399,453
Liquidity gap	(994,798,156)	1,073,226,836	506,386,228	584,814,908	--

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (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 2017	TTD	USD	Other	Total
Financial assets				
Cash and cash equivalents	397,677,804	7,768,095	1,881,513	407,327,412
Short term investments	16,128,411	--	--	16,128,411
Accounts receivable	21,649,105	--	--	21,649,105
Long term investments	200,446,993	6,010,105	--	206,457,098
Loans to members	1,338,640,280	--	--	1,338,640,280
Total financial assets	1,974,542,593	13,778,200	1,881,513	1,990,202,306
Financial liabilities				
Accounts payable and accruals	82,952,848	--	--	82,952,848
Members' deposits	422,964,506	--	--	422,964,506
Members' shares (non-permanent)	1,415,742,793	--	--	1,415,742,792
Total financial liabilities	1,921,660,147	--	--	1,921,660,147
Net position	52,882,446	13,778,200	1,881,513	
Restated				
As at 31 December 2016				
Financial assets				
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	21,165,101	--	--	21,165,101
Long term investments	201,842,644	5,886,697	--	207,729,341
Loans to members	1,359,091,525	--	--	1,359,091,525
Total financial assets	1,863,287,229	14,004,665	3,420,457	1,880,712,351
Financial liabilities				
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
Total financial liabilities	1,837,399,453	--	--	1,837,399,453
Net position	25,887,796	14,004,665	3,420,457	

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 by \$0.69m (2016: decrease by \$0.70m). In 2017 the TT\$ depreciated by 171 basis points against the US\$ and in 2016 the TT\$ appreciated by 451 basis points.

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(v) *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 2017.

(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 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(v) Fair values (continued)

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 summarises the carrying amounts and fair values of the Group's financial assets and liabilities:

The fair values of these financial assets with the exception of the financial assets available for sale are valued using Level 3 inputs.

	2017		2016	
	Book value \$	Fair value \$	Book value \$	Fair value \$
Financial assets				
Cash and cash equivalents	407,327,412	407,327,412	288,929,641	292,919,404
Short-term investments (held to maturity)	12,000,000	12,000,000	--	--
Short-term investments (available for sale)	4,128,411	4,128,411	4,096,743	4,096,743
Accounts receivable	21,649,105	21,649,105	21,165,101	21,165,101
Long-term investments (held to maturity)	118,989,088	125,482,259	118,203,216	119,467,807
Long-term investments (available for sale)	87,468,010	87,468,010	89,526,125	89,512,903
Loans to members	1,338,640,280	1,338,640,280	1,359,091,525	1,359,091,525
Financial liabilities				
Accounts payable and Accruals	82,952,848	82,952,848	72,512,651	72,512,651
Members deposits	422,964,506	422,964,506	389,348,048	389,348,048
Members' shares (non-permanent)	1,415,742,793	1,415,742,793	1,375,538,754	1,375,538,754

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

Financial risk factors (continued)

(v) *Fair values (continued)*

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

As at 31 December 2017	Level 1	Level 2	Level 3	Total
Financial assets	\$'000	\$'000	\$'000	\$'000
Available-for-sale financial assets:				
- Investment securities – debt	--	45,503,795	10,572,804	56,076,599
- Investment securities – equity	35,519,822	--	--	35,519,822
Total financial assets	35,519,822	45,503,795	10,572,804	91,596,421
Restated				
As at 31 December 2016	Level 1	Level 2	Level 3	Total
Financial assets	\$'000	\$'000	\$'000	\$'000
Available-for-sale financial assets:				
- Investment securities – debt	--	44,775,373	11,032,290	55,807,663
- Investment securities – equity	37,815,205	--	--	37,815,205
Total financial assets	37,815,205	44,775,373	11,032,290	93,622,868

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

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 \$13 million (2016 - \$14 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 \$0.4m if the index is increased by 100 basis points from management's estimates (2016 - \$0.4m).

