Ariza Credit Union

Inspiring Hope

annual
report
2021

Ariza Credit Union

annual report 2021

Inspiring Hope

Mission

To improve the quality of life of our members through sound financial solutions tailored to their needs

Vision

To maintain our role as leader in providing all-inclusive financial solutions based on co-operative ideals

Core Values

Member Focus . Professionalism and Commitment
Excellence and Innovation . Collaboration and Teamwork . Growth

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Prayer

Lord, make me an instrument of thy peace
Where there is hatred let me show love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light, and
Where there is sadness, joy

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

Bless, Oh Lord our deliberations and grant that
Whatever we may say and do
Will have thy blessing and guidance
Through Jesus Christ Our Lord

Song

Ariza!

VS1
When I need shelter, warmth, security,
I know you'll be there
Something in these moments, lets me know you care
Maybe the way you shield me,
Maybe it's your smiles
And the way you tell me, it's okay to try

Now I'm invincible, I can pack my sack,
I can take the long road
Cause it's okay to look back if I am scared I know you're
there

CHORUS
Ariza!
Together there's no limit to what we can do Ariza!
With no wings, Fly!
Ariza!
And we're so high, enjoy the view Ariza
Look no wings...fly!

VS2
Sometimes life might disagree, but it's okay to dream
You design your future, we'll sew in the seams
We're here to make you happy, cause that's what we
do And cause we're a family, and we believe in you

Now you're invincible, You can pack your sack
You can take the long road
Cause if you get off track, you've got somewhere
to run to You can be the one who makes all of your
dreams come true.

CHORUS

Corporate Information

St. George's Branch
Bruce Street
St. George,
P.O. Box 886
T: (473) 440 1759 / 8296 / 2099
F: (473) 440 8031
W: www.arizacu.com
www.facebook.com/arizacreditunion
www.facebook.com/excelclub
arizacu

Grenville Branch Office
Canal Road
Grenville,
St. Andrew
Telephone: (473)438-4929 / 4930
Fax: (473) 438-4928

Carriacou Branch Office
Church Street
Hillsborough,
Carriacou
Telephone: (473) 443-7461
Fax: (473) 443-8520

Credit Union House
906 Church Street,
St. George

Auditors:
PKF
Pannell House
P.O Box 1798
Grand Anse, St. George

Bankers:
Republic Bank (Grenada) Ltd.
Melville Street, St. George

ACB (Grenada) Ltd.
Grand Anse, St. George

Grenada Co-operative Bank Ltd.
Church Street, Saint George

Solicitors/Attorneys:
Wilkinson, Wilkinson & Wilkinsons
Lucas Street
St. George

George. E. D. Clyne
Old Fort Road
St. George

Franco Chambers & Co.
Ben Jones Street
Grenville
St. Andrew

Lex Fidelis
Upper Church Street
St. George

Cityscape
Le Marquis Mall
Grand Anse
St. George

Justis Chambers
Upper Church Street
St. George

Francis & Company
TAWU Building, Green Street
St. George

Notice of Meeting

Notice is hereby given that the Annual General Meeting (AGM) of Ariza Credit Union Ltd. will be held virtually on Thursday 29th September 2022 starting at 2 P.M.

Visit arizaamg.rsvpify.com to RSVP or scan QR code below:

AGENDA

OPENING SESSION

1.1. Call to order and welcome
1.2. Credit Union prayer
1.3. Silent tribute

BUSINESS SESSION

1. Nominations Committee Report
1.2. Elections
1.3. Voting
1.4. Sitting of new Directors

2. Consideration of the Minutes of the Virtual Annual General Meeting (AGM) held 26th August 2021

3. Committee Reports
3.1. Board of Directors
3.2. Credit
3.3. Supervisory & Compliance
3.4. Treasurer and Auditors
3.5. Budget 2022 and 2023

4. Resolutions
4.1. Appointment of Auditors
4.2. Approval of Budget

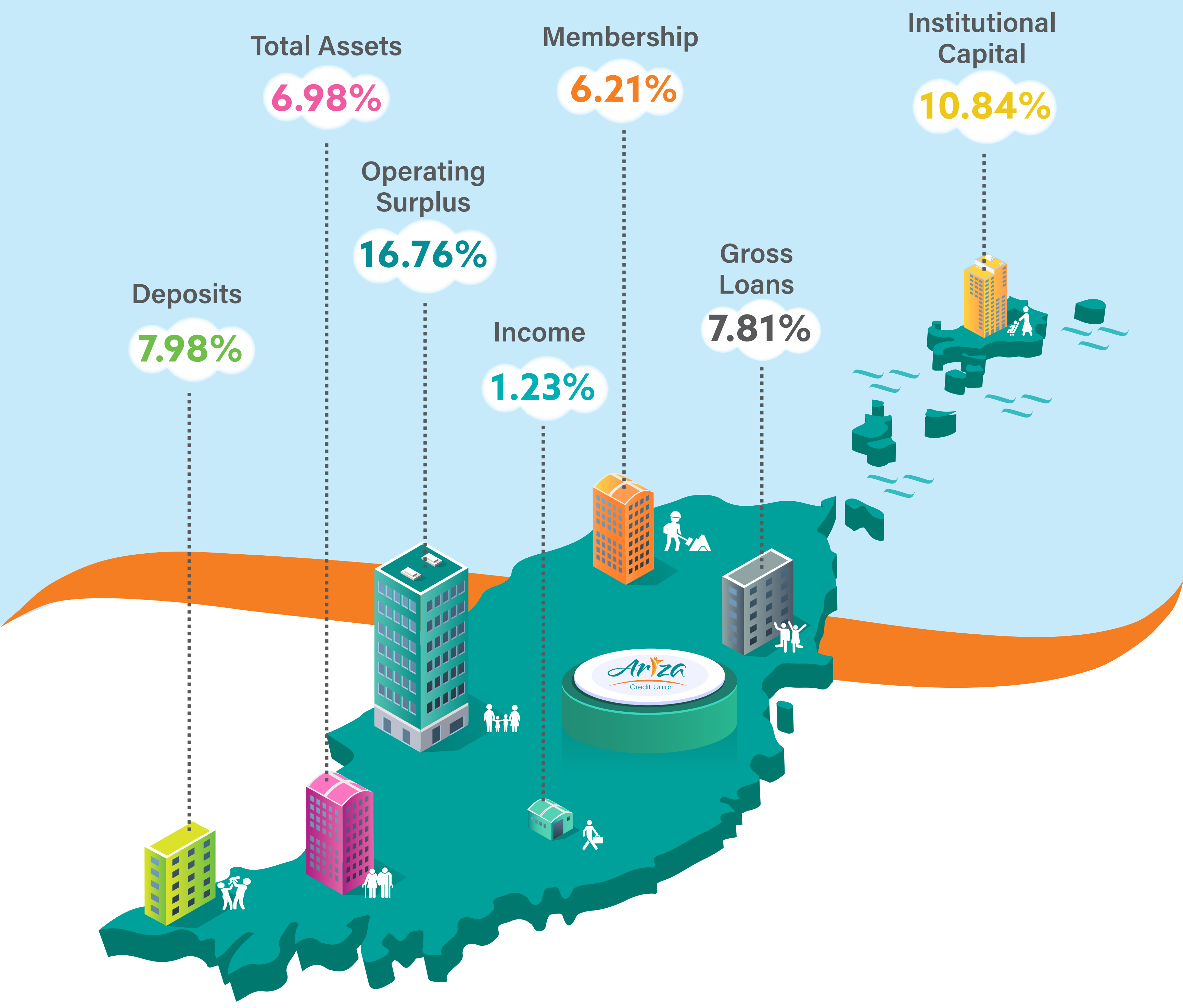
…………………………………………………..
Sis. Peterlyn Cooper
Secretary

Standing Orders

1. (a) Only Delegates are allowed to address the Chairman
   (b) A member to stand when addressing the Chairman
   (c) Speeches to be clear and relevant to the subject before the meeting
   (d) A member attending the AGM through Zoom must ensure that his/her name is correctly represented in Zoom
2. No member shall address the meeting except through a moderator or chair
3. (a) A member shall only address the meeting when called upon by the Chairman or moderator to do so, after which he/she shall immediately take his /her seat.
   (b) A member wishing to address the Chairman via Zoom must raise his/her hand using the Zoom "Raise Hand" feature.
   (c) The "Raise Hand" feature in Zoom will only be acknowledged during questions and comments sections of the meeting.
   (d) The Zoom Moderator will introduce and unmute the member allowing him/her to speak.
4. A member shall not speak twice on the same subject except:
   (a) The mover of the motion – who has the right to reply
   (b) He rises to object or to explain (with the permission of the Chairman or Moderator.)
5. The mover of a procedural motion – (Adjournment, laid on the table, motion to postpone) to have no right to reply.
6. No speeches to be made after the "Question" has been put and carried or negated.
7. A member rising on a "Point of Order" to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Orders").
8. A member shall not
   (a) "Call" another member "To Order" but may draw the Chairman to a "Breach of Order".
   (b) In no event can a member call the Chairman to order.
9. A "Question" should not be put to the vote if a member desires to speak on it or move an amendment to it except that "a Procedural Motion", "the Previous Question", "Proceed to the next business" or the closure "That question be put now" may be moved at any time.
10. Only one amendment should be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairman shall have in addition to his ordinary vote, a "casting Vote" in the case of equality votes.
13. If there is an equality of votes on an amendment, and if the Chairman does not exercise his (her) casting vote, the amendment is lost.
14. Provisions to be made for protection by the Chairman from vilification (personal abuse)
15. No member shall impute improper motives against the Chairman, Board of Directors, Officers or any other member.

Operating Highlights 2017-2021

	2021	2020	2019	2018	2017
Gross Loans	403,999,144	374,717,218	343,137,686	311,883,163	266,646,770
Net Loans	387,976,683	363,693,198	335,804,886	305,693,139	261,756,746
Investments	51,400,842	46,893,695	50,070,384	18,797,261	28,665,984
Fixed Assets	24,954,968	25,380,701	25,031,041	27,884,966	24,944,928
Total Assets	**523,772,037**	**489,581,331**	**450,334,307**	**376,858,430**	**331,056,650**
LIABILITIES					
Member's Lifetime Savings	244,366,041	215,896,670	191,847,083	165,500,796	142,540,794
Other Deposits	205,056,240	200,300,667	190,457,502	157,718,897	143,737,195
Total Deposits	**449,422,281**	**416,197,337**	**382,304,585**	**323,219,693**	**286,277,989**
CAPITAL					
Member Equity	16,058,046	15,438,304	14,668,678	12,753,644	10,986,015
Member Qualifying Shares	5,293,916	4,334,962	3,975,875	3,519,435	2,884,200
Surplus and Reserves	35,771,866	33,243,256	29,486,182	25,441,149	22,351,316
Institutional Capital	**41,065,782**	**37,578,218**	**33,462,057**	**28,960,584**	**25,235,516**
INCOME					
Interest on loans	30,848,897	30,416,834	28,640,693	25,818,776	20,658,225
Other Income	2,604,269	2,627,749	2,517,670	1,232,901	1,201,002
Total Income	33,453,166	33,044,583	31,158,363	27,051,677	21,859,227
Expenditure					
Interest on Deposits	10,610,537	11,046,802	11,764,201	11,048,030	9,490,754
Other Expenses	11,920,426	12,643,464	10,985,666	9,938,786	8,768,609
Total Expenses	**22,530,963**	**23,690,266**	**22,749,867**	**20,986,816**	**18,259,363**
SURPLUS					
Operating Surplus for the Year	10,922,203	9,354,317	8,408,496	6,064,859	3,599,864
Provision for Risk Assets	6,682,676	3,691,220	2,200,000	1,369,843	500,000
Unappropriated Surplus/(Deficit)	3,651,794	4,073,077	6,100,401	4,695,016	3,099,864
DIVIDEND	577,875	964,127	764,273	751,521	614,595
REBATE	-	-	467,388	516,375	426,805
Incentive Bonus					
MEMBERSHIP	22,443	21,130	19,608	17,492	15,114


Total Assets
6.98%
Membership
6.21%
Institutional Capital
10.84%
Operating Surplus
16.76%
Deposits
7.98%
Income
1.23%
Gross Loans
7.81%
Ariza
Credit Union

Management Executives

Lucia Livingston-Andall
Chief Executive Officer

Kippling Charles
Executive Manager
Finance & Operations

Florence Williams
Executive Manager
Loans & Credit Administration

Management Team

Edwin Francis
Manager
Marketing

Dayna Francis-Roberts
Manager
Loans

Neika Johnson
Accountant

Michelle McDonald
Manager
Human Resources

Sabrina Rodney-Ogilvie
Manager
Grenville Branch

Gerlan Peters-Toussaint
Manager
Risk & Compliance

Natasha Marquez-Sylvester
Investment & Portfolio
Analyst

Dane Sylvester
Manager
Projects

Lenus Walker
Manager
IT & Special Projects

Herschel Whiteman
Manager
Business Loans

Ariza Ambassadors

Administration


Abigail Alexander


Roxanne Antoine


Roxanne Charles


Richard George


Tiffani Hall


Nghia Haynes


Michelle McDonald


Leah Regis


Natasha Marquez-Sylvester


Dane Sylvester

Marketing

Amirah Branch

Edwin Francis

Information Technology

Brent Bain

Lenus Walker

Alyssa Millette

Ariza Ambassadors

Member Care

Adrian Harford

Jerilee Edwards

Sonia La Touche-Cadet

Shewin John

Cherise Linton

Katasha Thomas

Tracyann Walker

Josephine Walters

Risk & Compliance

Gerlan Peters-Toussaint

Filing & Documentation

Raulston Andall

Shervelle Jaldoo

M. Shrreene Lett

Aidan Peters

Kinesha Moses

Nickada St. Clair

Ariza Ambassadors

Finance & Operations

Back Office

Shaunon Amada

Kurt Bartholomew

Nerissa Chitterman

Makaylar Hannibal-Shears

Neilon La Touche

Neika Johnson

Javon Mc Sween

Martina Modeste

Jaime Phillip

Cheffon Whiteman

Jaime Phillip

Teller Services

Denisha Cyrus

Steffon Binda

Tasheria Purcell-Radix

Semone Sargeant

E-Services

Kenson Cumberbatch

Frances Gilbert

Terissa Mitchell

Nerissa Read

Ariza Ambassadors

Loans & Credit Administration

Loans Head Office


Veronica Alexander


Thaddea Andrews


Kesha Bartholomew


Iyana Brown


Michelle Cambridge-Marryshow


Camisha Felix


Dayna Francis-Roberts


Shaquille Isaac


Candys Lewis


Yonette Ross


Kynda Sylvester


Jenelle Viechweg-Harbin


Herschel Whiteman

Collateral Securities


Christel Hall


Jade Henry


Mondella Lynch-Alleyne

Delinquency Management


Sinicar Henry-Andrews


M. Stephen Joseph


Sindy-Ann Morain


Heather Thomas


Kishon Palmer

Credit Admin


Staciann Lake


Edlyn Lalsee


Geanelle Mitchell


Candia Nicholas


Kendra Noel


Leanne Purcell

Ariza Ambassadors

Carriacou Branch

Heather Adams

Patricia Bernard

Josh Edmund

Princess Herry-John

Jeanette Stanislaus

Grenville Branch

Neisha Allard

T. Londell Francique

Raymonda Herry

Raquel Langdon

Sabrina Rodney-Ogilvie

Loreen Toussaint

Ancillary Staff

Kim-Andy Livingston

Lema Mitchell

Emlyn Williams

Parking Valet

Carlos Duncan

Ordel Joseph

President's *Message*

The year 2022 has certainly been another eventful year in the world, our economy, and our Credit Union. As we reflected on the pandemic-impacted year and the subsequent easement of restrictions, we remain constantly cognizant of our mission to transform lives. It brought to focus the ever-present need to appreciate the now, and treasure the opportunity to serve you every day. The past year called for us to be nimble and prepared to adjust on short notice as we balanced health and wellness with service excellence.

Today we celebrate our successes amidst the challenges we faced. Pivotal to these successes is your continued belief in, and support of your Credit Union, for which we express profound gratitude.

In 2021, the point was brought home very strongly that we were not engaged in business as usual. The financial landscape continued to change, fueled by technology, competition, and service expectations. As a credit union, we must be diligent in strategic planning and the adoption of sound business practices as we evolve to embrace the changing landscape and your needs.

The strategic focus for the next five years underscores your Board's commitment to positioning your Credit Union to remain relevant and viable. Among others, key tenets of that focus are as follows:

- Digital Transformation
- Service Excellence
- Business Diversification

These initiatives are vital particularly in this post-pandemic era where our members take center stage. We cannot afford to be caught in a state of inaction. This will be detrimental to our mission and vision.

Theodore Roosevelt once said, "Far and away the best prize that life offers is the chance to work hard at work worth doing." This quote speaks to the power of the human spirit, the human imagination, and human resources. In 2021 the spirit of this sentiment underpinned the Credit Union's focus on the empowerment and development of the human resource to do a job that is worth doing, serving you with excellence. This was facilitated through the commencement of an organisational restructuring exercise and a job evaluation undertaking. The key objective is to create a seamless alignment between the human resource needs and the Credit Union's strategic goals. This alignment will undoubtedly be the source of wealth and capital as we embrace this modern space.

In 2021 Ariza achieved some significant milestones.

Total assets crossed the half a billion-dollar threshold with gross loans of over four hundred million dollars ($400M). This was coupled with an operating surplus of over ten million dollars ($10M). Your Credit Union is on the right trajectory.

The Ridgeway Residences project experienced significant traction resulting in the firm negotiations for the sale of two houses and initial discussions for at least 5 more .

The completion of the car park has generated sustained use and revenues over the last year.

The Credit Union's presence at the Petite Martinique Day celebrations in New York provided much exposure and business for the Credit Union. The Ridgeway Residences project drew significant interest.

Notwithstanding our successes, post-pandemic delinquency continued to be a challenge as we pursued several strategies to counter the rise in the level of delinquency.

The year 2022 will be a very special and significant one in the life of our Credit Union. It will usher in a year of celebrations in recognition of our 75^{th} anniversary, a significant milestone in our history. It will be one when we recognize the contributions of many of our stalwarts and trailblazers.

Additionally, 2022 will be a year of transition in the leadership of the Credit Union. Ariza has been blessed to be led by Mrs. Lucia Livingston-Andall, a visionary over the past 25 years who has given exceptional service in the transformation of the Credit Union and by extension, the movement both locally and regionally. Her vision and tenacity were unmatched. The time has come for her to demit office and for a new phase in Ariza's evolution to begin. Also demitting office in 2022 will be Mrs Florence Williams, Executive Manager for Loans & Credit Administration under whose tenure since 2006, the loans portfolio has grown to over $500M. On behalf of the movement, I express titanic gratitude to Mrs Andall and Mrs Williams, and to wish them well in their new journey.

As we reflect on another year, I wish to express profound gratitude to my colleagues on the Board and other Committees for your selfless service, to Management for your commitment and focus during the challenging times and to you our members for your loyalty. Let us continue to work together in the spirit of our stalwarts and trailblazers, resolute in our mission to change the lives of our members one by one. Again, I thank the membership for allowing me to serve as your president.

May God continue to bless our Credit Union.

Dennis Cornwall
President

Board of Directors' Report

Bro. Lyndon Bubb, Sis. Claudette James, Sis. Michelle Sayers-Griffith, Sis. Carla Thomas-Ross, Bro. Aaron Moses
Sis. Peterlyn Cooper, Bro. Dennis Cornwall, Bro. Otis Gay, Bro. Javan Williams

At the conclusion of the Annual General Meeting on 26th August 2021, the following members constituted the Board of Directors:

Sis. Peterlyn Cooper
Sis. Claudette James
Sis. Michelle Sayers-Griffith
Sis. Carla Thomas-Ross
Bro. Lyndon Bubb
Bro. Dennis Cornwall
Bro. Otis Gay
Bro. Aaron Moses
Bro. Javan Williams

At the first meeting of the Board of Directors following the August 2021 AGM, the following executive officers were elected:

Bro. Dennis Cornwall	President
Bro. Lyndon Bubb	Vice President
Sis. Peterlyn Cooper	Secretary
Sis. Claudette James	Assistant Secretary
Sis. Carla Thomas-Ross	Treasurer
Sis. Michelle Sayers-Griffith	Assistant Treasurer

Overview

The year 2021 heralded the start of a new decade and marked five (5) years since the rebranding of Grenada Public Service Co-operative Credit Union to Ariza.

Your Board saw it as an opportune time to review the status of your Credit Union to assess and determine the strategic imperatives Ariza should pursue during this new decade to continuously live its vision of leading the credit union movement locally and in the wider Caribbean.

This re-evaluation and stock taking was especially relevant within the lingering effects of the Covid-19 pandemic on the economy, and the need to ensure ease of doing business for you, and to continue to make available to you a diversified range of financial solutions tailored to your specific needs.

The fall-out from the pandemic also brought to the fore more starkly, the need to always have an eye on the management of risks. An enterprise-wide risk assessment project was therefore commissioned with the objective of establishing a Risk Management Framework for the organization.

These initiatives, coupled with an emphasis on succession planning for organizational continuity at all levels, occupied your Board's thinking during the year and have set the stage for more detailed work in 2022, in the areas of organizational review and restructuring, job evaluations, compensation review and technologically driven processes.

Our moratorium facility remained in place from 2020 to further assist members who were still unemployed. During this period, our increased focus on expense management allowed us to sustain profitability even within the challenge of increased delinquency.

External Environment

The Covid-19 Pandemic had a significant adverse effect on the global economy. The International Monetary Fund revised its projected global growth rate from 6.1% to 6% in July due to worsening pandemic dynamic and supply chain disruptions. This was partially mitigated by stronger near-term prospects among some commodity-exporting emerging markets and developing economies. The rapid spread of the Delta variant and the threat of new variants, have increased the uncertainty relating to how quickly the pandemic could be overcome. Policy choices became more difficult, with limited room for maneuvering.

Credit Union Sector Performance

The credit union sector in Grenada experienced some growth despite the lingering effects of the pandemic. Loans grew by 7.39%, and total assets by 5.79%. Total deposits, however, contracted by 6.44%. Membership in the 10 credit unions grew to 80,096 or 4.65%.

The following table summarizes the performance of all credit unions relative to Ariza:

	ALL CREDIT UNIONS			ARIZA CREDIT UNION			
	As of December 2021 $	As of December 2020 $	% Change	As of December 2021 $	As of December 2020 $	% Change	Ariza Market Share (%) in 2021
Deposits	**856,980,972**	915,976,022	(6.44%)	**449,422,281**	416,197,337	7.98%	52%
Loans	**857,418,125**	798,388,974	7.39%	**403,999,144**	374,717,218	7.8%	47%
Total Assets	**1,162,610,171**	1,098,958,884	5.79%	**523,772,037**	489,581,3312	6.98%	45%
Members	**80,096**	76,537	4.65%	**22,443**	21,130	5.85%	28%

Ariza's Performance

Financial Performance

Ariza achieved an above market financial performance for the year. Total assets grew by $34M or 6.98% to end the year at $523,772,037. Loans grew by 7.8% and members deposits increased by 7.98% amid an overall decrease in deposits in the sector. Ariza strengthened its market share in deposits from 45% to 52%; a 7% increase over the period. Profitability and growth targets as forecasted within the strategic plan were not achieved and had to be revised because of the realities of the markets. Notwithstanding, the Credit Union performed credibly, achieving an operating surplus of $10.9M against a prior year achievement of $9.3M.

Corporate Governance

During the year the board met regularly in accordance with the Act to execute its mandate. Fourteen meetings of the full board were held. The various subcommittees also met and reported to the board on their specific areas. Three meetings of the Joint Committees were held to consider loan applications and to receive updates on the Credit Union's operations.

Attendance at Board meetings

Board Attendance 2021

	Javan Williams	Dennis Cornwall	Claudette James	Lyndon Bubb	Carla Thomas-Ross	Michelle Sayers-Griffith	Peterlyn Cooper	Otis Gay	Aaron Moses
16-Feb-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
16-Mar-21	✓	✓	✓	✓	✓		✓	✓	✓
27-Apr-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
18-May-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
08-Jun-21	✓	✓		✓	✓		✓	✓	
29-Jun-21	✓	✓	✓	✓	✓	✓		✓	
27-Jul-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
24-Aug-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
31-Aug-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
03-Sep-21		✓	✓	✓	✓	✓	✓	✓	✓
05-Oct-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
19-Oct-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
16-Nov-21	✓	✓	✓	✓	✓	✓	✓	✓	✓
21-Dec-21	✓	✓	✓	✓	✓	✓	✓	✓	✓

Meetings were held with the regulator, GARFIN, and the Co-operative League within the context of the proposed new risk-based supervision framework and the areas of vulnerability of the Credit Union.

Our credit union continued to be represented on the board and committees of the Grenada Co-operative League.

Management was actively engaged in working closely with the League and other credit union managers in reviewing the proposed new **Cooperative Societies' regulations.**

Training of committee members

Training was provided to the Board and committee members through three major initiatives: Attendance at the Disruptive Leadership conference, Audit Committee certification training, and the FINTECH Innovation Training.

Appointment of interim member of the credit committee

During the year one member of the Credit Committee had to demit office. The Board acting under the powers vested in the By-laws, XVII (62), appointed an interim member from the list of qualified nominees from the previous AGM, Sister Portia Fraser.

Compliance and Risk Management

Ariza continued to improve standards and onboarding processes to ensure compliance with all regulations.

With the continued thrust towards online services and digitization, Ariza sought to better manage risks by automating its risk management through an appropriate software. Additionally, a consultant was engaged to provide an Enterprise-Wide Risk Management assessment of the organization and to advise on an appropriate Enterprise-Wide Risk Management framework. Due to a spike in Covid-19 cases in September 2021, the commencement of this exercise had to be deferred to January 2022.

Operational Changes in response to the Covid-19 pandemic

Our Credit Union was severely impacted by the spike in Covid-19 cases in September 2021, with Member Care Department having to be closed, as well as operations at the Main Branch having to be suspended for half day on 2nd September and all day on 3rd September 2021.

With additional electronic devices purchased in 2021 and a different Virtual Private Network (VPN) utilized, more employees were able to work from home as compared to the curfew period in 2020. Microsoft Teams was used for appointments with members.

In collaboration with the St George's Clinic of the Ministry of Health, onsite testing for employees was arranged over several days in September 2021. When positive cases were identified, they were instructed accordingly regarding quarantine and isolation protocols, as guided by the Ministry of Health.

In an ongoing effort to continue to implement technology for members to access and maintain their accounts, we ensured our ATM services were accessible and more members were able to use this facility. We added new security feature updates to our debit cards such as EMV chip-enablement and Original Credit Transfer (OCT) that would allow members to receive and send money within 30 minutes from financial institutions that would facilitate these transaction types.

Marketing Highlights

The Credit Union continued to brave the uncertainties of the pandemic as it executed activities that assured members of our commitment to their financial journey.

Ask the Doctor- ICU Day Health fair

Like 2020, the Covid-19 pandemic prevented the traditional way of celebrating International Credit Union Day (ICU Day). Based on the 2021 ICU Day theme: "Building Financial Health for a Brighter Tomorrow" it was decided that a mega health fair called 'Ask the Doctor' would be a good substitute event. The event was an opportunity to stand in solidarity with members and our community during the pandemic, by providing the tools and expertise to help them safeguard their wellbeing, recognizing that it is imperative to have good physical health on their journey to financial freedom.

Hello New York – Petite Martinique Fun Day in New York

As part of Ariza's plan for outreach/engagement of members and potential members in the diaspora, Ariza partnered with the Petite Martinique Fun Day NY Committee for their annual fun day activity which was held on Sunday, July 18th, 2021. The event attracted approximately 400-500 persons (from Petite Martinique, Carriacou, Grenada, and other Caribbean islands). Our marketing team facilitated the processing of membership applications and provided responses to queries about the Credit Union during the event.

St. Andrew Cricket League Cricket Competition

The league hosted a series of cricket games held weekly in the parish of St. David and St. Andrew. There was a total of 32 teams vying for the top three positions and the tournament was held in three (3) zones. The games were held weekly on Saturdays and Sundays in May, June, and July. Throughout this period of games, promotional information, tokens, memorabilia, and vouchers were distributed to spectators.

Waggy T Football

Ariza was able to partner with Megaforce Promotions to host the 12th Annual Waggy T Football Knockout competition. The games were held at the Kirani James Stadium following Covid Protocols and were also live streamed weekly for a period of 7 weeks. The winning team was awarded Ariza membership vouchers and memorabilia.

Other Initiatives

Several in-branch activities were executed throughout 2021 to share the Ariza cheer and goodwill with members. These included:

- Independence treat
- Valentines, I Love You Promotion
- Easter cheer
- Mother's Day treat
- Father's Day treat
- Ariza Anniversary
- Christmas Eve - Santa and Pan
- New Year's Eve pan

Ridgeway Residences Project

Following on the concerns and comments made at the 2021 Annual General Meeting regarding the long gestation period of the project, and the need for a review for more definite results, the Board, through the Property Development subcommittee, took several actions during the year. It reviewed and approved a new pricing and marketing strategy. It also took other decisions geared towards enhancing the property such as maintenance of the public spaces and roundabout ,and widening of the entrance in collaboration with the Ministry of Works. The resulting heightened marketing, and promotion efforts have begun to bear fruits with renewed interest shown in the offer of a turnkey buildout, especially from the diaspora. During the year work began on one such buildout and continued the work of the Ixora model.

Human Resource Highlights

- **Job Evaluation**

  The main focus of the Human Resource unit for 2021 was facilitating the Job Evaluation exercise which was necessary to determine the relative worth of each job and to establish a fair and equitable pay structure. This project commenced in November 2020 and involved an analysis of jobs, revision and/or creation of job descriptions, and an external compensation survey.

  During 2021, and related to the Job Evaluation exercise, Management also proposed revisions to the organizational structure which were deliberated on by the Board of Directors at its retreat held on 11th – 12th December 2021.

- **Group Life & Health Insurance**

  Activities commenced to establish an Ariza-managed Group Life & Health Insurance plan to provide better benefits for staff. This was carded for implementation in 2022.

- **Negotiations for new collective labour agreement**

  Negotiations commenced in 2021 for a new three-year collective labour agreement with the Commercial and Industrial Workers' Union to run from May 2021 to April 2024.

- **Staffing**

  The table below outlines the staffing numbers and movement for 2021.

Total employees as at 1st January 2021	94
Number of new hires	10
Number of exits	8
Total employees as at 31st December 2021	**96**

- **Training 2021**

  Staff continued to receive in-house and external training to equip them with the skills and knowledge to perform their duties.

  Following, are some of the opportunities utilized for training during the year:

  - Disruptive Leadership conference held virtually by Go Blue Inc saw participation from 15 staff members and 2 Board members.

- Audit Committee certification training held by Caribbean Governance Training Institute saw participation from 2 Board members and 1 Supervisory and Compliance Committee member.
- CCCU Convention Training took place virtually and several staff members participated.
- Fintech Innovation Training offered by the University of Singapore from March to June was utilized to prepare the following staff and Board members to lead the Fintech adoption efforts in the Credit Union.
    - Peterlyn Cooper
    - Michelle Sayers-Griffith
    - Sabrina Rodney-Ogilvie
    - Edwin Francis
    - Lenus Walker

- The SHARTEC Users' Annual Conference training was used to maintain currency with developments in the software. It was attended by the IT Manager, Lenus Walker.
- The Risk and Compliance Manager continued to provide training to new staff members in Anti-Money Laundering compliance (AML).
- Two members of staff from the Risk and Compliance Unit attended the 3rd Annual AML and Anti Financial Crimes Conference held by ACAMS Caribbean in December.

Provident Fund

This Fund was utilized during the year to aid 30 members needing assistance in various areas such as emergency medical care, purchase of medicines and other necessities, and minor house repairs. Grants totaling $79K were given through the Provident Fund Committee.

Scholarships

Ariza continued to aid members and their children through its secondary and tertiary scholarship programs.

- **Secondary School Award**
  There were two awardees for the year. Tianna D.N. Mitchell, daughter of Donnalyn Chance, was awarded based on her outstanding performance at the CPEA examinations. The other award went to Phoebe M. Simon, daughter of Martisha Simon. This award was given based on financial need.

- **Blue Ribbon Award**
  The Blue-Ribbon Award, similar to the Secondary School Scholarship Award, is granted to students for entrance into Secondary School. It is granted to the student who has an Ariza Education Savings Plan account and attained the highest score at the Caribbean Primary Exit Assessment Level. Alisha Marisha Gordon, daughter of Mary P. Gordon, captured this award. She received 481 points out of a total of 500 points.

- **Brighter Future Scholarship Awards**
  This is a tertiary level award for students pursuing studies at the T.A. Marryshow Community College. The scholarship is awarded to two (2) students whose parents / guardian are members of the Credit Union or who have Excel accounts. Each student receives

$1,500.00 per year for their two-year programme at the College, provided that a high academic performance is maintained. In 2021 the Credit Union received no applications for this scholarship.

- **The Joseph Bain Scholarship Award**
  The Joseph Bain Scholarship Award granted assistance to four (4) members of Ariza Credit Union who were in pursuit of university level education at various institutions. Each successful applicant was awarded $5000.00 as a one-off payment to assist with their studies. These awardees were:

1. Roxanne Nicholas – Walden University, pursuing a bachelor's degree in Healthcare Management General Concentration
2. Kemik DeGale – University of the West Indies, Open Campus, pursuing a bachelor's degree in Banking & Finance with a minor in Compliance & Corporate Governance.
3. Paul Mc Burnie – University of the West Indies, Cave Hill Campus, Barbados, pursuing a LLB Degree in Law.
4. Ray-Donna Augustine – St. George's University pursuing a bachelor's degree in Biology.

Transitions 2021

The following members made their transition in 2021. May their souls rest in peace and their families be comforted by the memories created over their lifetime.

Crystal Du Bois	Upper Level Ravine Road, St George	01/04/2021
Madeline Ray	Mt Royal, Carriacou	22/01/2021
Rhonda Nicole Fletcher	Rivulet Lane, Grenville, St Andrew	23/01/2021
Christopher Horsford	Creighton, St George	23/01/2021
Michael Jones	Fontenoy, St George	31/01/2021
Levi Benoit	Good Hope, St George	01/02/2021
Sandra Thomas-Phillip	Mt Rich, St. Patrick	01/02/2021
Otis A. Brathwaite	Morne Jaloux, St George	10/02/2021
Monica Mungo	Perdmontemps, St David	28/02/2021
Micah Williams	Mardigras, St George	01/03/2021
Johnson St. Louis	True Blue, St George	01/03/2021
Micaiah Williams	Café, St George	01/03/2021
David Benedict Lucas	Mt Rush, St George	02/03/2021
Leon P. Campbell	Calabash Alley, Grand Mal, St George	04/03/2021
Crispin Anthony Boney	Beaulieu, St George	14/03/2021
Geraldine Snagg-Peterkin	Calliste, St George	17/03/2021
Kaleta Whyte	Snug Corner, St George	22/03/2021
Lincoln Regis	Crochu, St Andrew	24/03/2021
Erlon Baptiste	Hills of Eyes, Tempe, St George	24/03/2021
Joan Mendes-Duncan	Golf Course Heights, St George	24/03/2021
Clev Matthew Sylvester	New Hampshire, St George	25/03/2021
Kadijah P. Edwards	Annandale, St George	29/03/2021
Floyd Bishop	Good Hope, St George	30/03/2021
Orlando Raphael Phillip	Mt Rich, St Patrick	31/03/2021
Joseph Felix	Belle Isle, St David	04/03/2021
Steady Gregory Philbert	Madeys, St Patrick	04/04/2021
Christopher Bullen	La Borie Road, St George	14/04/2021
Elona Regis	Grand Mal, St George	14/04/2021

Anthony L. Fisher	136a Portnall Road, London, UK	18/04/2021
Edris B. Charles-Stewart	Soubise, St Andrew	18/04/2021
Francis De Gale	Griffin Lane, Grenville, St Andrew	21/04/2021
Androlena Francis	New Hampshire, St George	22/04/2021
Yusta Paterson	Mount Pleasant, Carriacou	22/04/2021
James Albert Wilson	Mt Parnassus, St George	23/04/2021
Daniel Medford	420 1st Street Mineola	24/04/2021
Anthony Hosten	Dunfermline, St Andrew	25/04/2021
Glenroy Thomas	Moyah, St Andrew	26/04/2021
Ann Marie Christopher	Carriere, St Andrew	13/05/2021
St. Louis Collins	Grand Roy, St John	15/05/2021
Gloria Bain-Patrick	River Road Housing Scheme, St George	16/05/2021
Marjorie Reason	La Taste, St. Patrick	31/05/2021
Glayson E. Mitchell	Victoria, St Mark	31/05/2021
Lydia Francis	Mt Parnassus, St George	01/06/2021
Richard Logan	Mt Gay, St George	07/06/2021
Roselyn Baptiste-Phillip	Bonair, St. Mark	08/06/2021
Lauriston Hosten	Lower Depradine Street, St John	16/06/2021
Anthony Julien	Perdmontemps, St David	17/07/2021
Joseph Forrester	136 Toynbee Trail Scarborough, Canada	17/07/2021
Maureen Chitterman	Richmond, St Andrew	25/07/2021
David D. De Coteau	Belmont, St George	25/07/2021
Sisnette Sanderson	Gouyave, St John	16/08/2021
Rickey Hines	Aros, St Pauls	20/08/2021
Cyril Charles	Pearls, St Andrew	22/08/2021
Allie Alexander	Springs, St George	27/08/2021
Cynthia Budhlall	Radix Mt Parnassus, St George	28/08/2021
Paul Parris	153-15 124th Avenue Jamaica Ny 11434	29/08/2021
Nordica George	Central Depradine Street, Gouyave, St John	30/08/2021
Eric Rogers	La Digue, St Andrew	31/08/2021
Berna V. Browne	River Road, St George	02/09/2021
Maude Hutchinson	Mt Rose, St Partick	02/09/2021
Tyrone F. Benjamin	La Tante, St David	06/09/2021
Rolston Warren	Mont Toute, St George	11/09/2021
Meryl Forsyth	Laura, St Davi	11/09/2021
Seon G. Alexander	Marrast Hill,Tempe, St George	12/09/2021
Michael Ellis	Morne Jaloux, St George	15/09/2021
Laurie Joseph Mc Guire	Lower Marli, St Patrick	16/09/2021
Jane Rebecca Duncan	Rose Mount, St. John	19/09/2021
Royston Andrews	Mt Parnassus, St George	20/09/2021
Roda Madeline St. Louis	50 Main St Apt 305 Toronto, Canada	20/09/2021
Maria Baptiste	Boca, St George	22/09/2021
Tyrone Harbin	Tempe, St George	22/09/2021
Austine James Lewis	Mt Rose, St Patrick	23/09/2021
Sherma Davis	Morne Jaloux, St George	24/09/2021
Andie Kirton Samuel	Samuel Avenue, Calivigny, St George	26/09/2021
Michael R. Sylvester	La Borie, St George	27/09/2021
Norma Layne	Grand Anse, St George	30/09/2021
Helena Patrice	La Tante, St David	30/09/2021
Theresa Francis	Victoria, St Mark	01/10/2021
Wilma E. Sampson	Belmont, St George	02/10/2021
Everod Gay	Harvey Vale, Carriacou	03/10/2021
Mary Bartholomew	Ahoma Tivoli, St Andrew	03/10/2021
David Selwyn Gilbert	Marli, St Patrick	03/10/2021
Newton Winston Bain	Grand Bras, St Andrew	03/10/2021
Justin La Qua	P O Box 240, St George	03/10/2021
Milton Tannis	La Fillette, St Andrew	04/10/2021
Fitzra Sylvester-Charles	Harvey Vale, Carriacou	09/10/2021
Enoch Benoit	Dougaldston, St John	12/10/2021

Waide Mc Donald	Windward, Carriacou	14/10/2021
Godwin Quammie	La Mode, St George	26/10/2021
Theresa Lucky Charles-Sookram	Pearls, St Andrew	30/10/2021
Chrispin C. Mc Intosh	Tempe, St George	01/11/2021
Shawndell Harford	La Digue, St Andrew	03/11/2021
Marilyn S.M.S. Wilson	Birchgrove, St Andrew	05/11/2021
Catherine Solomon	Grand Anse, St George	05/11/2021
Mickiel Dominic Pierre	Conference, St Andrew	10/11/2021
Dave Marquez	Gouyave, St John	11/11/2021
Samuel Roberts	New Hampshire, St George	13/11/2021
Angela Peters	Conference, St Andrew	15/11/2021
Myra Ann B. P. Langaigne-McKie	La Borie, St George	16/11/2021
Basil Harford	Springs, St George	21/11/2021
Deborrah Nyack	Mirabeau, St. Andrew	23/11/2021
Princess Margo Williams	Snell Hall, St Patrick	25/11/2021
Keniva Alexander	Birchgrove, St Andrew	09/12/2021
Anthony Mitchell	River Sallee, St Patrick	12/12/2021
Rodney Keron George	Hope, St Andrew	26/12/2021

Acknowledgements

During the year your Board sought to steer the Credit Union through the highly competitive marketplace, and to make provisions to ensure that it remains at the forefront. The tasks and accomplishments would have been impossible without the continued co-operation of all our volunteer committees, feedback from you our members, and guidance from our league and regulator. Our Management and staff gave selflessly of their energies and personal time, even to the extent of personal risks to themselves and their families, within a worsening pandemic environment. Most of all, you our members, remained loyal and faithful to your credit union and to the ideals and philosophy we share. This you demonstrated through your continuing business and your willingness to refer and encourage potential members to become active members. With such support, encouragement, vigilance, loyalty, and commitment, our credit union can only continue to grow from strength to strength.