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(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 \$131 million (2016: \$118 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 \$6 million (increase by \$2 million in 2016), 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 2017

(Expressed in Trinidad and Tobago Dollars)

5 Cash and cash equivalents

	2017 TTD	31 December 2016 TTD	2015 TTD
Money market mutual funds	136,890,328	135,624,079	132,074,384
Current/savings accounts	258,482,437	141,752,380	114,540,937
Cash in hand	11,954,647	11,553,182	11,744,362
	<u>407,327,412</u>	<u>288,929,641</u>	<u>258,359,683</u>

6 Short-term investments

	2017 TTD	31 December 2016 TTD	2015 TTD
<i>Available-for-sale</i>			
Home Mortgage Bank - Mutual Fund	2,128,411	2,096,743	2,067,610
First Citizens Investment Services Limited-Fixed Income Paper	--	--	3,000,000
Bourse Securities Limited - Repurchase Agreements	2,000,000	2,000,000	5,000,000
	<u>4,128,411</u>	<u>4,096,743</u>	<u>10,067,610</u>
<i>Held-to-maturity</i>			
Republic Bank Sinc	12,000,000	--	--
Various overseas bonds held in foreign currencies	1,000,000	1,000,000	1,000,000
Provision for investment loss	(1,000,000)	(1,000,000)	(1,000,000)
	<u>12,000,000</u>	<u>--</u>	<u>--</u>
Total short term investments	<u>16,128,411</u>	<u>4,096,743</u>	<u>10,067,610</u>

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

7 Accounts receivable and prepayment

	2017 TTD	31 December 2016 TTD	2015 TTD
Accrued interest on loans	14,924,754	15,299,638	11,111,172
Accrued interest on investments	3,091,853	3,117,532	3,145,998
Claim recoverable	194,631	195,631	195,631
Other receivables	3,203,596	4,911,740	5,878,347
Prepayments	1,094,363	1,161,060	805,652
Recoverable expenses	184,094	261,946	236,289
Rent receivable	11,053	42,917	43,836
Staff loans and advances	677,417	579,726	392,232
	<u>23,381,761</u>	<u>25,570,190</u>	<u>21,809,157</u>
Less: Provision for doubtful debts	(638,293)	(3,244,028)	(3,164,191)
	<u>22,743,468</u>	<u>22,326,162</u>	<u>18,644,966</u>
<i>Provision for doubtful debts</i>			
Balance, beginning of year	3,244,028	3,164,191	3,164,191
Bad debts written-off	(3,244,028)	--	--
Charge for the year	638,293	79,837	--
Balance, end of year	<u>638,293</u>	<u>3,244,028</u>	<u>3,164,191</u>

8 Inventories

	2017 TTD	31 December 2016 TTD	2015 TTD
Stationery/office supplies	272,098	262,418	198,400
ATM Card Stock	113,649	150,957	88,337
	<u>385,746</u>	<u>413,375</u>	<u>286,737</u>

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

9 Long-term investments

	2017 TTD	31 December 2016 TTD	2015 TTD
<u>Held-to-Maturity</u>			
Bonds			
- Government of Trinidad and Tobago	60,355,124	61,244,056	61,244,056
- Government of Antigua and Barbuda	--	--	471,390
- Government of Belize	7,063,610	7,063,610	7,063,610
- HDC Fixed rate Loan	8,400,000	10,800,000	
- First Citizens Bank Limited	3,999,250	4,000,00	4,000,000
- National Insurance Property Development Company Limited	6,129,011	6,731,924	8,678,998
- Prestige Holdings Limited	1,111,395	1,321,008	1,521,008
- Trinidad and Tobago Mortgage Finance Company Limited	33,946,575	27,000,000	32,500,000
- Urban Development Company of Trinidad and Tobago	1,515,928	1,907,757	2,282,757
- Telecommunications Services of Trinidad and Tobago	--	1,666,666	3,333,333
	<u>122,520,893</u>	<u>121,735,021</u>	<u>121,095,152</u>
Provision for investment loss	(3,531,805)	(3,531,805)	--
Total held to maturity investment	<u>118,989,088</u>	<u>118,203,216</u>	<u>121,095,152</u>