We wish to thank everyone for their unwavering support. We look forward with optimism and hope to a more resilient and buoyant economic environment in 2022 where our members, will be able to rebound and continue their path towards personal financial freedom. Thank you for the opportunity to serve you!

Dennis Cornwall
President

Peterlyn Cooper
Secretary

Lucia Livingston-Andall
CEO

Credit Committee Report

Bro. Brian Pascal , Sis. Deshon Harris, Sis. Portia Fraser, Bro. Justin Hazzard
Sis. Ann Isaac

Mandate

As Chairman of the Credit Committee, I am pleased to present the report in accordance with the Credit Union By-Laws and the mandate given at our last General Meeting, for the financial year ended December 31, 2021. The Mandate of the Committee was to consider all loan applications, make recommendations in respect of improved policies, procedures and practices and consider loans to members in accordance with the policies and procedures approved by the Board of Directors.

The Credit Committee met weekly to execute its mandate. It was facilitated in its work by the staff of the Loans and Credit Administration Department.

Composition

During the period, the Committee comprised of the following members.

Bro. Brian Pascal	- Chairman
Bro. Justin Hazzard	- Secretary
Sis. Ann Isaac	- Member
Sis. Deshon Harris	- Member
Sis. Portia Fraser	- Member

*Sis. Portia Fraser, was appointed by the Board of Directors to replace Ms. Allena Peters who was approved at the 2020 AGM but demitted office during the year.

Overview

As a Financial Co-operative, access to credit by all members continues to be a guiding principle of Ariza Credit Union. The Covid-19 Pandemic necessitated that the Credit Union strategize as how it could continue to fulfill this mandate without compromising the financial integrity of its operations. It responded by extending the period of moratoria on the repayment of principal and interest on loans to members who were directly impacted in sectors that continued to show slow turnaround and, in some cases, minimal activities. This was in keeping with the directive/advice given by the Eastern Caribbean Central Bank (ECCB) to banks and credit unions in the Eastern Caribbean Currency Union (ECCU). As at the end of December 2021, the number of loans in moratoria stood at three hundred and nine (309) with outstanding balances totaling $15.05M

The affected sectors continued to be tourism, transportation, professional services, and self-employed persons.

Table 1. Moratorium loans processed from the start of the pandemic in April 2020 to Dec. 2021

MORATORIUM LOANS	NO. OF LOANS	VALUE OF LOANS
April 30, 2020 (original)	3,660	174,012,408.36
Moratorium status December 31, 2020	745	37,978,593.00
Moratorium status December 31, 2021	309	15,055,268.60

Some of the major hotels reopened in the latter part of 2021 with limited staff. Based on the drop in demand for rooms and other services, many of their staff were placed on a reduced income. This meant that a significant number of persons remained unemployed while some had to seek alternative sources of employment and income. Some businesses were expected to reopen and recommence business operations in anticipation of or following the reopening of St. George's University in June 2022. Requests were received from some members for special accommodations and conditions to facilitate these businesses.

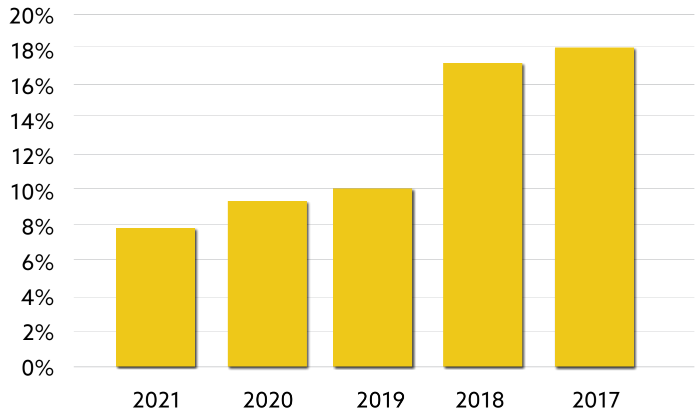
To assist in the recovery effort and to rehabilitate and reschedule outstanding loans under the moratorium window, the Board approved the hiring of an additional staff to be assigned to the Delinquency Unit. The first objective was to make contact with members on moratorium within three (3) months and to apply debt work-out strategies and rehabilitation efforts as far as possible. In situations where rehabilitation is not feasible, litigation actions will be pursued as per the Credit Union's collection procedures.

Lending Activities

Table 2. Portfolio Growth 2017-2021

Year	2021	2020	2019	2018	2017
Loan value ($M)	403.9	374.7	342.6	311.8	266.6
Growth rate	7.8%	9%	10%	17%	18%

Graph 1. Loans Growth 2017-2021



The above table indicates that loan growth in the last five (5) years.The average growth rate over the period 2019, 2020 and 2021 was 9%. This performance, notwithstanding it being a drop from the growth experienced of 18% and 17% in 2017 and 2018 respectively, was reasonable considering the Covid-19 pandemic and an unemployment rate of over 25% in the country. The net growth of $29M was attributable mainly to the consolidation of debts internally and externally also the capitalization of interest that was accrued during the moratorium period with other consumer loans. The leading sectors were consumer loans in the categories of Debt Consolidation, Personal and Living Expenses, followed by Housing. Ariza Credit Union Loans portfolio underperformed the sector by 3%; growing by 8%, against a total growth in the sector of 11%.

Summary of Activities

Table 3. Loan Disbursements 2021 compared to 2020

NUMBER OF LOANS			VALUE OF LOANS	
CATEGORY	2021	2020	2021	2020
Debt Consolidation	1318	1351	$ 18,949,889.03	$ 19,035,031.94
Personal Expenses	3098	4986	$ 8,034,924.37	$ 15,356,578.70
Educational	120	460	$ 1,515,897.49	$ 2,263,961.78
Housing	1289	1013	$ 22,262,520.42	$ 22,474,784.28
Home Furnishing	262	166	$ 615,307.67	$ 601,646.76
Agriculture	28	32	$ 924,545.68	$ 10,118,420.48
Land Purchase	58	97	$ 5,345,981.86	$ 6,863,552.05
Business	144	203	$ 4,869,975.92	$ 6,584,562.44
Vacation / Travel *		272		$ 711,124.88
Motor Vehicles	429	522	$ 6,448,326.17	$ 7,328,973.31
TOTAL	**6,746**	**9,102**	**$ 68,967,368.61**	**$ 91,338,637.00**

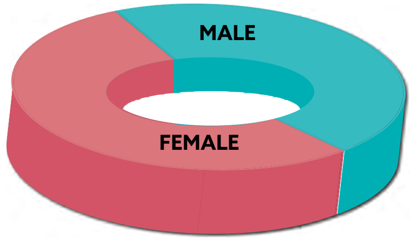
*** in 2021 absorbed in Debt consolidation**

Loan Approval and Disbursement
The above table indicates a decrease in the number of activities from 9,102 loans in 2020 to 6746 loans in 2021 and a corresponding decrease in the values of loans disbursed from $91,338,637 in 2020 to $ 68,967,368.61 in 2021, a 24% decrease compared to 2020.

This decrease was due mainly to the reduction in new loans as members borrowing power were affected by the Covid-19 pandemic. Additionally, during the period the Credit Union focused on restructuring members loans as the moratorium period for many borrowers ended.

Table 4. Loans Disbursed by Gender - 2021

GENDER	NUMBER	VALUE	
MALE	2819	$	30,345,642.19
FEMALE	3650	$	38,621,726.42



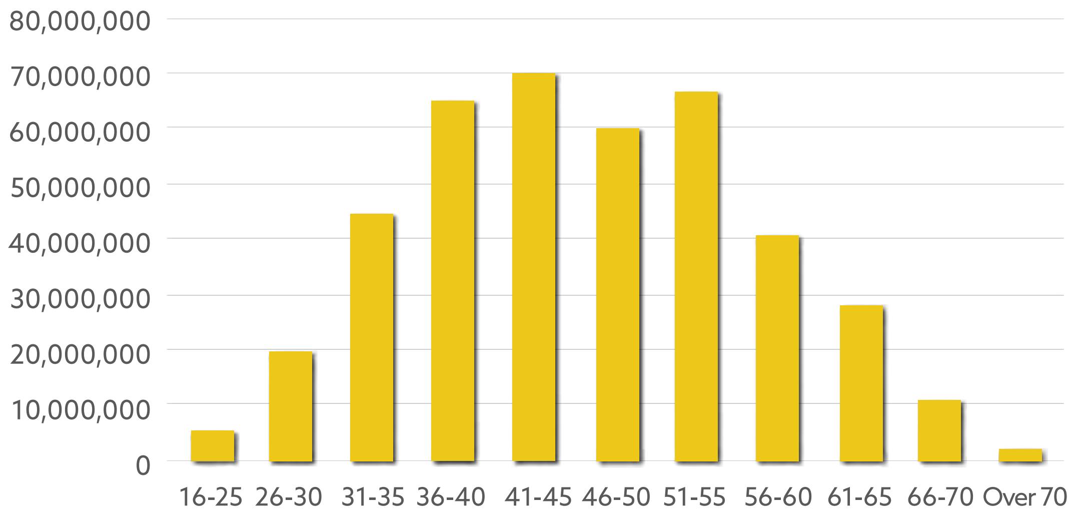
With many women leading households as single parents, borrowing by the female gender exceeded males by 831.

Table 5. Gross Loan Portfolio by Sector

	NUMBER OF LOANS		VALUE OF LOANS		
CATEGORY	2021	2020	2021	2020	
Debt Consolidation	2185	1861	89,056,153.38	$	68,909,721
Personal Expenses	2600	2987	33,645,879.74	$	37,541,169
Educational	339	427	8,522,509.65	$	10,575,713
Housing	1689	1797	175,704,227.04	$	163,406,382
Home Furnishing	138	155	1,896,760.93	$	2,275,436
Agriculture	85	69	13,611,034.49	$	2,030,389
Land Purchase	286	292	27,753,208.20	$	26,587,333
Business	301	371	26,350,396.37	$	35,064,120
Vacation / Travel	218	291	2,922,206.59	$	4,011,823
Motor Vehicles	784	779	23,934,536.59	$	23,816,121
TOTAL	**8621**	**9029**	**403,396,913.37**	**$**	**374,218,205**

Housing remained the sector with the highest exposure at 44% of the gross portfolio. Demand for Housing has been consistent over the years followed by consumer loans - debt consolidation and personal and living expenses. The pandemic caused a resurgent for debt consolidation inclusive of debt consolidation for housing and other personal loans.

Graph 2. Age Range of borrowers and value of loans outstanding



The demographics indicate growth in borrowing in the age range of 36-40 with a value exceeding $60M. The highest band was in the range ages 41-45. According to the economic life planning cycle for those age ranges persons: 36-40 persons are engaged in upgrading career, developing protection needs by investing in a home, building a family, and establishing retirement goals, while between ages 46-50 persons are engaged in higher education for adult children, upgrading retirement plans, Estate planning and investing.

The above data demonstrates an opportunity for reaching members ages 26-30 and 31-35 through targeted marketing strategies.

Delinquency Management

Delinquency is calculated on loans that are past due and loans that experience significant increase in credit risk and/or is impaired even if the past due threshold is not met.

As of December 31, 2021, these loans (over 90 days) stood at 8.27% of the gross loans portfolio. An increase in delinquency was anticipated due to the lingering effects of the pandemic and the number of persons who remain unemployed.

Short to medium-term forecast

With the official ending to the period of moratoria allowed by the Regulator in March 2022 the portfolio at risk PAR 30 days is expected to grow as loans are transferred into the past due category.

Grenada is forecasted to take another 12 – 24 months to recover from the pandemic with recovery expected from the resurgence of economic activities from the removal of all restrictions for entry into the country, thereby returning to the free movement of people and the full reopening of the St. George's University in August 2022.

The Credit Union's Collections and Recovery team will continue to focus on keeping delinquency under control. Members are encouraged to work along with the Credit Union and honor all obligations or seek support through restructuring of their debts.

General Observations

The Credit Union, notwithstanding the slowdown in some economic activities, needs to find opportunities to build and maintain its brand. The Committee looks forward to the expanding of services through the electronic platforms, which will create greater opportunities to attract and maintain the younger membership.

As a Credit Committee, we extend heartfelt thanks and appreciation to the Board of Directors, the Chairman and members of the Supervisory and Compliance Committee, C.E.O., Executive Manager of Loans & Credit Administration, Staff of the Loans and Credit Administration Department of Ariza Credit Union and to you our general membership.

Brian Pascall
Chairman

FINANCIAL HINTS

Following are some helpful financial hints to borrowing members to assist with the economic challenges likely to be encountered in 2022 and beyond.

Step 1: PLANNING – Comprehensive Financial Planning

A comprehensive financial plan is the forecasting of how your money flows and touches your life. It's a point on the horizon and not necessarily carved in stone. The adage "start with the end-in-mind planning" is recommended.

We need to consider things such as how long one might live, who's dependent on me, what type of lifestyle I want to live, do I have assets I want to pass on to others, and more. At the planning stage, it is important to start with a broad perspective and then get more focused as we move toward the strategies and tactics needed to put the plan into motion.

The three broad areas for focus when planning are: your family ecology, your professional life, and your financial/investment ecology. Create what if scenarios, for example, a change of job, buying a new home, or a new addition to the family. How can these changes affect your plan and amend them accordingly? Re-strategize.

Step 2: STRATEGY – Develop a Strategic Plan

Strategies flow from the planning process. For example, what types of Savings accounts might be needed? What types of investment and insurance products might be necessary? A strategy might be to re-finance the home mortgage to take advantage of lower rates.

Pertaining to investments, a strategy might be a certain allocation of assets between equity and debt instruments. Within equities, a strategy might then be an allocation into subsectors of the economy, such as investing in stocks and bonds, Investing in fixed assets, for example land.

Step 3: TACTICS – Create Specific Investment Tactics

At the tactic step you will begin to get very specific. Consider tactics to be executable action items. An example of a tactic might be to say, "let's buy Shares in Ariza Credit Union or an Education Savings Plan with University Education for your children 10 years later.

Our role will be to carry out all the investment tactics and to play a supervisory role in any tactics carried out by your other professionals.

Step 4: MONITOR – Monitor Changing Conditions

All aspects of the plan, strategy, and tactics are reviewed both formally and informally regularly. Additionally, your life may change. You might get married, a couple may have a new child. A person could change professions. There could be a death in the family. Such an event might demand a change in one or more aspects of the plan, strategy, and tactic process.

The monitoring and evaluating of changing conditions is a critical step in the planning process and feeds back into the first three steps. Without it, the original plan would become stale and ineffectual over time.

Supervisory & Compliance Committee Report

Bro. Alan Francis, Bro. Francis Robertson, Bro. Terrence Victor,
Bro Adrian Strachan, Bro. Davon Baker

1.0 Introduction

The Supervisory & Compliance Committee (SCC) is pleased to present its report for the financial year 1st January to 31st December 2021, in accordance with the Co-operatives Societies Act No. 8 of 2011 as amended by Act No, 20 of 2017, and the mandate of the last Annual General Meeting (AGM),

The Committee comprised the following members prior to the Annual General Meeting of 26th August 2021;

- Bro. Francis Robertson (into the third year of his first three-year term) - Chairman
- Bro. Adrian Strachan (into the first year of his first three-year term) - Secretary
- Bro. Terrence Victor (into the second year of his first three-year term)
- Bro. Alan Francis (into the second year of his first three-year term)
- Sis. Zoe Hagley (completing the third year of the second three-year term of Sis. Pearlena Sylvester)

Subsequent to the Annual General Meeting, the members of the committee were as follows;

- Bro. Francis Robertson (into the first year of his second three-year term) - Chairman
- Bro. Adrian Strachan (into the second year of his first three-year term) - Secretary
- Bro. Terrence Victor (into the third year of his first three-year term)
- Bro. Alan Francis (into the third year of his first three-year term)
- Bro. Davon Baker (into the first year of his first three-year term),

2021 marked the transition from the first to the second year since the March 2020 Covid-19 lockdown. The year also witnessed the first local spike of the virus. Over the period the SCC met on average twice per month, utilizing a mix of virtual and in-person meetings/work sessions. Various tasks were pursued. The committee's findings and general observations from those tasks are the basis for the report.

2.0 Review of Management Accounts

Monthly management accounts and ratios for January to November were reviewed. The committee noted the following;

- The slight deterioration in some measures, such as Loans delinquency, Net loans to total assets, Share capital, and Institutional capital as signs of growth.
- Management's efforts to contain the delinquent loans portfolio
- Membership as a sign of growth achieved less than 40% of the goal of 15% monthly

Recommendations:

- Revision of the target regarding Membership as a sign of growth given Grenada's "fixed" population size and demography
- Efforts are strengthened to reduce loan delinquency through enhanced loan underwriting and loan monitoring, as well as greater adherence to recoveries procedures.

3.0 Review of Loans to Directors, Committee Members and Employees

A review of loans approved during 2020 for Directors, Committee Members, and Employees, was done to assure that approvals were done per the terms and conditions outlined in the Act, Regulations, By-Laws, and Ariza's Loans Manual / Loans Policy.

During the review, the SCC noted that the Loans Policy document was still a draft under review by the Policy Review Committee of the Board.

Recommendations:

- That effort is made to ensure that loan application documents accurately reflect applicants' circumstances and are accompanied by independent supporting documents.
- That the Policy Review Committee of the Board should at the earliest seek to complete its review of Ariza's Loans Manual.

4.0 Review of Minutes and Papers of Meetings of the Board of Directors

Minutes and Papers of meetings of the Board of Directors were reviewed for meetings held on 16th February, 16th March, 27th April, 18th May, 8th June and 29th June.

The following were noted as points of particular interest:

- Extension to 31st December 2021 of COVID-19-related loans moratoria
- Uptake of International Debit Cards (IDCs), and the number of attempted fraudulent transactions
- Challenges faced by one of the largest loan accounts to secure working capital, as well as support through national policy
- Oversight noted in By-Laws to bring it in conformity with the Act to provide for loans to a single borrower to 20% of the Credit Union's capital was not amended
- GARFIN did not approve amendments to the By-Laws regarding Board meetings to be less frequently than once per month, as well as for the provision for deposits by non-members
- Two incidences of fraud committed by staff
- Approval for the set-up of a Brokerage and Investment Services Unit, to include the hiring of a consultant to train staff
- Proposal for a new location of the Grenville branch

Recommendations:

- Acceleration of Executive Managers succession plan, and review of the organisational structure to strengthen Ariza's future operations
- Continue the search for a new location for the Grenville branch
- Closer monitoring by the Credit Union's 'wider management' of large loan accounts
- The Credit Union must strengthen internal oversight of the implementation of approved policies and procedures to ensure robust internal controls

5.0 Review of Internal Audit Function

The SCC met with the Internal Auditor in March. The meeting examined the synchronisation of workplans. Both sides agreed that the meeting engendered better oversight roles and responsibilities.

Recommendations:

- That the SCC and the Internal Auditor should meet annually, preferably within the first quarter of the financial year, to review each other's workplan for greater effectiveness.

6.0 Review of Risk and Compliance Function

The SCC met with the Risk and Compliance Manager (RACM) in August. The meeting focused on matters of mutual interest (effective risk management framework for the Credit Union, progress with mainstreaming risk management culture within the Credit Union, et al). Both sides agreed that the exchange was very useful.

Recommendations:

- That the SCC and the RACM should meet at least annually to review matters related to the Credit Union's effective risk management framework.

7.0 Review of Promotional Loans

A sample of twenty promotional and special loans was reviewed (Awesome August, Cheers to you, and Flexi Credit). The following points of particular interest were noted

- The loans were for vehicle purchase, business, vehicle repairs, debt repayment/debt consolidation, and personal expenses
- Only one loan was a first-time loan application

8.0 Review of (a Sample of) the Twenty Largest Loan Accounts

The SCC reviewed the database of the twenty largest loans. From these, a sample of ten was selected. The loan files and security dossiers for these were examined. The outstanding principal balance of the twenty largest loans as at October 2021 was approximately 10.4% of the loan portfolio.

Key observations noted were

- The largest loan was placed under scrutiny by GARFIN, who issued specific recommendations to be followed by the credit union.
- New investments in the construction of rental apartments that targeted students of St. George's University, experienced delays in completion associated with challenges related to international logistics.

Recommendations:

- Large projects must be robustly monitored during implementation, and monitoring reports must be made available to the Credit Committee as part of strengthening loans underwriting
- Where loans are approved for commercial and large residential buildings, construction must be rigorously monitored and disbursements guided by monitoring reports prepared by in-house or externally contracted Civil Engineer
- Consideration should be given to minimizing the value of loan repayments via cash repayments
- Efforts are made to ensure insurance securities documented in loan files are contained in securities dossiers. Where there are differences, the appropriate note, duly signed, should be cross-filed.