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

9 Long-term investments (continued)

	2017 TTD	31 December 2016 TTD	2015 TTD
Available-for-sale			
<i>Shareholdings</i>			
- Capital and Credit Merchant Bank	1,050	1,050	1,050
- One Caribbean Media	306,127	466,456	515,680
- 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	763,559	709,317	418,080
- First Citizens Bank Limited	5,568,352	6,086,905	6,090,385
- Grace Kennedy and Company Limited	450,000	400,500	202,500
- Guardian Holding Limited	1,614,802	1,199,486	1,256,378
- JMMB Group	207,448	113,153	69,149
- Republic Bank Limited	9,803,734	10,473,027	10,810,087
- Unilever Caribbean Limited	435,000	897,600	1,024,500
- National Enterprises Limited	484,515	526,430	809,169
- Massy Holdings Limited	2,716,203	2,941,328	3,475,858
- Scotiabank Trinidad and Tobago Limited	1,867,608	1,828,453	1,924,785
- PLIPDECO	58,635	55,063	58,337
- The West Indian Tobacco Company Limited	2,000,000	2,538,800	2,525,800
- Sagicor Financial Corporation Limited	469,800	463,800	372,000
- Trinidad Cement Limited	98,295	115,333	104,586
- Prestige Holdings Limited	535,000	550,000	505,000
- Royal Bank of Canada	1,222,175	1,013,007	775,582
- Clico Investment Fund	6,714,519	7,232,497	7,274,063
	35,519,822	37,815,205	38,415,989
<i>Other</i>			
- Trinidad and Tobago Unit Trust Corporation	593,972	587,024	580,900
- Schroders Energy Fund	605,498	669,152	476,660
- Praetorian Fund Investment	122,000	110,400	123,600
- Guardian Asset Management Emerging Market Bond Fund	--	--	551,014
- First Citizens Bank Limited – El Tucuche Fund	26,705,255	26,242,371	26,045,406
- First Citizens Bank Limited – Immortelle Fund	5,464,865	5,306,870	5,270,578
- Ansa Merchant Bank Limited	5,000,000	5,000,000	5,000,000
- Guardian Life of the Caribbean Limited	2,883,794	2,762,813	2,656,798
- Other investments	10,572,804	11,032,290	11,682,313
	51,948,188	51,710,920	52,387,269
	87,468,010	89,526,125	90,803,258
	206,457,098	207,729,341	211,898,410

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

10 Loans to members

	2017 TTD	31 December 2016 TTD	2015 TTD
Loans to members	1,450,774,569	1,479,091,525	1,366,617,726
Less: Provision for loan losses	(112,134,290)	(120,000,000)	(116,766,332)
	<u>1,338,640,280</u>	<u>1,359,091,525</u>	<u>1,249,851,394</u>
	2017 TTD	31 December 2016 TTD	2015 TTD
Balance, beginning of year	120,000,000	116,766,332	148,849,346
Charge/(credit) for the year	499,052	19,650,278	(18,395,168)
Amounts written off	(8,364,762)	(16,416,610)	(13,687,846)
Balance, end of year	<u>112,134,290</u>	<u>120,000,000</u>	<u>116,766,332</u>

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

11 Intangible assets

Cost	PC Software TTD	Network Software TTD	Total TTD
Balance as at 1 January 2017	1,240,107	19,836,024	21,076,131
Additions	6,150	967,762	973,912
Balance as at 31 December 2017	1,246,257	20,803,786	22,050,043
Accumulated depreciation			
Balance as at 1 January 2017	847,599	13,707,982	14,555,581
Charge for the year	158,300	865,550	1,023,850
Balance as at 31 December 2017	1,005,899	14,573,532	15,579,431
Net book value			
Balance as at 31 December 2017	240,358	6,230,254	6,470,612
Balance as at 31 December 2016	392,508	6,128,042	6,520,550
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	--	--	--
Balance as at 31 December 2016	1,240,107	19,836,024	21,076,131
Accumulated depreciation			
Balance as at 1 January 2016	689,936	12,851,797	13,541,733
Charge for the year	157,663	856,185	1,013,848
Balance as at 31 December 2016	847,599	13,707,982	14,555,581
Net book value			
Balance as at 31 December 2016	392,508	6,128,042	6,520,550
Balance as at 31 December 2015	550,171	6,984,227	7,534,398