9.0 Survey of Members to Verify Account Balances

Cognizant of the Credit Union's move towards digitization and the phasing out of passbooks, the SCC in collaboration with the Marketing and IT teams, utilised an online survey of a random sample of members to verify their account balances.

The following are highlights from the survey;

- 256 respondents, of which 79% were female
- 77% of respondents were fully employed
- 60% of respondents were between 26 to 45 years
- 76% of respondents had signed up for AMIE
- Only 7% of respondents used passbooks to check their account balances
- 59% of respondents checked their balances weekly and monthly
- 74% of respondents never had any dispute with their account balances.

Recommendations:

- The Credit Union's management utilised the information gleaned from the survey to improve the organisation's operations in the short term, particularly that of improved customer service, mitigation efforts regarding incidences of online fraud, and continued marketing efforts to further increase awareness and uptake of AMIE.

10.0 Review of Credit Committee Function

The SCC met with the Credit Committee in December, as part of its engagements with Ariza's "wider management." The meeting focused on matters of mutual interests, in particular loan delinquency and measures for redress.

Recommendations:

The Credit Committee should seek and receive from the Credit Union, loan delinquency reports on a timely basis, as well as reports on large projects being implemented.

11.0 Cash Account

Unannounced cash counts were conducted at the Carriacou branch in May and December. The count scheduled for the St. George's branch in May was aborted as a result of ongoing operations at the time the Committee showed up.

Recommendations:

- Continuation of efforts to better treat with the counting of the new polymer banknotes.

12.0 Review of (2019) Audit Management Letter and Management's Response

The SCC considered the 2019 Auditor's Management Letter and Management's response and noted the following points of particular interest

- Auditor's letter was dated 22nd October 2020, almost 10 months after the end of the 2019 financial year
- Management's agreement that adequate evidence or documentation of all member relationships with Ariza Credit Union will be obtained going forward
- Management agreed with the Auditor's observations and provided explanations for most.

Recommendations:

- Timeframe for the implementation of the corrective actions associated with the Audit Management

Letter should be delineated and become part of the forthcoming Management's operations plan.

13.0 Review of Reports of Allegations of Theft/ Missing Funds

The SCC engaged the Executive Management Team (EMT) consequent to information that became public in October. The engagement requested details regarding what happened, how the matter was dealt with, and mitigation measures to prevent future reoccurrence.

The SCC is concerned with the occurrence of fraudulent activities from within the organisation. Based on the reports received and reviewed from the EMT, the SCC is assured that requisite policies and procedures exist within the organisation. Unfortunately, the shortcoming has been in the adherence to these policies during the day-to-day operations.

Recommendations:

- That communication from the EMT regarding incidences of fraud should be disseminated to at least the Chairman of the SCC, and at the same time, such is being communicated to the Board of Directors.

14.0 Other Matters

14.1 Joint Committees' Meetings:

Committee members participated in three Joint Committees' Meetings during the year; March, August, and November. The last meeting, apart from loan applications, also considered preparations for a very significant milestone, our Credit Union's 75th Anniversary Celebrations.

14.2 Future Operations of the Committee:

Efforts to draw on regional and extra-regional best practices that may exist were not as anticipated. The committee will endeavour to continue its research into this important matter.

14.3 Review of Amendments to Ariza's By-Laws:

The SCC participated in consultations regarding amendments to the By-Laws. In August it submitted written comments relating to three areas, and reiterated that they were tabled in a prior consultation. Firstly, proposed membership to give consideration to companies incorporated in Grenada. The SCC opined that this seemed to go against the "grain" of cooperative members and cooperative societies. Secondly, its reservation with the proposed Corporate Secretary, assuming that individuals would attend all meetings of committees. Thirdly, the likely overlapping for the Joint Committee as proposed, based on Section 66.

14.4 Meetings with GARFIN:

The SCC participated in two meetings with GARFIN. One in February involved the entire committee. The other in June involved only the Chairman, as well as the Chairman of the Credit Committee and Ariza's Board of Directors. Both meetings enabled a better appreciation of GARFIN's risk-based supervision, particularly its ongoing programme to closely monitor the non-performing loans portfolio in the credit union sector.

The SCC commits to periodic engagements with GARFIN, specifically geared at charting the way forward regarding the operations of the SCC in a changing financial environment.

14.5 Committee and Peer Evaluation:

An evaluation was done in July based on a seven-point criterion, with ratings from 1 to 4 (Poor to Excellent). Overall average score for the members was 3.4 (i.e. between Adequate – 3 to Excellent – 4). On the positive side, the evaluation revealed committee members exchanged ideas frankly and decisions considered the input of all members. On the negative side, the evaluation revealed the committee's work plan deadlines were not always met and had to be extended. The SCC commits to consolidating the positive aspects while simultaneously addressing its shortcomings.

14.6 Review of Ariza's 2021-2023 Corporate Strategic Plan (CSP):

The SCC considered Ariza's CSP and noted the focus areas, i.e. Ease of Doing Business, Business Diversification, Member Retention & Membership Growth, and Employer of Choice. The committee also considered its role in monitoring as well as in supporting the execution of the CSP. Towards this end, the SCC as part of its 2022 Workplan has programmed quarterly reviews of the CSP's implementation. Each review will target different aspects of the plan.

14.7 Enterprise-Wide Risk Management Steering Committee:

The Committee actively participated in the steering committee's work to develop Ariza Credit Union's Enterprise-wide Risk Management Framework. The committee anticipates that the framework when completed will better enable our credit union to identify, analyse and respond appropriately to risks that may negatively impact the realisation of business objectives.

14.8 Training:

One member participated in the Audit Committee Certification Program organised by the Caribbean Governance Training Institute. The training is expected to increase the competencies within the SCC.

Committee members participated in training on Anti-money laundering (AML), Counter terrorist financing (CTF) and prudential responsibilities of senior management within credit unions, organised through the collaboration of the Financial Intelligence Unit (FIU), the AML/CTF Commission, and the Grenada Cooperative League Ltd. Held in November, the training enabled the SCC to have a broader perspective of AML/CTF implications on the operations of credit unions in today's evolving financial industry.

15.0 Acknowledgements

The Committee is thankful for the support of the Board of Directors, Management, and staff of Ariza Credit Union, as well as our general membership. Special thanks are however extended to all who ensured the requisite preparations were made for our meetings/working sessions.

Francis Robertson
Chairman

Nominating Committee Report

Composition

Bro. Lyndon Bubb	-	Chairman (Ag.)
Sis. Gemma Bain-Thomas	-	Member
Bro. Wayne Radix	-	Member
Sis. Merlyn St. Bernard	-	Member
Sis. Lisa McQuilkin	-	Member

The Committee was constituted in accordance with Section 42 (2) of the Credit Union's By-Laws.

Meeting

The Nominating Committee held an initial meeting on Thursday 9th June 2022. The meeting noted that there were two continuing and three new members appointed to the Committee. A second meeting was held on Tuesday 14th June 2022. The meeting proceeded to review the Skills Assessment Report on the Board of Directors of the Ariza Credit Union and the Summary of Strategic Goals and Focus Areas for the period 2021 to 2023. The meeting noted that gaps on the current board existed in the areas of legal and regulatory and information technology competencies. The meeting further noted that the strategic focus in the period under review would be on service excellence and digitalization. A third meeting was held on 21st July 2022. Sis. Lisa McQuilkin declined to continue serving on the committee due to other commitments. The final meeting was held on the 19th August 2022.

Notices

Notices of the vacancies and invitation for nominations to positions on the Board of Directors, Credit Committee, and Supervisory and Compliance Committee were placed in the local printed press, SMS text messages, and on Ariza's Website.

Deliberations

The committee in its meetings was guided in its deliberations by the following:

- The skill sets advised for the Board of Directors included the areas of Law, Information technology, public policy, public management, and public administration or related fields.
- The skill sets advised for the Supervisory and Compliance Committee included the areas of Auditing, Finance, Law, Public policy, Public Management, Public Administration, Information technology, or related fields.
- The skill sets advised for the Credit Committee included the areas of Finance, Business Management, Operations Management, and Project Management
- Individual qualities including commitment, available time to attend to the business of the Credit Union, ability and willingness to represent the interest of the Credit Union at various levels locally and abroad
- Representation from Carriacou/Petite Martinique
- Representation of the older members of the Credit Union
- Opportunities for involving younger members of the Credit Union

- Relating to the Supervisory and Compliance Committee, the ability to command the respect of members, regulators, and competitors; and conduct matters with the highest level of propriety and confidentiality
- Relating to the Credit Committee, the ability to analyze the financial viability of projects and appreciate a risk-based approach to lending strategies. Also, the ability to contribute to and underpin discussions which leads to the development of new products and strategies.
- The requirements of the Act and Bye Laws:
  - At least 18 years old
  - A citizen or resident of Grenada
  - Holds 10 fully paid equity shares
  - A member for at least one year
  - Saved at least $50 per quarter for the last year
  - Is in good financial standing
- Resolutions passed at last year's AGM for attendance at the Volunteer's Governance Training to be included as a requirement for nominees to be considered as eligible to serve on the Board or any other committee.

Vacancies

Board of Directors

There were four (4) vacancies on the Board of Directors as follows:

1. One **three-year term** to replace Mr. Javan Williams who will be completing a 2nd three-year term in 2022 and **is <u>not</u> eligible for re-election**.
2. One **three-year term** to fill the vacancy of Sis. Peterlyn Cooper who has completed a first three-year term and **is eligible for re-election**.
3. One **three-year term** to fill the vacancy of Sis. Michelle Sayers-Griffith who has completed a first three-year term and **is eligible for re-election**.
4. One **one-year term** to complete the remaining term of Bro. Dennis Cornwall who would have completed his term of office in 2023 but resigned in May of 2022.

Supervisory and Compliance Committee

There were two (2) vacancies on the Supervisory and Compliance Committee as follows:

1. One **three-year term** to fill the vacancy of Bro. Terrence Victor who has completed a first three-year term and **is eligible for re-election**.

2. One **three-year term** to fill the vacancy of Bro. Alan Francis who has completed a first three-year term and **is eligible for re-election**.

Credit Committee

There was one (1) vacancy on the Credit Committee of one **two-year term** to complete the unexpired term of Sis. Allena Peters who also would have completed her first **three-year** term in 2024 but demitted office during the year.

Nominations

1. **Board of Directors**

   The Nominating Committee considered ten nominations and the two incumbents who were eligible to serve a second term as follows:

   1. Bro. Walt Williams
   2. Bro. Renniee M. Henry
   3. Sis. Lyndonna Hillaire-Marshall
   4. Sis. Krystal Clyne

5. Bro. Kimanii Daniel
6. Bro. Glendon Langaigne
7. Sis. Tara Baptiste
8. Sis. Alana Twum-Barimah
9. Bro. Curlan Gilchrist
10. Sis. Lynette Joseph-Guevara
11. Sis. Peterlyn Cooper
12. Sis. Michelle Sayers-Griffith

2. Credit Committee

The Nominating Committee considered nine nominations and the one incumbent who was eligible to serve the two-year term as follows:

1. Sis. Adasha Andrews
2. Bro. Tyron Charles
3. Sis. Adel Ollivierre
4. Sis. Kira Bailey-Richards
5. Sis. Maria Lewis
6. Bro. Dorran Strachan
7. Bro. Jeremy Chetram
8. Sis. Carla Blackman
9. Sis. Lynette Joseph-Guevara
10. Sis. Portia Fraser

3. Supervisory and Compliance Committee

The Nominating Committee considered seven nominations and the two incumbents who were eligible to serve a second term as follows:

1. Sis. Adasha Andrews
2. Bro. Avril Edwards
3. Bro. Walt Williams
4. Sis. Kenita Paul
5. Bro. Rennie M. Henry
6. Sis. Merryl Sylvester-Phillip
7. Sis. Lynette Joseph-Guevara
8. Bro. Terrence Victor
9. Bro. Alan Francis

Based on the criteria for serving on the various committees, 10 of the 21 nominees were eligible to serve.

Guidelines and Governance Training

The Nominating Committee noted and adopted the Guidelines and Scorecard for considering nominees to the Board of Directors and Committees. These Guidelines detailed the skills-set recommended for each Committee. The Nominating Committee also considered the performance of the members of the Board of Directors and Committees eligible for re-election.

The Nominating Committee noted that the criteria provided applied equally to the Board and other Committees.

The Governance training was held on the 28th July 2022 and zeroed in on the key areas below:

- The Credit Union Difference
- Effective Governance
- Role of the Regulator and statutory obligations of the Credit Union
- Financial Structure of Ariza and Prudential Standards

Recommendations

After considering the Guidelines, the nominations received, the incumbents who were eligible for re-election, the fact that the incumbents had performed well during their initial term, the need for continuity and stability especially in the current economic climate; the Nominating Committee recommends as follows:

1. Board of Directors

1. Sis. Peterlyn Cooper for a second three-year term.
2. Sis. Michelle Sayers-Griffith for a second three-year term.
3. Bro. Kimanii Daniel for a first three-year term.
4. Sis. Lyndonna Hillaire-Marshall to serve the unexpired year of the three-year term of Bro. Dennis Cornwall.

2. Credit Committee

1. Sis. Portia Fraser for a two-year unexpired term.

3. Supervisory and Compliance Committee

1. Bro. Terrence Victor for a second three-year term.
2. Bro. Alan Francis for a second three-year term.

The Nominating Committee noted the increase in the number and diversity of persons recommended as volunteers and that the majority had attended the Governance Training Programme usually delivered by the Credit Union for members desiring to serve.

Acknowledgements

Members of the Nominating Committee express appreciation to the Board of Directors for the opportunity given to serve and to the Management and Staff for providing the necessary support to its work. The Nominating Committee also extends thanks to all those who expressed interest in serving on various committees of the Credit Union as well as to all members who have contributed to this aspect of our governance over their tenure.

Lyndon Bubb
Chairman

Treasurer's Report

Dear Co-operators,

The accompanying audited Financial Statements and analysis of the Credit Union's performance are submitted in accordance with the requirement of section 130 (1) of the Cooperative Societies Act No. 20 of 2017.

The Financial Statements report on the financial activities and position at a given point in time. It comprises of Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow, and Statement of Changes in Members' Equity.

Statement of Financial Position

This statement represents the financial position as of December 31st, 2021, and is made up of three elements which are assets, liabilities, and capital.

ASSETS

These are resources owned, which contribute directly or indirectly to the generation of cash flows.

Ariza's assets are broken down further into two categories, namely:

I. Earning Assets
II. Non-Earning Assets

Earning Assets

Earning Assets identifies those assets through which a return is directly generated. Ariza's earning assets consist of Investments.

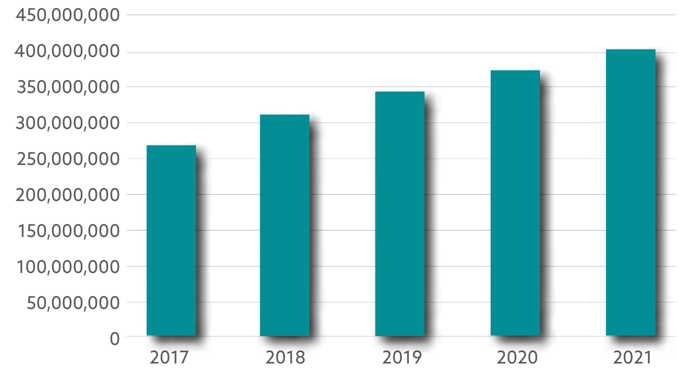
Investments are made predominantly by our members through loans. Additionally, investments via financial assets and real property are also pursued.

Members' Loans

Members' loans accounted for 77.13% of the asset base and as such is the main source of revenue. At the end of 2021 the gross loan portfolio grew by $29.3M or 7.8% over 2020. The gross portfolio stood at $403.9M. Total Loans disbursed amounted to $68.9M.

Graph 1.1 below shows the growth in gross loans over the last five years.

Graph 1.1



Loans past due 90 days and loans which experience significant increase in credit risk and/or is impaired stood at $33.3M or 8.27% of the gross loans portfolio as at December 31st 2021. The standard recommends a percentage of 5%.

Financial Assets

The financial assets held by Ariza were mainly in the form of term deposits, treasury bills, and investment in shares.

Ariza Credit Union has two forms of Financial Assets:

1. Available-for-Sale

These are in the form of shares purchased by the Credit Union in other Institutions. The Credit Union receives a return on these financial assets in the form of dividends. Ariza Credit Union did not purchase or sell any financial assets of this kind in the year 2021. Available for Sale financial assets stood at $1.38M at the end of 2021.

2. Loans and Receivables

These financial assets held by Ariza Credit Union were in the form of Term Deposits, Treasury Bills, and Repurchase Agreements. The Credit Union receives income in the form of interest when these financial assets mature. Loans and receivables financial assets grew by $4.50M during the year 2021.

At the end of 2021, total financial assets stood at $51.4M. During the period, the Credit Union was able to generate a return of 3.27% amounting to $1.49M. The average return on the market is approximately 2%.

Investment Property

Your Credit Union has investments in properties at Morne Jaloux, Grand Anse, and Bruce Street.

The property at Bruce Street is currently being used as a parking lot. Revenues from the parking lot for the year 2021 amounted to $213.9K.

Non-Earning Assets

Non-Earning Assets are assets that are used for day-to-day operations and do not directly generate income.

These assets are primarily property, plant and equipment, and cash and cash equivalents.

Property, Plant, and Equipment (PPE)

These are long-term assets that are used in the Credit Union's operations. In the year 2021, there was a decrease in the Credit Union's PPE from $25.38M to $24.95M. This represented a decrease of $425.7K or 1.68%.

Cash and Cash Equivalents

With the growth of the Credit Union, there has been an increase in the need for operational cash. This was reflected in the increase of $5.66M or 20.77% in cash and cash equivalents over 2020. The Credit Union continued to manage liquidity to ensure maximum return and at the same time maintain adequate cash for operations. Our overall liquidity ratio stood at 20.02% which was above the prescribed standard of 15%.

LIABILITIES

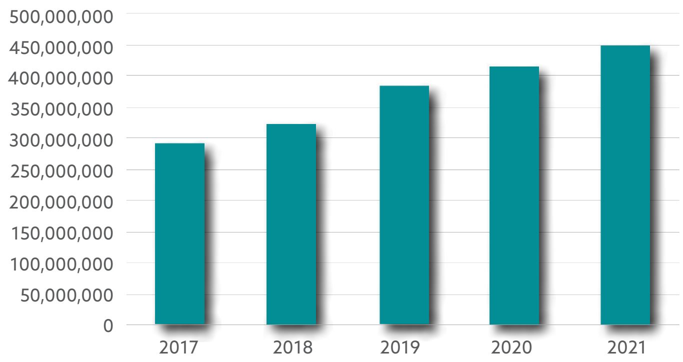
Liabilities capture the financial obligations of the Credit Union. It details the indebtedness to persons or institutions. Our main liabilities are members' deposits and savings.

Members' Lifetime Savings/Other Deposits

In the year 2021, the total deposit portfolio stood at $449.4M. This represented a growth of $33.2M or 7.98% over 2020. This increase was fuelled mainly by members' investment in Lifetime Savings and Savings Deposits. Over the year the Lifetime Savings portfolio grew by $28.5M or 13.19% and Other Savings by $4.09M or 6.46%.

Graph 1.2 below shows growth in total deposits over the last five years.

Graph 1.2



Non-Interest bearing liabilities

As is termed, these liabilities do not accrue any interest. These are mainly ATM/Debit Card Settlements with other institutions and interest payable on deposits. Non-interest-bearing liabilities decreased by $3.93M or 23.28% in the year ended 2021.

Other Liabilities

Other liabilities stood at $1.7K as at the year ended 2021. These other liabilities represent interest on Ariza's Staff Pension Plan as at December 31st 2021.

Capital

Capital is the financial pillar of our Credit Union. It represents the excess of assets over liabilities. The capital base is broken down into the following:

I. Equity Shares
II. Institutional Capital
III. Other Funds and Reserves

Equity Shares

Equity Shares are members' investments in excess of the $200 mandatory qualifying shares. This investment allows the member to share in the year-end surplus through the payment of a dividend. In the financial year 2021, equity shares grew by $619.7K or 4.01%. At the end of the year, the balance stood at $16.06M.

Institutional Capital

At the end of 2021, the capital to total assets stood at 10.90% of which Institutional capital accounted for 7.84%. The benchmark for capital to total assets as per the Co-operative Societies Act is 10% of which institutional Capital must be greater than 7%. This 7% institutional capital threshold is the benchmark for the payment of a dividend. Institutional Capital comprises the following:

I. ***Qualifying Shares*** - This represents the 10 mandatory share that defines eligibility for membership. Qualifying Shares stood at $5.29M in the year 2021. This represented a growth of $958.9k or 22.12%.