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

11 Intangible assets (continued)

Cost	PC Software TTD	Network Software TTD	Total TTD
Balance as at 1 January 2015	1,229,509	19,563,484	20,792,993
Additions	10,598	272,540	283,138
Balance as at 31 December 2015	1,240,107	19,836,024	21,076,131
Accumulated depreciation			
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	689,936	12,851,797	13,541,733
Net book value			
Balance as at 31 December 2015	550,171	6,984,227	7,534,398
Balance as at 31 December 2014	696,728	7,539,364	8,236,092

12 Investment properties

	2017 TTD	Group 31 December 2016 TTD Restated	2015 TTD Restated
Cost:			
Balance beginning of year	20,358,364	20,142,664	9,000,000
Additions	519,733	392,978	384,273
Disposals	(24,501)	(177,278)	--
Transfer from property plant and equipment	--	--	10,758,391
Balance, end of year	20,853,596	20,358,364	20,142,664
Accumulated depreciation:			
Balance beginning of year	1,107,569	1,139,593	--
Charge for the year	171,111	105,014	--
Disposals	--	(137,038)	--
Transfer from property plant and equipment	--	--	1,139,593
Balance, end of year	1,278,680	1,107,569	1,139,593
Net book value, end of year	19,574,916	19,250,795	19,003,071

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(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	Capital work-in-progress TTD	Total TTD
Cost								
Balance as at 1 January 2017	92,576,888	15,509,787	18,085,119	20,236,113	7,133,584	1,556,587	700,629	155,798,707
Additions	3,653,933	2,756,108	1,040,768	1,264,031	440,202	--	4,305,315	13,460,357
Disposals	(86,867)	(106,217)	(85,398)	(34,745)	--	--	(367,652)	(680,879)
Balance as at 31 December 2017	96,143,954	18,159,678	19,040,489	21,465,399	7,573,786	1,556,587	4,638,292	168,578,185
Accumulated depreciation								
Balance as at 1 January 2017	26,322,467	12,124,910	13,988,783	15,957,743	5,199,520	598,281	--	74,191,704
Charge for the year	1,793,130	583,029	1,182,954	1,233,856	524,570	335,106	--	5,652,645
Disposals	--	(85,905)	(84,791)	(33,141)	--	--	--	(203,837)
Balance as at 31 December 2017	28,115,597	12,622,034	15,086,946	17,158,458	5,724,090	933,387	--	79,640,512
Net book value								
Balance as at 31 December 2017	68,028,357	5,537,644	3,953,543	4,306,941	1,849,696	623,200	4,638,292	88,937,673
Balance as at 31 December 2016	66,254,421	3,384,877	4,096,336	4,278,370	1,934,064	958,306	700,629	81,607,003

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

13 Property plant & equipment (continued)	Land and buildings TTD	Furniture, fixtures and fittings TTD	Office equipment TTD	Computer facilities TTD	Other equipment TTD	Motor vehicles TTD	Capital work-in-progress TTD	Total TTD
Restated								
Cost								
Balance as at 1 January 2016	91,576,061	16,017,092	17,791,182	19,270,540	7,762,429	1,501,019	194,055	154,112,378
Additions	1,000,827	282,970	308,492	1,275,484	62,334	634,403	737,829	4,302,339
Disposals	--	(790,275)	(245,810)	(309,911)	(691,179)	(578,835)	--	(2,616,010)
Transfers/Re-classifications	--	--	231,255	--	--	--	(231,255)	--
Balance as at 31 December 2016	92,576,888	15,509,787	18,085,119	20,236,113	7,133,584	1,556,587	700,629	155,798,707
Accumulated depreciation								
Balance as at 1 January 2016	24,242,551	12,184,489	13,068,547	15,248,762	4,913,987	591,295	--	70,249,631
Charge for the year	2,079,916	628,590	1,133,551	986,070	825,565	345,650	--	5,999,342
Disposals	--	(688,169)	(213,315)	(277,089)	(540,032)	(338,664)	--	(2,057,269)
Transfers/Re-classifications	--	--	--	--	--	--	--	--
Balance as at 31 December 2016	26,322,467	12,124,910	13,988,783	15,957,743	5,199,520	598,281	--	74,191,704
Net book value								
Balance as at 31 December 2016	66,254,421	3,384,877	4,096,336	4,278,370	1,934,064	958,306	700,629	81,607,003
Balance as at 31 December 2015	67,333,510	3,832,603	4,722,635	4,021,778	2,848,442	909,724	194,055	83,862,747

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

13 Property plant & equipment (continued)	Land and buildings TTD	Furniture, fixtures and fittings TTD	Office equipment TTD	Computer facilities TTD	Other equipment TTD	Motor vehicles TTD	Capital work-in-progress TTD	Total TTD
Cost								
Balance as at 1 January 2015	106,694,046	16,021,817	16,844,990	19,071,697	7,815,529	1,744,494	978,306	169,170,879
Additions	979,845	251,287	588,562	284,283	666,979	319,000	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)
Transfer to investment property	(10,188,312)	--	--	--	(570,079)	--	--	(10,758,391)
Balance as at 31 December 2015	91,576,061	16,017,092	17,791,182	19,270,540	7,762,429	1,501,019	194,055	154,112,378
Accumulated depreciation								
Balance as at 1 January 2015	21,532,509	11,840,146	12,076,728	14,408,386	4,725,497	611,075	--	65,194,341
Charge for the year	4,168,955	562,051	999,079	847,376	597,047	302,171	--	7,476,679
Disposals	(577,878)	(217,708)	(7,260)	(7,000)	(149,999)	(321,951)	--	(1,281,796)
Transfers/Re-classifications	--	--	--	--	--	--	--	--
Transfer to investment property	(881,035)	--	--	--	(258,558)	--	--	(1,139,593)
Balance as at 31 December 2015	24,242,551	12,184,489	13,068,547	15,248,762	4,913,987	591,295	--	70,249,631
Net book value								
Balance as at 31 December 2015	67,333,510	3,832,603	4,722,635	4,021,778	2,848,442	909,724	194,055	83,862,747
Balance as at 31 December 2014	85,161,537	4,181,671	4,768,262	4,663,311	3,090,032	1,133,419	978,306	103,976,538

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

14 Accounts payable and accruals

		31 December	
	2017	2016	2015
	TTD	TTD	TTD
CUNA Claims	35,946,231	29,128,787	23,642,326
Trade creditors	17,947	910,001	396,809
Interest payable	1,044,355	837,806	838,210
Other payables	7,236,762	9,805,992	3,058,910
Accrued expenses	722,316	1,182,552	1,375,921
Statutory deductions payable	925,942	866,042	678,018
Provision for retroactive salaries	8,556,394	462	--
Provision for severance	28,096,220	29,830,359	25,377,302
Automated Teller Machine – Branch Settlement	406,681	(49,350)	673,709
	<u>82,952,848</u>	<u>72,512,651</u>	<u>56,041,205</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

		31 December	
	2017	2016	2015
	TTD	TTD	TTD
Balance at beginning of year	3,425,665	3,002,996	2,203,347
Expense/(credit)	644,592	422,669	799,649
Balance at end of year	<u>4,070,257</u>	<u>3,425,665</u>	<u>3,002,996</u>

Deferred taxation is attributable to the following items:

Excess of written-down value over net book value	11,152,093	9,275,037	8,522,229
Tax losses carried forward	(7,081,836)	(5,849,372)	(5,519,233)
	<u>4,070,257</u>	<u>3,425,665</u>	<u>3,002,996</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 2017

(Expressed in Trinidad and Tobago Dollars)

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 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 2017

(Expressed in Trinidad and Tobago Dollars)