II. ***Statutory Reserve*** - This represents the amount set aside from surplus for strengthening capacity to withstand any external or internal shocks e.g. bad debts/impairments to assets etc. Whereas the law prescribes a 20% transfer to this reserve it has been the Credit Union's practice to transfer 25%. At the end of 2021, the Credit Union's Statutory Reserve stood at $17.4M.

III. ***Accumulated Surplus*** - Accumulated surplus stood at $18.4M at the end of 2021.

Statement of Comprehensive Income

The Credit Union earned a total income of $33.4M during the year 2021 as compared to $33.04M in 2020. Income from loans amounted to $30.8M and non-interest income totaled $2.60M. Loan interest income recorded an increase of $432.1K or 1.42% over 2020.

Interest on deposits and other finance costs amounted to $10.62M which represented a decrease of $441.4M or 3.99% over the year 2020.

As at December 2021, total operating expenses stood at $11.18M. This represented a decrease of $803.7K or 8.59% when compared to 2020. The Credit Union continued to efficiently manage its operating costs with an operating cost to total asset ratio of 2.21% which was within the standard of 5% maximum.

Ariza recorded a surplus before provisioning of $10.9M. This continues to show the success of the Credit Union business model and the commitment of our members to the Credit Union. In the yearly review, the Credit Union saw it prudent to increase its provision, as a measure of prudence in light of the effect of Covid-19 on members and by extension the financial landscape. Resulting was an extraordinary provision in the amount of $6.68M. As at December 31st 2021 total loans on moratorium stood at $15.05M. Surplus before appropriation amounted to $3.65M, a decrease of $421.3K or 10.3% on 2020. At the end of 2021, the Credit Union was able to transfer $2.15M of unallocated surplus to accumulated reserve.

The Credit Union plays an instrumental role in helping to shape the lives of our members as they pursue financial freedom, especially in these times of uncertainty. We thank you our members, for your commitment, perseverance, and resolute support of the achievements of the Credit Union during the year under review. We would not have made such achievements without your unwavering loyalty and the commitment of our Board, Management, and Staff throughout the year. We ask that you continue to work together with us to expand our strengths and address our areas of challenge.

Carla Thomas-Ross
Treasurer

Ratio Analysis

Ratios	Goal	Dec-2021	Dec-2020
Protection			
Provision for Loan Losses /Del>12 Months	**100%**	100%	100%
Provision for Loan Losses /Loans del<12 Months	**35%**	35%	35%
Solvency	**>=110%**	113%	113%
Effective Financial Structure			
Net Loans/Total Assets	**70-80%**	73.96%	74.18%
Savings Deposits/Total Assets	**70-80%**	85.81%	85.01%
Member Share Capital/Total Assets (N)*	**>=3%**	3.07%	3.15%
Institutional Capital (other)/Total Assets (N)*	**>=7%**	7.84%	7.68%
Asset Quality			
Balance of Del loans >90 /Gross Loan Portfolio	**<=5%**	8.27%	6.32%
Non-Earning Assets/Total Assets	**<=5%**	12.89%	12.82%
Rates of Return and Cost (Annualized)			
Fin Investment Income/Avg. fin investments	**Market Rate 2%**	3.27%	3.31%
Fin costs:savings deposit/Average sav deposits	**Market Rate 2%**	2.45%	2.77%
Operating Expenses/Average Total Assets	**<=5%**	2.21%	2.55%
Liquidity			
Liquid Assets-ST payables/Unencumbered deposits	**Min 15%**	20.02%	18.48%
Signs of Growth (Annualized Growth Rate)			
Total Assets	**> inflation+10%**	6.98%	8.72%
Loans to Members	**5%**	7.80%	9.21%
Savings deposits	**5%**	7.98%	8.86%
Share Capital (N)	**Min 15%**	22.12%	9.03%
Institutional Capital	**Min 10%**	10.84%	12.30%
Membership	**Min 15%**	6.21%	7.76%

Audited Financial Statements

ARIZA CREDIT UNION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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PKF
Accountants & business advisers

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIZA CREDIT UNION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ariza Credit Union Limited (the 'Credit Union'), which comprise the statement of financial position at December 31, 2021, and the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other information included in the Credit Union's 2021 Annual Report

Other information consists of the information included in the Credit Union's 2021 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIZA CREDIT UNION LIMITED (continued)

Report on the Audit of the Financial Statements (continued)

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS' OF ARIZA CREDIT UNION LIMITED (continued)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

GRENADA
August 24th, 2022

Accountants & Business Advisers

ARIZA CREDIT UNION LIMITED
Statement of Financial Position
for the year ended December 31, 2021
(Expressed in Eastern Caribbean dollars)

	Notes	2021 $	Restated 2020 $
Assets:			
Earning Assets			
Members' loans	6	387,976,683	363,693,198
Investment properties	7	16,860,202	16,211,507
Investment securities	8	51,400,842	46,893,695
Total earning assets		456,237,727	426,798,400
Non-earning Assets			
Property and equipment	9	24,954,968	25,380,701
Other Assets			
Accounts receivables and prepayments	10	9,674,464	10,156,642
Cash and cash equivalents	11	32,904,878	27,245,588
		67,534,310	62,782,931
Total Assets		523,772,037	489,581,331
Equity and Liabilities			
Equity			
Members' qualifying equity	12	5,293,916	4,334,962
Statutory reserve	13	17,393,178	16,187,648
Accumulated surplus		18,378,688	16,802,005
Total Institutional capital		41,065,782	37,324,615
Members' equity shares	14	16,058,046	15,438,304
Other funds and reserves			
Development fund	15(a)	248,215	271,210
Education fund	15(b)	959,054	850,800
Education savings plan fund	15(c)	1,164,805	977,392
Provident fund	15(d)	449,091	345,713
		2,821,165	2,445,115
Total Equity		59,944,993	55,208,034
Liabilities			
Members' life time savings	16	244,366,041	215,896,670
Other deposits	17	205,056,241	200,300,667
Non-interest bearing liabilities	18	12,976,112	17,167,310
Pension liability		1,426,950	1,006,950
Other liabilities		1,700	1,700
Total liabilities		463,827,044	434,373,297
Total Equity and Liabilities		523,772,037	489,581,331

The accompanying notes form an integral part of these financial statements

: Director : Director

ARIZA CREDIT UNION LIMITED
Statement of Comprehensive Income
for the year ended December 31, 2021
(Expressed in Eastern Caribbean dollars)

		2021 $	2020 $
Income from loans:			
Interest from member loans		30,848,897	30,416,834
Fees and charges		1,375,349	1,086,556
Loan protection		(1,145,293)	(1,076,730)
Other income from loans		34,142	6,488
Net loan income		31,113,095	30,433,148
Income from Liquid Investments:			
Interest on investments		1,458,668	1,460,057
Dividends on investments		37,336	34,830
Non-related income		844,067	1,116,548
		2,340,071	2,611,435
Total income		33,453,166	33,044,583
Financial Cost:			
Interest expenses on savings		10,610,537	11,046,802
Life savings insurance		457,305	435,694
Other financial cost		280,058	220,960
		11,347,900	11,703,456
Gross Margin		22,105,266	21,341,127
Operating expenses:			
Personnel expenses		6,053,804	6,601,276
Governance		363,680	393,371
Occupancy Expense		846,289	772,931
Marketing expense		734,396	861,720
Administration		2,115,050	2,058,527
Depreciation		1,069,844	1,298,985
		11,183,063	11,986,810
Total operating surplus		10,922,203	9,354,317
Less: Allowance for expected credit loss		(6,682,676)	(3,691,220)
Provision for vacation accrual		(113,733)	(226,064)
Provision for pension accrual		(420,000)	(1,006,950)
Write off - other receivable		(54,000)	(317,006)
Surplus for the year before appropriation		3,651,794	4,073,077
Appropriations			
Transfer to:	Statutory Fund	912,948	1,018,269
	Provident fund	182,590	203,654
	Education of members' fund	109,554	40,730
	Education savings plan fund	182,590	203,654
	Development fund	109,554	122,192
Net surplus for the year		2,154,558	2,484,578
Other comprehensive income:			
Fair value adjustment of investment securities		-	89,798
Total comprehensive income for the year		2,154,558	2,574,376

The accompanying notes form an integral part of these financial statements.

ARIZA CREDIT UNION LIMITED
Statement of Changes in Members' Equity
for the year ended December 31, 2021
(Expressed in Eastern Caribbean dollars)

	Qualifying and Equity Shares $	Statutory Reserve $	Other Funds and Reserves $	Accumulated Surplus $	Total Equity $
Balance at January 1, 2020 - previously reported	18,644,553	14,977,946	3,552,384	14,508,236	51,683,119
Prior year adjustment (Note 26)	-	-	-	(253,603)	(253,603)
Balance at January 1, 2020 - restated	18,644,553	14,977,946	3,552,384	14,254,633	51,429,516
Net movement in shares	1,128,713	-	-	-	1,128,713
Entrance fees	-	21,720	-	-	21,720
Net movement on other funds and reserves	-	1,187,982	308,153	(1,588,500)	(92,365)
Write back of LP/LS insurance fund	-	-	(1,415,422)	1,415,422	-
Dividends paid	-	-	-	(1,442,425)	(1,442,425)
Fair value adjustment of investment securities	-	-	-	89,798	89,798
Net surplus for the year	-	-	-	4,073,077	4,073,077
Balance at December 31, 2020	19,773,266	16,187,648	2,445,115	16,802,005	55,208,034
Net movement in shares	1,578,696	-	-	-	1,578,696
Entrance fees	-	29,660	-	-	29,660
Net movement on other funds and reserves	-	1,175,870	376,050	(1,497,236)	54,684
Dividends paid	-	-	-	(577,875)	(577,875)
Net surplus for the year	-	-	-	3,651,794	3,651,794
Balance at December 31, 2021	21,351,962	17,393,178	2,821,165	18,378,688	59,944,993

The accompanying notes form an integral part of these financial statements.

ARIZA CREDIT UNION LIMITED
Statement of Cash Flows
for the year ended December 31, 2021
(Expressed in Eastern Caribbean dollars)

	2021 $	2020 $
Operating activities		
Net surplus for the year	3,651,794	4,073,077
Adjustments for:		
Provision for credit loss	6,682,676	3,691,220
Provision for vacation accrual	113,733	226,064
Depreciation	1,069,844	1,298,984
Interest income	(32,307,565)	(31,876,891)
Interest expense	10,610,537	11,046,802
Net movement in reserves	54,684	(92,365)
Write off - other receivable	-	317,006
Prior year adjustment	(253,603)	-
Operating loss before changes in working capital	(10,377,900)	(11,276,103)
Change in accounts receivable and prepayments	(620,520)	(6,830,721)
Change in Members' loans	(30,966,161)	(31,579,532)
Change in Members' deposits	28,469,371	24,049,587
Change in other deposits	4,755,574	9,843,165
Change in non-interest bearing liabilities	(4,104,799)	456,675
Change in pension liability	420,000	1,006,950
Change in other liabilities	-	(310)
	(12,424,435)	(14,330,289)
Interest received	33,410,263	33,739,032
Interest paid	(10,557,066)	(11,200,429)
Net cash provided by operating activities	10,428,762	8,208,314
Investing activities		
Purchase of property and equipment	(644,111)	(1,649,284)
Disposal of property and equipment	-	640
Purchase of investment properties	(744,384)	(3,547,875)
Sales of investment properties	95,689	431,973
Net movement in investment securities	(4,507,147)	3,266,488
Net cash used in investing activities	(5,799,953)	(1,498,058)
Financing activities		
Entrance fees	29,660	21,720
Dividends paid	(577,875)	(1,442,424)
Increase in members' shares	1,578,696	1,128,713
Net cash (used in)/provided by financing activities	1,030,481	(291,991)
Increase in cash and cash equivalents	5,659,290	6,418,265
Cash and cash equivalents, beginning of year	27,245,588	20,827,323
Cash and cash equivalents, end of year	32,904,878	27,245,588

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS

The principal activities of Ariza Credit Union Limited ("The Credit Union") (previously named the Grenada Public Service Co-operative Credit Union Limited) centre around its mission of improving the quality of life of its members through sound financial solutions tailored to their needs. Over the past seventy-five (75) years, the Credit Union has provided all-inclusive financial solutions to members including savings, investment and credit facilities

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The Ariza Credit Union Limited (previously named Grenada Public Service Co-operative Credit Union Limited) was established in 1947 and originally registered in March 1958 under the Co-operative Societies Ordinance as amended by the Co-operative Societies Act No. 8 of 2011 for the purpose of affording members of the Credit Union the opportunity to accumulate savings and to obtain credit for provident or productive purposes at reasonable rates of interest.

The Credit Union employed an average of ninety-six (96) persons during the year compared to ninety-three (93) persons in 2020.

The Credit Union's registered office is located at Bruce Street, St. Georges, Grenada and it conducts business from three locations: the branch offices at Grenville, St. Andrews and Church Street, Hillsborough Carriacou and the head office at Bruce Street, St. Georges.

The accompanying financial statements are the financial statements of the Credit Union have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRIC) interpretations as issued by the International Accounting Standards Board (IASB) under the historical cost convention, as modified by the revaluation of land and buildings and financial assets at fair value through other comprehensive income. The measurement bases are fully described in the summary of accounting policies.

3. BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). These financial statements were approved by the Board of Directors on   August, 2022.

3. BASIS OF PREPARATION (continued)

(a) Changes in accounting policies and disclosures

(i) New Accounting Standards, Amendments and Interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Credit Union's annual financial statements for the year ended December 31st, 2020 except for the adoption of new standards and interpretations below.

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

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

This standard had no affect on the Credit Union.

(ii) Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Credit Union's financial statements. These standards and interpretations may be applicable to the Credit Union at a future date and will be adopted when they become effective. The Credit Union is currently assessing the impact of adopting these standards and interpretations.

- **Amendment to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Effective 1st April 2021)**

In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the Covid-19 pandemic.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

3. BASIS OF PREPARATION (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

In the reporting period in which a lessee first applies the 2021 amendment, the lessee will not be required to disclose the information required by paragraph 28(f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the relief consistently to eligible contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient before or after the amendment.

- **Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (Effective 1 January, 2022)**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- **Amendments to IFRS 3 – Reference to the Conceptual Framework (Effective 1 January, 2022)**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- **Amendments to IAS 37 - Onerous Contracts, Costs of Fulfilling a Contract (Effective 1 January, 2022)**

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are

3. BASIS OF PREPARATION (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

• Amendments to IAS 1 – Classification of Liabilities as Current and Non-Current (Effective 1 January, 2023)

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

• Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies Effective 1st January, 2023)

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

3. BASIS OF PREPARATION (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

- **Amendments to IAS 8 - Definition of Accounting Estimates (Effective 1st January, 2023)**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.

  - The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- **Amendments to IAS 12- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective 1st January, 2023)**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.

3. BASIS OF PREPARATION (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

    – Right-of-use assets and lease liabilities.
    – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

- **IFRS 17 - Insurance Contracts (Effective 1 January, 2023)**

In May 2017, the International Accounting Standards Board (IASB) issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

-A specific adaptation for contracts with direct participation features (the variable fee approach)
-A simplified approach (the premium allocation approach) mainly for short-duration contracts

3. BASIS OF PREPARATION (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The amendments to IFRS 4 - Extension of the Temporary Exemption from Applying IFRS 9 changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

(iii) Improvements to International Reporting Standards

The annual improvements process for the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS.

Annual improvements to IFRS Standards 2018-2020 cycle

The following amendments are applicable to annual periods beginning on or after 1 January, 2022

IFRSs – Subject of Amendment

IFRS 1	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.
IFRS 9	Financial Instruments – Fees in the '10 per cent" test for derecognition of financial liabilities
IFRS 16	Leases – Lease incentives
IAS 41	Agriculture – Taxation in fair value measurements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Overall considerations

The significant accounting policies set out below have been applied consistently by the Credit Union to all periods presented in these financial statements, except as otherwise stated.

4.2 Revenue recognition

Revenue arises from the rendering of services. The Credit Union recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for the Credit Union's activities. It is measured at the fair value of consideration received or receivable. Revenue is recognised as follows:

(i) Interest income

Interest income is recognised in the statement of comprehensive income, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability.

The Credit Union's calculation of the effective interest rate includes all material fees received, transaction costs, discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

(ii) Other income

Other income is recognised on the accrual basis except for dividend income which is accounted for on the cash basis.

4.3 *Foreign currency translation*

Functional and presentation currency

These financial statements are presented in Eastern Caribbean Dollars, which is the Credit Union's functional and presentation currency. All financial information presented in Eastern Caribbean Dollars has been rounded to the nearest dollar.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 *Foreign currency translation (continued)*

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Eastern Caribbean Dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Eastern Caribbean Dollars at foreign exchange rates ruling at the dates the values were determined.

4.4 *Leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive income on the straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Credit Union as a lessee

The Credit Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Credit Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Credit Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Credit Union as a lessor

Leases in which the Credit Union does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments

The Credit Union recognises a financial asset or a liability in the statement of financial position when it becomes party to the contractual provision of the instruments.

(a) Initial recognition and measurement of financial instruments

At initial, recognition, the Credit Union measures its financial assets and financial liabilities at their fair values plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability such as fees and commissions.

If the Credit Union determines that the fair value of its financial assets and liabilities at initial recognition differs from the transaction price, the difference is recognised as follows:

- If that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss.

- In all other cases, the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

(b) Classification and subsequent measurement of financial assets

The Credit Union classifies the financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(i) the Credit Union’s business model for managing the financial assets; and

(ii) the contractual cash flow characteristics of the financial asset.

Based on these factors, the Credit Union classifies its asset into one of the following three measurements:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are classified as non-current assets.

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset. When calculating the effective interest rate, the estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

The Credit Union's financial assets measured at amortised cost include loan to members, investments in fixed deposits and treasury bills and cash and cash equivalents.

(c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other profit or loss (FVTPL)

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. The Credit union does not have any assets measured at FVTPL.

Undrawn loan commitments

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Credit Union is required to provide a loan with pre-specified terms to the member. These contracts are in the scope of the ECL requirements. The nominal contractual value of letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position.

Reclassifications

If the business model under which the holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Credit Union's financial assets. During the current financial year and previous accounting period there were no changes in the business models under which the Credit Union holds financial assets and therefore no reclassifications were made except for the new classifications under IFRS 9. Changes in contractual cash flows are considered under the accounting policy on *Modification of loans to members* in Note 4.5 (d) and *Derecognition of financial assets* in Note 4.5 (f).

(d) Impairment of Financial Assets

The Credit Union recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost and the exposure arising from loan commitments and financial guarantee contracts. The expected credit losses are assessed on a forward-looking basis. The Credit Union's measurement of ECL reflects:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(d) Impairment of Financial Assets (continued)

a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b) the time value of money; and

c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD - The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- EAD - The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- LGD - The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD.

The financial assets are grouped on the basis of shared credit risk characteristics to determine the average credit losses for each group of assets. The Credit Union considers this approach to be a reasonable estimate of the probability-weighted amount. The lifetime expected credit losses for the nonperforming financial assets are assessed on an individual basis. The Credit Union considers if there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking. At each reporting date, the Credit Union measures the loss allowance at an amount equal to the lifetime expected credit losses, if the credit risk on that financial instrument has increased significantly since initial recognition.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(d) Impairment of Financial Assets (continued)

The Credit Union considers the following factors in assessing changes in credit risk since initial recognition:

- significant changes in internal price indicators of credit risk;
- changes in the rates or terms of an existing instrument that would be significantly different if the instrument was newly issued (eg. more stringent covenants);
- significant increases in credit risk on other financial instruments from the same borrower;
- an actual or forecast significant adverse changes in the business, financial or economic conditions that are expected to significantly affect the borrower's ability to meet its debt obligations (e.g. increase in interest rates and unemployment rates);
- an actual or expected significant change in the financial instrument's external credit rating;
- an actual or expected internal credit rating downgrade for the borrower or decrease in behavioral scoring used to assess credit risk internally;
- an actual or expected significant change in the operating results of the borrower;
- significant changes in the value of the collateral supporting the obligation or in the quality of guarantees or credit enhancements reductions in financial support from a parent entity that are expected to reduce the borrower's incentive to make scheduled contractual payments;
- expected breaches of contract that may, for example, lead to covenant waivers or amendments, or interest payment holidays;
- existing or expected adverse changes in the regulatory, economic, or technological environment that significantly affect, or are expected to affect, the borrower's ability to meet its debt obligations;
- changes in the Credit Union's credit management approach in relation to the financial instrument (e.g. specific intervention with the borrower, more active or close monitoring of the instrument by the Credit Union);
- significant changes in the expected performance and behaviour of the borrower including changes in the payment status of borrowers in the (e.g. expected increase in delayed contractual payments); and
- past due information, including the rebuttable presumption of more than 30 days past due.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(d) Impairment of Financial Assets (continued)

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Credit Union under the contract and the cash flows that the Credit Union expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Credit Union if the holder of the commitment draws down the loan and the cash flows that the Credit Union expects to receive if the loan is drawn down; and

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Credit Union expects to receive from the holder, the debtor or any other party.