21 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	
	2017 TTD	2016 TTD
Assets, liabilities and members' equity		
Loans and other receivables		
Directors, committee members, key management personnel	7,112,551	6,769,429
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	4,048,492	2,420,135
Interest and other income		
Directors, committee members, key management personnel	621,353	496,748
Interest and other expenses		
Directors, committee members, key management personnel	36,397	100,763
Key management compensation		
Short-term benefits	3,036,769	2,388,957

22 Other income

	31 December	
	2017 TTD	2016 TTD
Loan processing fees	9,440,791	10,766,038
Loan late fees	838,201	1,554,802
CUNA commissions	1,843,160	1,675,970
Service charges	260,839	232,799
Entrance fees	4,524	3,249
Commission	374,612	410,687
Miscellaneous income	3,104,830	2,280,460
Gym income	2,065,550	2,111,993
Custodial unit income	--	693,324
Gain on disposal of fixed assets	--	44,649
	17,932,507	19,773,971

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

23 Administrative expenses

	31 December	
	2017 TTD	2016 TTD
Annual and special general meetings	1,225,837	1,447,211
Audit fees	615,121	429,600
Bad debt expense	638,293	79,837
Credit Union League dues	164,541	39,635
Computer supplies and expenses	2,614,350	2,594,785
Depreciation and amortisation	6,847,606	7,104,527
Donations and sponsorships	180,497	90,274
Education supplies and expenses	2,433,218	2,366,048
Electricity	1,453,144	1,436,319
Green fund levy	53,574	44,739
Insurances	5,922,940	5,655,259
Loss on investments	—	3,531,805
Maintenance	4,151,902	4,279,727
Miscellaneous expenses	4,076,816	2,022,165
Motor vehicle expenses	75,823	93,742
Office expenses	2,091,650	1,931,845
Printing, postage and stationery	799,771	651,916
Professional services	2,331,763	2,164,984
Property rental	6,806,804	6,220,647
Rates and taxes	1,083,699	—
Security	4,808,162	4,245,024
Sports and family day expenses	279,784	464,197
Staff training	1,097,159	573,089
Telephone	3,618,551	3,481,780
	<u>53,371,005</u>	<u>50,949,155</u>

24 Board and committee expenses

	31 December	
	2017 TTD	2016 TTD
Stipend	1,358,480	1,261,862
Meeting expenses	240,939	369,988
Training and conferences	—	17,648
Entertainment	3,491	4,275
Corporate wear	11,655	16,796
Donations	63,223	80,087
Miscellaneous	18,185	23,263
	<u>1,695,973</u>	<u>1,773,919</u>

Eastern Credit Union Co-Operative Society Limited and its Subsidiary

Notes to the Consolidated Financial Statements (continued)

31 December 2017

(Expressed in Trinidad and Tobago Dollars)

25 Personnel costs

	31 December	
	2017 TTD	2016 TTD
Salaries and other staff benefits	66,475,627	60,134,450
Travelling and subsistence	1,419,399	1,421,730
	<u>67,895,026</u>	<u>61,556,180</u>

The number of permanently employed staff as at the year-end 2017 was 307 (2016 – 295).

26 Taxation

	31 December	
	2017 TTD	2016 TTD
Business levy	(107,148)	(89,329)
Deferred taxation	<u>(644,592)</u>	<u>(422,944)</u>
	<u>(751,740)</u>	<u>(512,273)</u>
Net surplus before taxation	63,978,895	55,876,678
Tax calculated at 25%	(15,994,724)	(13,969,170)
Portion re Credit Union activities	15,698,520	13,985,647
Business levy	(107,148)	(89,329)
Other	<u>(348,388)</u>	<u>(439,421)</u>
	<u>(751,740)</u>	<u>(512,273)</u>

As per Corporation Tax Act Chapter 75:02 section 6, Credit Unions are exempt from Corporation tax.

27 Events after the balance sheet date

Dividends

The Board of Directors has proposed a dividend of \$36,215,769 and interest rebate of \$11,645,635 for the year ended 31 December 2017. 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.

Other Events

There were no other 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.

ECU Tobago Branch





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