The Credit Union measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(d) Impairment of Financial Assets (continued)

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Credit Union assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Credit Union considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(d) Impairment of Financial Assets (continued)

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

- the borrower is past due more than 90 days on any material credit obligation to the Credit Union; or
- the borrower is unlikely to pay its credit obligations to the Credit Union in full.

This definition of default is used by the Credit Union for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Credit Union considers both qualitative and quantitative indicators. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Credit Union uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. As noted in the definition of credit impaired financial assets above, default is evidence that an asset is credit impaired.

Therefore, credit impaired assets will include defaulted assets, but will also include other non-defaulted given the definition of credit impaired is broader than the definition of default.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(e) Modification of loans to members

When the Credit Union renegotiates or otherwise modifies, the contractual cash flows of its customer loans, the Credit Union assesses whether or not the new terms are substantially different from the original terms of the agreement. The Credit Union derecognises the original loan if the terms are substantially different and recognises the new loan at its fair value. The Credit Union also recalculates the new effective interest rate for the loan. The date of the modification is considered to be the date of initial recognition of the new loan when applying the impairment requirements and also assessing whether a significant increase in credit risk has occurred. The Credit Union also considers whether there may be evidence that the modified loan is credit-impaired at initial recognition. In this situation, the loan is recognised as an originated credit-impaired financial asset. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset as a result of the borrower being unable to make the originally agreed payments. Differences in the carrying amount are recognised as a gain or loss on derecognition in the statement of comprehensive income.

If the new terms are not substantially different the original loan is not de-recognised. The Credit Union recalculates the gross carrying amount of the loan and recognises a modification gain or loss in the statement of comprehensive income. The gross carrying amount of the loan is recalculated as the present value of the renegotiated contractual cash flows discounted at the loan's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified loan and are amortised over the remaining term of the modified financial asset.

(f) Write offs

The Credit Union directly reduces the gross carrying amount of a financial asset when the Credit Union has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event. This is the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(f) Write offs (continued)

The Credit Union may apply enforcement activities to financial assets written off. Recoveries resulting from the Credit Union's enforcement activities will result in impairment gains, which will be presented the statement of comprehensive income.

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

(g) Derecognition of financial assets

The Credit Union derecognises financial assets when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to receive the cash flows of the financial asset are retained but the contractual obligation to the pay the cash flows to one or more recipients is assumed in an arrangement where:

(i) The Credit Union has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition;

(ii) The Credit Union is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and

(iii) The Credit Union has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Financial instruments (continued)

(h) Forward looking information

In its ECL models, the Credit Union relies on a range of forward-looking information as economic inputs, such as:

- GDP growth
- Central Bank base rates

(i) Financial liabilities

Classification and subsequent measurement of financial liabilities
In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost. Other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Other liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specific in the contract is discharged, cancelled or expires).

4.6 *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Credit Union in the management of its short-term commitments.

Cash and cash equivalents are measured at amortised cost.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Property and equipment*

i. *Initial measurement*

Property and equipment are initially stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributed to the acquisition of items.

ii. *Subsequent measurement*

Land and building

After recognition, land and building whose fair value can be measured reliably are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in members' equity under the heading of revaluation reserves. However, the increase is recognised in the statement of comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the statement of comprehensive income. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserves in respect of that asset.

The decrease recognised in other comprehensive income reduces the amount accumulated in members' equity under the heading of revaluation reserve.

When a building is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Property and equipment (continued)

ii. Subsequent measurement (continued)

Furniture, equipment and motor vehicle

After recognition, an item of furniture, equipment and motor vehicle is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

iii. Depreciation

Depreciation is calculated on the straight line method to write down the cost less estimated residual values of the assets. The following depreciation rates are applied:

Freehold Building	40 years
Car Park	40 years
Furniture, Fixtures and Equipment	10 years
Motor vehicles	5 years
Automatic Teller Machine	4 years
Computer Equipment and Software	3 years

Land and work in progress are not depreciated.

The assets' residual values and estimated useful lives are reviewed and adjusted, if appropriate, at each reporting date.

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 proceeds with carrying amounts. These are included in the statement of comprehensive income.

4.8 *Impairment of non-financial assets*

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 *Impairment of non-financial assets (continued)*

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed only to the extent that the asset's or cash-generating unit's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.9 *Provisions*

Provision for legal disputes or other claims are recognized when the Credit Union has a present or legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Credit Union to settle the obligation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are not recognised for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Credit Union can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 *Employee benefits*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income when incurred.

4.11 Equity, reserves and dividend payments

a) *Permanent shares*

Permanent shares issued by the Credit Union are classified as equity only to the extent that they do not meet the definition of a financial liability.

b) Reserves

Statutory reserves comprise amounts required to be set aside as stipulated by the Co-operative Societies Act (see note 15).

c) Accumulated surplus

Accumulated surplus include all current and prior period retained surpluses.

d) Dividends

Shares that contain redemption features subject to the Credit Union maintaining adequate regulatory capital are accounted for using the partial treatment requirements of IFRIC 2, *Members' Shares in Cooperative Entities and Similar Instruments*.

Dividends paid are recognised in equity in the period in which they are approved by the Credit Union's members at the Annual General Meeting.

4.12 *Operating expenses*

Operating expenses are recognised in the statement of comprehensive income upon utilisation of the service or as incurred.

5. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

In the application of the Credit Union's accounting policies, which are described in note 4, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have the most significant effect on the amounts recognised on the financial statements are described below:

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Credit Union determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Credit Union monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Credit Union's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)

(b) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for the financial assets measured at amortized cost, FVTPL and FVTOCI is an area that requires the use of modelling and assumptions about future economic conditions and credit behaviours (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgments are also required in applying the account requirements for measuring ECL, such as:

- Determining credit for significant increase in credit risk
- Choosing appropriate model and assumptions for the measurement of proportional loss
- Establishing groups of similar financial assets for the purposes of measuring ECL
- Recovery rates on unsecured exposures
- Drawdown of approved facilities
- Determination of macroeconomic drivers (management overlay)
- Determination of life of revolving credit facilities
- Models and assumptions used

(c) Valuation of Stage 3 facilities

The proposed cash flow was discounted using the yield of the facilities. The Credit Union makes judgements 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 loans before the decrease can be identified with an individual loan 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. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

5. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)

(a) Expected Credit Loss Financial Asset held FVOCI - Equity Investments

The Credit Union determines Fair Value equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgement, the Credit Union evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows. These factors may give rise to uncertainty regarding the recoverability of the carrying value in the subsequent period and/or the eventual recoverability of the amounts invested in full.

The Credit Union recognised ECL on equity investments during the year of nil (2020: nil).

(b) Impact of Covid-19

Background

Covid-19, which is a respiratory illness caused by a new virus, was declared a worldwide pandemic by the World Health Organisation on March 11, 2020. The Credit Union has considered the impact of Covid-19 in preparing its financial statements.

Consideration of the statements of financial position and further disclosures

Key considerations of the impact of Covid-19 on statements of financial position and related disclosures were as follows:

Expected Credit Losses

Members loans:

The Credit Union offered a moratorium to members in good standing which included a postponement of monthly instalments, including the principal and interest for a period of one to six months in the first instance with an extension to one year on a case-by-case basis, beginning on the date of acceptance with interest continuing to accrue during the period of the moratorium. Members were given the option to have the accrued interest capitalized or to obtain a zero-interest loan for the said interest. These loans amounted to $15.05m as at December 31, 2021.

5. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)

(e) Impact of Covid-19 (continued)

Expected Credit Losses

In response to the Covid-19 pandemic, the Credit Union assessed the need to adjust the loss rates to incorporate forward-looking information, taking into account the expected recovery rate of loans and various applicable macroeconomic factors. Based on the analysis performed as at 31 December, 2021, no material overlay adjustments specifically related to the Covid-19 pandemic was considered necessary

Going concern

In accordance with the requirements of IAS 1 'Presentation of Financial Statements', the Credit Union has performed a going concern assessment as of the reporting date. While the Covid-19 pandemic has heightened the inherent uncertainty in the going concern assessment, the Credit Union has concluded that there are no material uncertainties that may cast significant doubt on its ability to continue to operate as a going concern. The financial statements have therefore been prepared on the going concern basis.

6. MEMBERS' LOANS

		2021 $	2020 $
General loans		403,396,913	374,218,205
Members overdraft accounts		602,231	499,013
		403,999,144	374,717,218
Allowance for doubtful loans		(16,022,461)	(11,024,020)
Total members' loans		387,976,683	363,693,198
Current		20,992,318	24,439,770
Non-current		366,984,365	339,253,428
		387,976,683	363,693,198
Allowance for expected credit loss			
Balance at January 1st, 2021	$	11,024,020	7,332,800
Amounts written off during the year		(1,684,235)	-
Allowance for expected credit loss for the year		6,682,676	3,691,220
Balance at December 31st, 2021	$	16,022,461	11,024,020

The average interest rate earned on the members' loans during the financial year was 8.31% (2020: 8.68%).

7. INVESTMENT PROPERTIES

	Land $	Building $	Total $
Balance at January 1, 2020	11,656,925	906,407	12,563,332
Additions during the year	3,536,176	543,972	4,080,148
Sale during the year	(31,316)	(400,657)	(431,973)
Balance at December 31, 2020	15,161,785	1,049,722	16,211,507
Additions during the year	96,899	647,485	744,384
Sale during the year	(95,689)	-	(95,689)
Balance at December 31, 2021	15,162,995	1,697,207	16,860,202

8. INVESTMENT SECURITIES

(a) Financial assets at fair value through other comprehensive income (FVTOCI)

		2021 $	2020 $
(a)	**Financial assets at fair value through other comprehensive income (FVTOCI)**		
	Equity financial assets		
	Grenada Co-operative League Limited		
	- 11,717 ordinary shares of $5.00 each	76,095	76,095
	East Caribbean Home Mortgage Bank		
	- 194 shares of $160 each	31,040	31,040
	- 625 shares of $160 each	100,000	100,000
	- 1,560 shares of $160 each	249,600	249,600
	Corporation Enterprise Finance Facility Limited		
	- 10,000 shares $50 each	500,000	500,000
	Grenada Co-operative Bank Limited		
	- 47,765 shares of $8.88 each	424,153	424,153
	Total Financial assets at fair value through OCI	**1,380,888**	**1,380,888**
(b)	**Financial assets at amortised cost**		
	Treasury bills		
	Government of Antigua & Barbuda	5,916,151	5,849,165
	Government of St. Lucia	2,555,772	2,533,593
	Government of Grenada	4,864,736	4,864,736

8. INVESTMENT SECURITIES (continued)

Financial assets at amortised cost (continued)

	2021 **$**	2020 $
Fixed deposits		
Grenada Union of Teachers Co-operative Credit Union Limited	6,606,543	6,501,498
Communal Co-operative Credit Union Limited	4,556,319	4,460,527
Grenada Co-operative League Limited	1,666,091	1,632,564
First Citizens Investment Limited	5,923,036	5,923,036
Community First Credit Union Limited	4,266,483	4,162,423
Grenville Co-operative Credit Union Limited	602,823	585,265
Eastern Caribbean Home Mortgage Bank	7,062,000	7,000,000
Fixed rate bond		
Government of St. Lucia	2,000,000	2,000,000
Government of Grenada	4,000,000	-
Total Financial assets at amortised costs	50,019,954	45,512,807
Total Investment securities	51,400,842	46,893,695
Current	46,462,874	45,512,807
Non-current	4,937,968	1,380,888
	51,400,842	46,893,695

9. PROPERTY AND EQUIPMENT

	Work in Progress	Freehold Land and Building	Furniture, Fixtures and equipment	Computer Equipment and Software	Automatic Teller Machines	Motor vehicles	Car Park	Leasehold Improvements	International Debit Card Development	Total
	$	$	$	$	$	$	$	$	$	$
Balance at 1st January, 2020										
Cost	288,522	24,021,457	2,079,001	3,162,845	814,056	259,600	80,387	48,347	188,630	30,942,845
Accumulated depreciation	-	(1,569,715)	(912,594)	(2,409,286)	(580,408)	(242,797)	(2,656)	(5,718)	(188,630)	(5,911,804)
Net book value	**288,522**	**22,451,742**	**1,166,407**	**753,559**	**233,648**	**16,803**	**77,731**	**42,629**	**-**	**25,031,041**
For year ended 31st December, 2020										
Opening book value	288,522	22,451,742	1,166,407	753,559	233,648	16,803	77,731	42,629	-	25,031,041
Additions for the year	808,805	333,103	192,303	153,660	13,138	148,275	-	-	-	1,649,284
Disposals for the year	-	-	(640)	-	-	-	-	-	-	(640)
Depreciation charge for year	-	(472,442)	(185,917)	(486,957)	(110,837)	(31,152)	(2,010)	(9,669)	-	(1,298,984)
Net book value	**1,097,327**	**22,312,403**	**1,172,153**	**420,262**	**135,949**	**133,926**	**75,721**	**32,960**	**-**	**25,380,701**
Balance at 31st December, 2020										
Cost	1,097,327	24,354,560	2,267,429	3,316,505	827,194	407,875	80,387	48,347	188,630	32,588,254
Accumulated depreciation	-	(2,042,157)	(1,095,276)	(2,896,243)	(691,245)	(273,949)	(4,666)	(15,387)	(188,630)	(7,207,553)
Net book value	**1,097,327**	**22,312,403**	**1,172,153**	**420,262**	**135,949**	**133,926**	**75,721**	**23,291**	**-**	**25,380,701**
For year ended 31st December, 2021										
Opening book value	1,097,327	22,312,403	1,172,153	420,262	135,949	133,926	75,721	32,960	-	25,380,701
Additions for the year	106,895	113,912	17,712	88,849	6,403	-	310,340	-	-	644,111
Transfers	(567,877)	108,661	36,028	25,226	64,832	-	333,130	-	-	-
Depreciation charge for year	-	(483,161)	(189,401)	(275,700)	(67,947)	(29,655)	(14,311)	(14,311)	-	(1,069,844)
Net book value	**636,345**	**22,051,815**	**1,036,492**	**258,637**	**139,237**	**104,271**	**704,880**	**23,291**	**-**	**24,954,968**
Balance at 31st December, 2021										
Cost	636,345	24,577,133	2,321,169	3,430,580	898,429	407,875	723,857	48,347	188,630	33,232,365
Accumulated depreciation	-	(2,525,318)	(1,284,677)	(3,171,943)	(759,192)	(303,604)	(18,977)	(25,056)	(188,630)	(8,277,397)
Net book value	**636,345**	**22,051,815**	**1,036,492**	**258,637**	**139,237**	**104,271**	**704,880**	**23,291**	**-**	**24,954,968**

10. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2021	2020
	$	$
Due from Grenada Co-operative Bank Limited – ATM	3,838,895	5,754,437
Due from Communal Co-operative Credit Union Limited	547,164	648,233
Prepaid expenses	119,001	73,597
Due from Grenada Union of Teachers Credit Union	524,281	671,057
Other accounts receivable	786,190	231,883
Interest receivable	3,923,676	2,820,978
	9,739,207	10,200,185
Less: Provision for Fraud Loss	(64,743)	(43,543)
	9,674,464	10,156,642

11. CASH AND CASH EQUIVALENTS

	2021	2020
	$	$
Cash on hand	5,695,296	3,914,454
Cash in bank	27,209,582	23,331,134
Cash and cash equivalents per statement of cash flows	32,904,878	27,245,588

12. MEMBERS' QUALIFYING EQUITY

These shares are of a nominal value of $20.00 when fully paid up. Each member is required to own ten (10) shares of $20.00 each. A minimum of $20.00 can be paid towards the acquisition of shares.

13. STATUTORY RESERVE

	2021	2020
	$	$
Balance at January 1, 2021	16,187,648	14,977,946
Allocation for the year – 25% of surplus	912,948	1,018,269
Receipts from loans written-off	262,922	169,713
Entrance fees	29,660	21,720
Balance at December 31, 2021	17,393,178	16,187,648

In accordance with Section 125 (4) of the Co-operative Societies Act No.8 of 2011, at least 20% of the surplus for the year shall be transferred to the Reserve Fund.

14. MEMBERS' EQUITY SHARES

This amount represents additional share investment in the Credit Union apart from qualifying shares.

15. OTHER FUNDS AND RESERVES

(a) Development fund

	2021	2020
	$	$
Balance at January 1, 2021	271,210	332,030
Allocation for the year	109,554	122,192
Remittance to Grenada Co-operative League Limited	(122,191)	(183,012)
Remittance to Dominica Co-operative League	(10,358)	-
Balance at December 31, 2021	248,215	271,210

The above fund is payable to the Grenada Co-operative League Limited and is made in accordance with Section 126 of the Cooperative Societies Act No. 8 of 2011.

15. OTHER FUNDS AND RESERVES (continued)

(b) Education fund

	2021	2020
	$	$
Balance at January 1, 2021	850,800	820,070
Allocation for the year	109,554	40,730
Disbursements during the year	(1,300)	(10,000)
Balance at December 31, 2021	959,054	850,800

This fund is dedicated for the provision of educational initiatives for members of the Credit Union.

(c) Education savings plan fund

	2021	2020
	$	$
Balance at January 1, 2021	977,392	771,663
Allocation for the year	182,590	203,654
Interest allocated for the year	4,823	2,075
Balance at December 31, 2021	1,164,805	977,392

This fund was set up to provide scholarship to members.

(d) Provident fund

	2021	2020
	$	$
Balance at January 1, 2021	345,713	213,199
Allocation for the year	182,590	203,654
Disbursements during the year	(79,212)	(71,140)
Balance at December 31, 2021	449,091	345,713

This fund was set up to assist members who are not in a position to access loan facilities.

15. OTHER FUNDS AND RESERVES (continued)

(e) LP/LS Insurance fund

	2021	2020
	$	$
Balance at January 1, 2021	-	1,415,422
Transfer to accumulated surplus	-	(1,415,422)
Balance at December 31, 2021	-	-

This fund was held to provide life savings and loans protection benefits to beneficiaries of members of the Credit Union.

16. MEMBERS' LIFE-TIME SAVINGS

	2021	2020
	$	$
Balance at December 31, 2021	244,366,041	215,896,670

These deposits are members' long-term savings at the Credit Union. This is the first form of security held against member's loans. Interest is payable on these deposits at the rate of 2.75% per annum.

17. OTHER DEPOSITS

	2021	2020
	$	$
Term deposits	101,497,423	104,463,106
Savings	67,494,071	63,396,506
Education savings plan	14,412,696	13,350,433
Retirement savings	12,230,481	11,360,918
Internal holding	2,812,053	2,190,787
Insurance and group life savings plan	1,919,001	1,859,978
Loan payment savings	1,506,950	1,270,493
Excel savings	439,785	445,860
Business Savings	748,414	600,950
Trust accounts	599,218	602,091
Estate Management	750,151	177,671
Golden nest	598,775	527,043
Standing order	33,211	40,649
Micro-finance savings	13,317	13,689
Other deposits	695	493
	205,056,241	200,300,667

These deposits have various maturity profiles with interest rates varying from 0% to 4% (2020: 1% to 4%).

18. NON-INTEREST-BEARING LIABILITIES

	2021	2020
	$	$
Interest payable	1,833,416	1,886,887
Sundry creditors and accruals	1,021,992	1,852,741
International debit card payables	4,182,136	6,282,742
Other accounts payable	5,938,568	7,144,940
	12,976,112	17,167,310

19. INCOME TAX

Under the income tax laws of Grenada, the Credit Union is classified as a non-profit organization and therefore exempt from the payment of income tax.

20. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties

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

(a) A person or a close member of that person's family is related to the Credit Union if that person:
- (i) has control or joint control over the Credit Union;
- (ii) has significant influence over the Credit Union; or
- (iii) is a member of the key management personnel of the Credit Union, or of a parent of the Credit Union.

(b) An entity is related to the Credit Union if any of the following conditions applies:

- (i) The entity and the Credit Union are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Credit Union or an entity related to the Credit Union.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party balances

	Total loans		**Total deposits**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Board of Directors	3,023,667	3,026,293	844,482	722,784
Credit committee	1,277,503	1,274,747	460,857	345,523
Supervisory committee	118,767	91,687	204,114	169,940
Key management personnel	2,925,060	1,900,969	1,861,630	1,368,409
Total related party balances	7,344,997	6,293,696	3,371,083	2,606,656

20. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Related party transactions

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and conditions except for certain loans made available to officers.

	2021	2020
	$	$
Interest income on loans	420,888	412,406
Interest expense on deposits	72,226	85,309
Accrued interest payable on deposits	6,681	5,766

Interest rates on related party deposits range from 0% to 4% (2020: 1% to 4%). Interest rates on related party loans range from 3% to 12% (2020: 4% to 12%).

Remuneration of key management personnel

During the year, salaries and related benefits paid to key members of management were as follows:

	2021	2020
	$	$
Salaries and allowances	718,163	746,131

21. DIVIDENDS

During the year, the Credit Union paid $577,875 as dividends (2020: $1,442,419) to its members as follows:

	2021	2020
	$	$
Dividends paid	577,875	881,458
Rebate paid	-	560,961
	577,875	1,442,419

22. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies
The Credit Union has exposure to the following risks arising from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

This note presents information about the Credit Union's exposure to each of the above risks, the Credit Union's objectives, policies and processes for measuring and managing risk, and the Credit Union's management of capital.

The Board of Directors has overall responsibility for the determination of the Credit Union's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Credit Union's finance function.

The Board of Directors receives monthly reports from the Credit Union's Management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Credit Union's risk management processes are essentially those mandated by the Board of Directors and are structured to facilitate identification of risks in its various business activities and to formulate risk management strategies, policies and procedures.

Risks are maintained within established limits. The Credit Union's risk management policies entail diversification of risk in its portfolios, the establishment of risk rating indicators for individual members and lines of credit and continuous review of risk profiles for its members and portfolios. Risk limits are also set in relation to groups of borrowers and industry and geographical segments. The policies also include review, analysis and valuation of all risk taking activities.

22. FINANCIAL INSTRUMENT RISK (continued)

22.1 *Credit risk analysis*

Credit risk is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations. The Credit Union is exposed to this risk for various financial instruments, for example, granting loans to members, placing deposits and investing in bonds.

i. Loans to members

The Credit Union's exposure to credit risk is influenced mainly by the individual characteristics of each member. The demographics of the Credit Union's member base, including the default risk of the country in which members operate, has less of an influence on credit risk. Geographically there is concentration of credit risk as all members are located in Grenada.

ii. Cash and cash equivalents

Cash and cash equivalents are held with established and reputable financial institutions, which represent minimum risk of default.

iii. Maximum exposure to credit risk
The maximum on-balance sheet and off-balance sheet exposure to credit risk at the reporting date.

	2021	2020
	$	$
On-balance sheet		
Cash and cash equivalents	32,904,878	27,245,588
Accounts receivable (excluding prepayments and deferred expenses)	8,769,273	9,001,883
Members' loans	387,976,683	363,693,198
Investment securities	51,400,842	46,893,695
	481,051,676	446,834,364

22. FINANCIAL INSTRUMENT RISK (continued)

22.1 *Credit risk analysis (continued)*

	2021	2020
	$	$
Off-balance sheet		
Loan commitments and other credit related facilities	4,977,239	5,618,859

Loan to Members

(a) Expected credit loss on loans to members

The Expected Credit Loss (ECL) represents the amount the Credit Union is likely to lose in the event of a default. The Credit Union is required to categorise the loans in their respective stages as outlined in the IFRS 9 Standard.

Expected credit loss (ECL) on loans to members are analysed below:

	Gross Amount	ECL	Net Amount
	$	$	$
Stage 1	366,323,205	347,039	365,976,166
Stage 2	2,851,909	28,519	2,823,390
Stage 3	34,824,030	15,646,903	19,177,127
As at December 31, 2020	403,999,144	16,022,461	387,976,683

	Gross Amount	ECL	Net Amount
	$	$	$
Stage 1	350,009,799	257,752	349,752,047
Stage 2	511,061	5,111	505,950
Stage 3	24,196,358	10,761,157	13,435,201
As at December 31, 2019	374,717,218	11,024,020	363,693,198

<u>Stage 1 loans</u>
Loans placed in this stage include loans past due between for 0 to 30 days and loans for which there is no evidence of a significant increase in credit risk since the origination date.

22. FINANCIAL INSTRUMENT RISK (continued)

22.1 *Credit risk analysis (continued)*

<u>Stage 2 loans</u>

Loans placed in this stage include loans past due between for 31 to 60 days and loans that experienced a significant increase in credit risk even if past due days threshold is not met.

<u>Stage 3 loans</u>

Loans placed in this stage are loans that are past due 60 days and over and loans that show evidence of impairment even if the 60 days threshold is not met.

One of the crucial requirements of IFRS 9 is for the Credit Union to determine whether there is a significant increase in credit risk (SIICR) from the date of loan origination to the current or the reporting date. In the event of a SIICR, the loan must be placed in Stage 2 and will require a lifetime provision. The loan should remain in this Stage until there is evidence that the event(s) that resulted in the increase in the credit risks have been satisfactorily cured. It is only then that these loans should be transitioned back to Stage 1. SIICR is determined by observing to the extent to which adverse changes in one or more of the credit risk drivers could increase the likelihood of the default since the origin of the loan. A change in members' employment arrangement, payment method, industry or personal conditions could be deemed significant enough to trigger a migration of loans to Stage 2 even if the past due days quantitative SIICR threshold is not met.

(b) Loans to members re-negotiated

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferred payments. Following restructuring, a previously overdue account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators of criteria which, in the judgement of local management, indicate that payment will most likely continue. These policies are kept under continual review. Restructuring is most commonly applied to term loans, in particular customer finance loans.

As part of its loan policy and especially in light of Covid-19, the Credit Union undertook a review of its loan portfolio determining high risk sectors and the Expected Credit Loss (ECL) for each. The review considered the macroeconomic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date. The ECL methodology and definition remained consistent with prior periods.

22. FINANCIAL INSTRUMENT RISK (continued)

1.1 *Credit risk analysis (continued)*

(c) Bonds and equity investments

There is no formal rating of the credit quality of bonds, treasury bills and equity investments. A number of qualitative and quantitative factors are considered in assessing the risk associated with each investment; however, there is no hierarchy of ranking. There are no external ratings of the securities. None of the securities are pledged as collateral.

(d) Repossessed collateral

The Credit Union had no repossessed collateral in its statement of financial position as of December 31, 2021 (2020: nil).

22.2 *Liquidity risk analysis*

Liquidity risk is the risk that the Credit Union will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Credit Union's liquidity risk is subject to risk management controls and is managed within the framework of regulatory requirements, policies and limits approved by the Board. The Board receives reports on liquidity risk exposures and performance against approved limits. Management provides the Board with information on liquidity risk for Board oversight purposes through its monthly meetings. The key elements of the Credit Union's liquidity risk management framework include:

- liquidity risk measurement and management limits, including limits on maximum net cash outflow over a specified short-term horizon;
- holdings of liquid assets to support its operations, which can generally be converted to cash within a reasonable time;
- liquidity stress testing PEARLS-specific ratios; and
- liquidity contingency planning.

22. FINANCIAL INSTRUMENT RISK (continued)

22.2 Liquidity risk analysis *(continued)*

Non-derivative financial liabilities and assets held for managing liquidity risk.

The table below presents the cash flows payable by the Credit Union under non-derivative financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual and undiscounted cash flows.

As of December 31, 2021

	On demand	Up to 1 year	1-5 years	Over 5 years	Total
	$	$	$	$	$
Liabilities					
Members' life time Savings	153,352,636	6,725,609	22,924,998	61,362,798	244,366,041
Other deposits	205,056,241	-	-	-	205,056,241
Non-interest bearing liabilities	12,976,112	-	-	-	12,976,112
Pension liability	-	-	1,426,950		1,426,950
Other liabilities	1,700	-	-	-	1,700
	371,386,689	6,725,609	24,351,948	61,362,798	463,827,044

22. FINANCIAL INSTRUMENT RISK (continued)

22.2 Liquidity risk analysis *(continued)*

As of December 31, 2020

	On demand $	Up to 1 year $	1-5 years $	Over 5 years $	Total $
Liabilities					
Members' life time Savings	129,502,478	7,223,181	24,894,323	54,276,688	215,896,670
Other deposits	200,300,667	-	-	-	200,300,667
Non-interest bearing liabilities	17,167,310	-	-	-	17,167,310
Pension liability	-	-	1,006,950		1,006,950
Other liabilities	1,700	-	-	-	1,700
	346,972,155	7,223,181	25,901,273	54,276,688	434,373,297

22. FINANCIAL INSTRUMENT RISK (continued)

22.2 Liquidity risk analysis *(continued)*

Assets held for managing liquidity risk

The Credit Union holds a diversified portfolio of cash and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Credit Union's assets held for managing liquidity risk comprise:

- Un-restricted cash in bank
- Certificates of deposit
- Loans and receivables investment securities
- Unimpaired loans

22.3 *Market risk analysis*

The Credit Union is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Credit Union does not face any such risk since its transactions are substantially in Eastern Caribbean Dollars, which is its functional currency. The United States Dollar, in which the Credit Union also transacts business, is fixed in relation to the Eastern Caribbean Dollar.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Credit Union has no exposure to such risk since its existing investments are not listed in any stock exchange or market.

22. FINANCIAL INSTRUMENT RISK (continued)

22.3 *Market risk analysis (continued)*

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest-bearing liabilities, which are subject to interest rate adjustments within a specified period.

The Credit Union actively manages its interest rate exposures with the objective of enhancing net interest income within established risk tolerances. Interest rate risk arising from the Credit Union's funding and investment activities is managed in accordance with Board-approved policies.

The table below summarizes the Credit Union's exposure to interest rate risks. Included in the table are the Credit Union's assets and liabilities at carrying amounts categorized by the earlier of contractual repricing and maturity dates.

22. FINANCIAL INSTRUMENT RISK (continued)

22.3 *Market risk analysis (continued)*

(iii) Interest rate risk

As of December, 2021 Current Assets	**Interest rate**	**On Demand**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Current Assets		$	$	$	$	$	$
Cash and cash equivalents		32,904,878	-	-	-	-	32,904,878
Accounts receivables		-	-	-	-	8,769,273	8,769,273
Members' loan	4% - 16%	602,231	20,645,279	86,790,048	279,939,125	-	387,976,683
Investment securities	2% - 5.75%	14,698,260	31,764,614	3,557,080	-	1,380,888	51,400,842
Total financial assets		48,205,369	52,409,893	90,347,128	279,939,125	10,150,161	481,051,676
Current liabilities							
Members' life-time savings	2.75%	153,352,636	6,725,609	22,924,998	61,362,798	-	244,366,041
Other deposits	0% - 4%	205,056,241	-	-	-	-	205,056,241
Non-interest-bearing liabilities		-	-	-	-	12,976,112	12,976,112
Pension liability		-	-	-	-	1,426,950	1,426,950
Other liabilities		-	-	-	-	1,700	1,700
Total financial liabilities		358,408,877	6,725,609	22,924,998	61,362,798	14,404,762	463,827,044
Total interest repricing gap		(310,203,508)	45,684,284	67,422,130	218,576,327	(4,254,601)	17,224,632

22. FINANCIAL INSTRUMENT RISK (continued)

22.3 *Market risk analysis (continued)*

(iii) Interest rate risk

As of December, 2020 Current Assets	**Interest rate**	**On Demand**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
	$	$	$	$	$	$	$
Cash and cash equivalents		27,245,588	-	-	-	-	27,245,588
Trade and other receivables		-	-	-	-	9,001,883	9,001,883
Members' loan	4% - 16%	499,013	23,940,757	68,590,330	270,663,098	-	363,693,198
Investment securities	2% - 5.75%	17,273,452	26,239,355	2,000,000	-	1,380,888	46,893,695
Total financial assets		45,018,053	50,180,112	70,590,330	270,663,098	10,382,771	446,834,364
Current liabilities							
Members' life-time savings	3%	129,502,478	7,223,181	24,894,323	54,276,688	-	215,896,670
Other deposits	1% - 4%	200,300,667	-	-	-	-	200,300,667
Non-interest-bearing liabilities		-	-	-	-	17,167,310	17,167,310
		-	-	-	-	1,006,950	1,006,950
		-	-	-	-	1,700	1,700
Total financial liabilities		329,803,145	7,223,181	24,894,323	54,276,688	18,175,960	434,373,297
Total interest repricing gap		(284,785,092)	42,956,930	45,696,007	216,386,410	(7,793,189)	12,461,067

22. FINANCIAL INSTRUMENT RISK (continued)

22.3 *Market risk analysis (continued)*

(iii) Interest rate risk

Fair value interest rate sensitivity analysis

The Credit Union does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income.

Cash flow interest rate sensitivity analysis

The Credit Union is not exposed to any cash flow interest rate risk as it has no variable rate financial instruments.

22.4 *Operational risk*

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

The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Credit Union's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

22. FINANCIAL INSTRUMENT RISK (continued)

22.4 *Operational risk (continued)*

The primary responsibility for development and implementation of controls to address operational risk is assigned to management within the Credit Union. This responsibility is supported by the development of overall Credit Union standards for the management of operational risk by establishing requirements for:

- appropriate segregation of duties, including the independent authorization of transactions;
- the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with the Credit Union's standards is supported by a programme of periodic reviews undertaken by the Supervisory Committee. The results of the Supervisory Committee reviews are discussed with management, with summaries to the Board of Directors.

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

a) *Financial instruments not measured at fair value*

The table below summarises the carrying amounts and fair values of the Credit Union's financial assets and liabilities not presented on the statement of financial position at their fair values.

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value (continued)

	Carrying Value		Fair Value	
	2021	2020	**2021**	2020
	$	$	**$**	$
Financial assets				
Cash and cash equivalents	32,904,878	27,283,374	32,904,878	27,283,374
Investment securities:				
– Financial assets at amortised costs	34,292,594	32,265,313	34,292,594	32,265,313
Members' loans	387,976,683	363,693,198	387,976,683	363,693,198
Accounts receivable (excluding pre-payments and deferred expenses)	8,769,273	9,001,883	8,769,273	9,001,883
	463,943,428	432,243,768	463,943,428	432,243,768
Financial liabilities				
Members' deposits	244,366,041	215,896,670	244,366,041	215,896,670
Other deposits	205,056,241	200,300,667	205,056,241	200,300,667
Non-interest bearing liabilities	12,976,112	17,167,310	12,976,112	17,913,707
Pension liability	1,426,950	1,006,950	1,426,950	1,006,950
Other liabilities	1,700	1,700	1,700	1,700
	463,827,044	434,373,297	463,827,044	434,373,297

(i) Loans and advanves

The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

a) *Financial instruments not measured at fair value (continued)*

(ii) Investment securities

The fair value of investment securities is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated for debt investment securities based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining maturity.

(iii) Members' deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new deposits with similar remaining maturity.

b) Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at December 31, 2021 and December 31, 2020.

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

b) *Fair value measurement of financial instruments (continued)*

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into Level 3 of the fair value hierarchy.

	Level 3	Total
	$	$
December 31, 2021		
Financial assets		
Investment securities:		
- Financial assets at fair value through other comprehensive income (FVTOCI)	1,380,888	1,380,888

	Level 3	Total
	$	$
December 31, 2020		
Financial assets		
Investment securities:		
- Financial assets at fair value through other comprehensive income (FVTOCI)	1,380,888	1,380,888

Measurement of fair value of financial instruments

The Credit Union's finance team performs valuations of financial items for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Chief Executive Officer and to the Board of Directors. The valuation techniques used for instruments categorised in Level 3 are described below:

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

b) *Fair value measurement of financial instruments (continued)*

Financial assets at FVTOCI

The fair value is generally on broker/dealer price quotations. Where this information is not available, fair value is based on cost less any impairment recognised.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

24. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Credit Union has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve three major objectives:

- Exceed regulatory thresholds;
- Meet longer-term internal capital targets; and
- Provide the Credit Union's members with a source of finance.

24. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (continued)

Capital is managed in accordance with the Board-approved Capital Management Policy which is based on regulatory requirements of the Co-operative Societies Act and the PEARLS regulations. Management and the Board of Directors develop the capital strategy and oversee the capital management processes of the Credit Union. The Credit Union's management and Supervisory Committee are key in implementing the Credit Union's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal metrics.

The three primary regulatory capital ratios used to assess capital adequacy are as follows:

	Regulatory requirement	**2021**	2020
		%	%
1. Net Loans/Total Assets	70% to 80%	74%	74%
2. Institutional Capital/Total Assets	7% minimum	7.84%	7.68%
3. Total Delinquency/Total Loans	5% maximum	8.27%	6.32%

25. SUBSEQUENT EVENTS

The duration and extent of the Covid-19 pandemic and related financial, social and public health impacts of the pandemic are uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Credit Union at the reporting date. No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Credit Union. The Credit Union will continue to closely monitor the situation in order to plan its response, if necessary.

26. PRIOR YEAR ADJUSTMENT

	2021	2020
	$	$
Restatement of gains on IDC transactions	253,603	-

Budgeted Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	ACTUAL 2021	BUDGET 2022	BUDGET 2023
Earning Assets			
Gross Loans	**403,396,913**	**449,396,913**	**499,396,913**
Less: Provision for loan bad debts	(16,022,461)	(19,022,461)	(20,772,461)
Net loans	**387,374,452**	**430,374,452**	**478,624,452**
	-	-	-
Short Term Investments	48,019,954	54,469,954	59,469,954
Long Term Investments	3,380,888	3,580,888	3,780,000
Development Lands	16,860,202	15,340,202	11,860,202
Members Overdraft	602,231	452,231	302,231
	-		-
Total Earning Assets	**456,237,727**	**504,217,727**	**554,037,727**
	-		
Non Earning Assets	-		
	-		
Fixed Assets	24,954,968	30,561,426	40,597,027
Receivables & prepayments	9,674,464	4,074,464	5,309,031
Cash on Hand & in Bank	32,904,878	39,857,941	34,898,976
Total Non-Earning Assets	**67,534,310**	**74,493,831**	**80,805,034**
Total Assets	**523,772,037**	**578,711,558**	**634,842,761**

STATEMENT OF FINANCIAL POSITION	ACTUAL 2021	BUDGET 2022	BUDGET 2023
Liabilities	-		
	-		
Members' Lifetime Savings	244,366,041	278,366,041	311,666,041
Savings	205,056,241	219,394,800	234,771,471
External Credit	-	-	-
Non Interest Bearing Liabilities	12,976,112	14,376,112	12,026,112
Staff Pension	1,428,651	1	1
Total Liabilities	**463,827,045**	**512,136,954**	**558,463,625**
	-	-	-
Capital	-	-	-
	-	-	-
Equity Shares	**16,058,046**	**17,058,046**	**17,758,046**
Institutional Capital	-	-	-
Qualifying Shares	5,293,916	6,293,916	8,293,916
Statutory Reserve	17,393,178	17,590,888	17,606,927
Accumulated Surplus	18,378,688	22,240,536	29,332,317
Earnings for Current Year	-	-	-
Total Institutional Capital	**41,065,782**	**46,125,340**	**55,233,160**
Other Funds & Reserves	-	-	-
Development Fund Reserve	248,215	333,625	446,999
Education of Members Reserve	959,054	1,032,149	1,265,487
Education Savings Plan Fund	1,164,805	1,495,579	981,682
Provident Fund	449,091	529,864	693,761
	-	-	-
Total Capital	**59,944,993**	**66,574,603**	**76,379,135**
Total Liabilities & Capital	**523,772,037**	**578,711,558**	**634,842,761**

Budgeted Statement of Comprehensive Income

	ACTUAL 2021	BUDGET 2022	BUDGET 2023
Income			
Net Loan Income	31,113,095	34,670,022	38,720,516
Total Non- Interest Income	2,340,071	2,976,000	3,490,000
Total Income	**33,453,166**	**37,646,022**	**42,210,516**
Cost/Expenses			
Total Financial Cost	**11,347,900**	**11,699,097**	**12,915,422**
Gross Margin	22,105,266	25,946,925	29,295,095
Operating Expenses			
Total Personnel Expenses	**6,053,804**	**9,292,561**	**10,176,902**
Total Member Interest Protection	**418,253**	**640,000**	**640,000**
Total Marketing Expenses	**734,397**	**1,500,000**	**1,250,000**
Total General & Admin Expenses	**2,906,766**	**3,577,000**	**3,785,850**
Total Depreciation	**1,069,844**	**1,288,543**	**1,764,399**
Total Operating Expenses	**11,183,063**	**16,298,104**	**17,617,151**

	ACTUAL 2021	BUDGET 2022	BUDGET 2023
Operating Surplus	10,922,203	9,648,821	11,677,944
Provision for Risk Assets	6,682,676	3,000,000	3,000,000
Provision for Vacation Accrual	113,733	150,000	150,000
Provision for Special Pension	420,000		
Provision for Write off	54,000		
Surplus Before Appropriation	3,651,794	6,498,821	8,527,944
Transfer to Statutory Reserves	912,948	1,624,705	2,131,986
Transfer to Development Fund	109,554	194,965	255,838
Transfer to Education of Members Fund	109,554	194,965	255,838
Transfer to Education Plan Fund	182,590	324,941	426,397
Transfer to Provident Fund	182,590	324,941	426,397
Unallocated Surplus	2,154,558	3,834,304	5,031,487

Capital Budget 2022 & 2023

	2022	2023
Computer Hardware	600,000	300,000
Computer Software	515,000	100,000
Furniture and Equipment	530,000	300,000
ATM	100,000	400,000
Land/Building	4,300,000	7,500,000
TOTAL	6,045,000	8,600,000

Resolutions

1. APPOINTMENT OF AUDITORS - 2022

WHEREAS the Annual General Meeting of 2020 approved the firm of PKF Accountant and Business Advisors as the Credit Union's Auditor,

AND WHEREAS the firm provided satisfactory service to the Credit Union

BE IT RESOLVED that the firm of Pannell Kerr Forster be appointed as the Credit Union's auditors for the year 2022.

2. APPROVAL OF BUDGET

WHEREAS it is required under the Credit Union's By-Laws (section 37(2h) that the budget be approved by the Annual General Meeting

AND WHEREAS this budget is presented for the consideration of the meeting on pages 61 to 125 of the Annual Report and is highlighted as follows:

	2022	**2023**
Total Assets	$578.7M	$634.8M
Net Loans	$430.3M	$478.6M
Total Income	$37.6M	$ 42.2M
Total Expenses	$31.2M	$33.7M
Surplus before appropriation	$6.49M	$8.5M
Capital Expenditures	$6.045M	$8.6M

BE IT RESOLVED that the budget, as presented, is approved.

Minutes of 74th AGM

74th Annual General Meeting of Ariza Credit Union held on Thursday 26th August 2021 at The Trade Centre Annex, Morne Rouge, St. George, and via Zoom

AGM/21/01 Call to Order and Welcome

The meeting commenced at 2.25 p.m. with a total of 350 members present via Zoom and 20 members present at the Trade Centre Annex bringing to a total of 370.
The meeting was moderated and chaired by Director Aaron Moses.

He began by welcoming everyone to the 74th Annual General meeting and stated that a year ago we held our first virtual Annual General Meeting, where we had a gathering of our Board of Directors, our Committee Members, and some of our long-standing Credit Union Members and everyone else was participating virtually.

He went on to state that Covid-19 had overturned the world and had changed the way we work and socialize. Many are constantly debating the relevance of online meetings and they conclude, that depending on the nature of your business and skill set, the online medium has resulted in increased productivity. Others have found it extremely difficult to be equally productive staying at home. He stated that what is clear, is that Covid-19 has accelerated the adoption of digitization. And it can be concluded that digitization and the use of relevant media are here to stay.

He indicated that many of our members commended us over the efficiency of our last AGM and looked forward to the continuation of the use of this medium. In this year's case, unfortunately, due to the changes in the Covid status, the AGM has been reduced to entertain only a maximum of 20 persons in this location, hence here present, are only persons who are required to make presentations, everyone else was required to join virtually.

The Chairman invited the Acting Chief Executive Officer, Bro. Kippling Charles to lead in the opening invocation, and also recite the Credit Union Prayer.

The Moderator then gave details of the protocols to be observed for the duration of the meeting.

The Chairman acknowledged the presence of specially invited guests; Hon Gregory Bowen, acting Prime Minister, Minister of Finance, Public Utilities Energy Physical and Economic Development. Bro. Randy Boyke Cadet, President of the Grenada Co-operative League Ltd, Bro. Javan Williams, President of the Ariza Credit Union Board of Directors other members of the Board of Directors, Committee Members, Sis. Lucia Livingston-Andall, Chief Executive Officer of Ariza Credit Union Ltd. the Management and Staff of Ariza Credit Union.

Ms. Osanne Francis, Senior Auditor, PKF, Bro. Denis Felix, Executive Director of GARFIN, Bro. Raymond Roberts presiding Elections Officer, our legal service providers, Wilkinson, Wilkinson & Wilkinson, and George E.D Clyne, and members of Ariza Credit Union.

AGM21/02 Tributes

A moment of silence was observed in honour of our members who transitioned since the last AGM.

AGM 21/03 President's Message

Bro. Javan Williams welcomed all members both physically and virtually to the 74th Annual General Meeting, emphasizing the theme for this year's meeting *"Together we can".* He made mention of the support that was granted to our members through Moratoria, Waivers, and Provident Funds for meeting members' basic requirements during the pandemic.

He highlighted the major successes of 2020, namely the transformation project which focused on a *"wow"* member service experience. He mentioned the increase in growth of the membership at the end of 2020 as well as the attainment of an increase in asset base in that said year.

Regarding the Church Street Property, he informed that repairs were completed on the building to facilitate the expansion of the electronic filing and digital support processes. He stated that these achievements will be the strength against which all growth strategies will be built.

He urged members to stay true to our philosophy of *"people helping people"* and stay loyal to Ariza. He concluded by thanking his fellow Board members for their cooperation, support, and camaraderie and gave recognition to the management and staff for their untiring efforts of giving their best.
At this point, Sabrina Francis and her band were invited to sing the Credit Union song.

AGM/21/04 Greetings and Solitary messages from Guest Societies

Greetings were received from Communal Co-operative Credit Union, Gateway Credit Union, and Hermitage Co-operative Credit Union.

Due to time constraints, all messages were unable to be shared, however, the facilitator permitted one message, which was from Hermitage Credit Union in the form of a poem capturing the theme *"together we can"* by Emmerson Murray, Manager of Hermitage Credit Union.

The Poem was as follows:

> *"Ariza is joyfully and appropriately beating their pan, shouting to all, together we can; overcome all obstacles man-made because careful attention to details is paid. No fear of Covid, precautions taken were adequate and splendid, so yes, together you can be successful and stable, management competent and member support admits you are able, so here are best wishes from the Board of Directors and members of Hermitage, that a successful meeting will be staged and the splendid work you began will continue successfully because together we can.*

Bro. Aaron Moses expressed heartfelt thanks to Bro. Emmerson Murry, General Manager of the Hermitage Credit Union for his unique expression of greetings.

AGM/21/05 Official Remarks

Grenada Co-operative League Ltd

Bro. Randy Boyke Cadet, President of the Grenada Co-operative League, extended commendations to Ariza Credit Union on its 74th Annual General Meeting.

He expressed congratulatory sentiments from the Board Management and Staff of the Grenada Co-operative League Ltd., stating that he was delighted to be present at this meeting as Ariza accounts for their stewardship and performance to celebrate the achievements and chart the way forward for the next financial year.

He stated that this meeting was held in the context of a very fluid and uncertain period, a period marked by the loss of jobs, high unemployment especially among the youths, reduced business activities within key sectors of our economy, and a high level of vaccine hesitancy among a significant sector of our populations. Amidst all these realities, he stated that we are still left with a sense of hope and optimism that together we will continue to make it through.

He indicated that Ariza had chosen a very influential theme, a theme that draws out various issues and messages, it challenges possibilities, capabilities, and opportunities in the social and economic climate of Grenada.

He continued, stating that there is no doubt that these three words *"together we can"* have the potential to serve as the backbone for Ariza, and through hard work and commitment to its mission, Ariza makes progress possible not only for its brand, its members, and owners but for the local Credit Union.

In closing, he insisted that Ariza must continue to set the highest standard of integrity for the achievement of its mission. Be honest with members and be ethical in all your cooperative dealings, engage your members regularly and purposefully, keep promises and admit mistakes, and embed a culture that embraces quality and creativity while being unafraid to receive and recognize different perspectives in pursuing new opportunities.

As he quoted the words of Bro. William Joseph, he remarked that it was better to choose Battle Hill, a place of a rewarding climb than Leapers Hill, a place of a proud fall.

GARFIN

GARFIN was represented by its Executive Director, Bro. Denis Felix.
He began by noting the critical importance of an Annual General Meeting within the Governance Construct of Credit Unions and commended Ariza for the effort made to hold its Annual General Meeting at this trying time. He also noted that seven other sister Credit Unions together with the League have already held their General Meetings for the year 2020 despite the challenges of the pandemic within the newly approved timeline.

Bro. Felix commented on two key aspects of Ariza Credit Union.
Firstly, regarding the Credential Performance of Ariza Credit Union, in key financial and prudential areas during the pandemic, the sector performed well with its liquidity. While most Credit Unions, continuously surpass the minimum standard of 15% of total unencumbered deposits; in terms of loan delinquency, there was a deterioration of 5.2% in 2019 to 5.8% in 2020 as well as some added signs of stress in 2021.

It was noted that based on a recent study done by a reputable company in Barbados, loan delinquency in the Eastern Caribbean is projected to increase by 3% due to the impact of the pandemic. On an overall basis, however, it is believed that the sector must be commended for its relatively strong performance during 2020.

He indicated that Ariza's 2020 Financial Statement showed another year of outstanding achievements despite the effect of the pandemic. As of December 31st, 2020, Ariza held total Assets amounting to $489.6M which accounted for 45% of the total assets of the sector. This makes Ariza one of the largest Credit Unions in the ECCU and had resulted in its designation as a systemically important Financial Institution and an integral part of our Financial System.

The second area addressed, related to measures being undertaken to enhance monitoring and supervision of the sector, with the onset of the pandemic, Garfin found it necessary to introduce weekly reporting from the five largest Credit Unions in the area of Liquidity, as they are of the opinion that this was one area which posed the biggest challenge to the sector.

Bro. Felix was pleased to state that following rigorous monitoring of the liquidity performance for a period of fifteen months, they have not observed any material problems, and therefore with effect within the week of July 5th, the weekly reporting was discontinued and reverted to the regular frequency of monthly reports.

The second area referred to was that they have finally completed the long outstanding draft of the Cooperative Societies Regulation which will soon be submitted for approval by the Cabinet and subsequently tabled in parliament for enactment.

These new regulations in part provide for a new benchmark for capital as well as requirements for good Governance and fit and proper criteria for Directors.

At the same time, Garfin will strive to simultaneously address the requisite amendments to the Cooperative Societies Act following a similar process as was done when the regulations were finalized. He stated that GARFIN intends to engage an experienced consultant who would lead the consulting process with the aim of completing this activity by the end of the year 2021.

In closing, he wished to reiterate that GARFIN considers the Ariza Credit Union as a very important Financial Institution in the sector here in Grenada, one that has the capacity to play a fundamental role in the promotion of Credit Unions.

Finally, he thanked the Chairman for the invitation and wished the Credit Union continued success.

AG. Prime Minister and Minister with responsibility for Finance, Public Utilities Energy Physical, and Economic Development.
Honorable Gregory Bowen, AG. Prime Minister and Minister with responsibility for Finance, Public Utilities Energy Physical, and Economic Development.

He expressed personal appreciation to the Board of Directors and the Management for the opportunity to be part of the 74th Annual General Meeting under a most appropriate and timely theme.

He stated that the theme was appropriate and timely for many reasons, the current difficult context ushered in by the pandemic as working together is our best chance of successfully navigating the confluence of issues that we currently face.

He therefore strongly identified with the theme and encouraged all of us in our individual and collective capacities to share the common purpose of recovering as a stronger and resilient nation. He touched on four additional points,

1. Ariza must continue to strive for excellence as proven to be a paragon of excellence through its massive growth and transformation over the years. It is noted that the collapse of Ariza can pose a significant risk to the economy, the combined success of Ariza and the Credit Union Sector more broadly, is therefore crucially important and therefore must continue to show great leadership to navigate not only this unprecedented period in history but, ever-shifting financial landscape in the years to come.
2. So far, he indicated that Ariza has delivered on its promise to the quality of life of its members. They continue to benefit from dividend payments and loan rebates. This spoke, he said, to the solid financial performance and strong growth of the institution.
3. Concerning technological advancement, among Credit Unions in Grenada and the Eastern Caribbean Union, he informed that Ariza is a front runner in the digital space with a launch

of ATMs, Chip Cards, mobile and online banking, and other services, Ariza continues to push the envelope of what the Credit Union movement can deliver to its members. He strongly encouraged Ariza to continue progress by adopting new technologies in the financial sector to increase financial intermediation and digitization more broadly. He added that the Government supported the Credit Union movement.

4. Over the years Government has always been a strong promoter of the Credit Union movement, the passage of the Cooperative Ordinance in 1957 was instrumental in giving legitimacy to the Credit Union Movement and promoting its growth.

   The government remains committed to advancing the development of the Credit Union as a means of empowering citizens to achieve their financial goals. In this context, the draft ECCU harmonize Cooperative Societies Regulations will be critically important, these regulations will help facilitate the development of the movement while simultaneously improving the effectiveness of the supervision of the sector.

   In conclusion, Honorable Gregory Bowen inquired about the vision for your Credit Union. He stated that as members, we should be thinking years ahead about the future of this great institution, as changes will come in the form of new opportunities and threats.
   We cannot afford failure in the Credit Union movement. In this context, the Regulatory and Supervisory framework should evolve alongside if not ahead of these inevitable changes in the environment.

   Our goal should therefore be, to have an institution and sector that will be better in the future than it is today. He closed by stating that Ariza must keep moving and maintain a competitive advantage.

AGM/21/06 End of Official Session

The Moderator thanked all the speakers for their words of congratulations, advice, and commendations and ended the Official Session.

AGM/21/07 Business Session

Nominating Committee's Report

Bro. Dennis Cornwall, Chairman of the Nominating Committee presented the Report.
The Nominating Committee comprised of the following members:

Bro. Dennis Cornwall	Chairman
Bro. Phillip Telesford	Member
Bro. Wayne Radix	Member
Sis. Gemma Bain-Thomas	Member
Sis. Annette Henry	Member

Two meetings were held to review the nominations in accordance with the guidelines stipulated in the By-laws. The intention was to fill vacancies in the following areas:

Board of Directors – three vacancies
Credit Committee - two vacancies
Supervisory and Compliance Committee - two vacancies.

Board of Directors

The following members completed their first 3-year term:

Bro. Lyndon Bubb
Sis. Claudette James
Bro. Otis Gay was completing the term for Bro. Rodney George

Members showing interest to serve on the Board of Directors were as follows:

1. *Bro. Jeremy Chetram*
2. *Sis. Merina Jessamy*
3. *Bro. Sandiford R. Edwards*
4. *Bro. Wayne Williams*
5. *Bro. Michael Stephen*
6. *Bro. Kymanne Andrew*
7. *Bro. Douglas Roberts*
8. *Bro. Trevor Rodney*
9. *Sis. Claudette James*
10. *Bro. Lyndon Bubb*
11. *Bro. Otis Gay*

The Nominating Committee made the following recommendations for the Board of Directors:

Bro. Lyndon Bubb for a second three-year term
Sis. Claudette James for a second three-year term
Bro. Otis Gay for a full three-year term

Credit Committee

The following members completed their terms as follows:

Bro. Brian Pascal completed his first three-year term
Bro. Simon Lewis completed his second three-year term
Sis. Judy Pivotte completed her second three-year term

Members showing interest to serve on the Credit Committee were as follows:

1. *Bro. Jeremy Chetram*
2. *Sis. Lorrian A. Charles*
3. *Sis. Rayne T. Logie*
4. *Sis. Susannah Sandy*
5. *Bro. Douglas Roberts*
6. *Sis. Portia Fraser*
7. *Sis. Allena Peters*
8. *Bro. Royden Beharry*
9. *Sis. Deshon Harris*
10. *Sis. Renae Samuel*
11. *Bro. Brian Pascall*

The Nominating Committee made the following recommendations for the Credit Committee:

Bro. Brian Pascall for a second three-year term
Sis. Deshon Harris for a first three-year term
Sis. Allena Peters for a first three-year term

Supervisory and Compliance Committee

The following members completed terms as follows:

Sis. Zoe Hagley was completing the final year of the term for Pearlena Sylvester
Bro. Francis Robertson was completing his first three-year term.

Members indicating interest to serve on the Supervisory and Compliance Committee were as follows:

1. *Bro. Jeremy Chetram*
2. *Sis. Merina Jessamy*

3. *Sis. Rayne T. Logie*
4. *Bro. Wayne Williams*
5. *Sis. Susannah Sandy*
6. *Bro. Kymanne Andrew*
7. *Bro. Douglas Roberts*
8. *Bro. Davon Baker*
9. *Sis. Renae Samuel*
10. *Sis. Karen M. Forsyth*
11. *Bro. Francis Robertson*

The Nominating Committee made the following recommendations for the Supervisory and Compliance Committee:

Bro. Francis Robertson for a second three-year term
Bro. Davon Baker for a first three-year term

The Chairman thanked all the members for volunteering their services and thanked all the nominees who volunteered to serve.

Adoption of the Report
A motion for the adoption of the report by the meeting was moved by Bro. Dennis Cornwall, seconded by Sis. Claudette James.

AGM/21/08 Election of Officers

Bro. Raymond Roberts was invited to serve as Presiding Officer to conduct the elections.
At this point, The Chairman outlined the method that would be used for voting for the members on Zoom as well as the members in the room.

Board of Directors
Bro. Roberts proceeded to invite nominations from the floor for positions on the Board of Directors. There were no nominations. A motion to close the nominations was moved by Bro. Javan Williams and seconded by Bro. Justin Hazzard.

The positions were declared elected as nominated by the Presiding officer.

The composition of the Board following the election was as follows:

Bro. Javan Williams	*serving his 2nd 3-year term ending 2022*
Bro. Dennis Cornwall	*serving his 2nd 3-year term ending 2023*
Bro. Aaron Moses	*serving his 2nd 3-year term ending 2023*
Sis. Peterlyn Cooper	*serving her 1st 3-year term ending 2022*
Sis. Claudette James	*serving her 2nd 3-year term ending 2024*
Sis. Michelle Sayers-Griffith	*serving her 1st 3-year term ending 2022*
Sis. Carla Thomas-Ross	*serving her 2nd 3-year term ending 2023*
Bro. Lyndon Bubb	*serving his 2nd 3-year term ending 2024*
Bro. Otis Gay	*serving his 1st 3-year term ending 2024 (not eligible to serve a 2nd 3-year term having completed two years of retiring director Rodney George's three-year term)*

Credit Committee

The Presiding Officer invited nominations from the floor. There was one nominee via zoom, Sis. Rasheedah Andrews nominated Bro. Crispin Andrews to serve. This was seconded by Sis. Nnandi Robinson.

Voting ensued online and in person. The following members were elected:

Bro. Brian Pascall
Sis. Deshon Harris
Sis. Allena Peters

Following the elections, the Credit Committee comprised the following:

Bro. Justin Hazzard
Bro. Brian Pascall
Sis. Deshon Harris
Sis. Allena Peters
Sis. Ann Isaac

Supervisory & Compliance Committee

The Presiding Officer invited nominations from the floor. There was one nominee via zoom, Sis. Rasheedah Andrews nominated Sis. Nnandi Robinson to serve on the Supervisory and Compliance Committee and this was seconded by Sis. Carvel Lett.

Subsequent to the online voting, the results were as follows:
Bro. Francis Robertson
Bro. Davon Baker

A motion to close nominations was moved by Bro. Kippling Charles and seconded by Sis. Roxanne Antoine.

The positions were declared elected as nominated by the Presiding Officer.

The following members comprised the Supervisory and Compliance Committee following the elections:
Bro. Francis Robertson
Bro. Terrence Victor
Bro. Adrian Strachan
Bro. Alan Francis
Bro. Davon Baker

Bro. Raymond Roberts thanked everyone for their participation, wished the duly elected members God's blessings, and expressed wishes for the continued success of the organization.

AGM/21/09 AMENDMENT TO THE BY-LAWS

Sis. Gemma Bain-Thomas presented on the recommended amendment to the By-laws for consideration. She stated that the purpose of the presentation was to highlight significant changes being proposed to Ariza's By-laws which will enable the Credit Union to make that significant leap forward into the future. An approval was therefore requested from the membership for the implementation of such.

Sis. Bain-Thomas further stated that in 2020 a draft By-laws was presented to the AGM and was approved in principle to move forth however, queries were raised, recommendations were made, and thus had to be adjusted.
She informed that this presentation was a reflection of more intense work that was accomplished since the last Annual General Meeting in 2020.

A PowerPoint presentation was displayed, highlighting an overview of the general changes proposed.

Amendments to the following sections were highlighted:

- *Section I- Interpretation Section*
- *Section V- The objects Section*
- *Section Vi-The Governance Section*
- *Section Vii- Membership*
- *Section Viii- Finance section*
- *Section Ix-The Administration section*
- *Section x-Records and Records Management*
- *Section xi-Professional Managerial and other staff*

Sis. Bain-Thomas indicated that these amendments to the By-laws were intended to create consistency in the management of the Ariza Credit Union as it sought to communicate organizational rules, avoid conflict and be in harmony with the national regulatory framework governing the management of the Credit Union.

Members were asked to consider and approve the amended By-laws as circulated.

Questions were taken from members regarding the amendment to the by-laws.

- Bro. Christopher De Allie questioned whether our legal advisors had an opportunity to review the changes for conformity with the existing legislation and language.

  He also questioned whether it would be prudent for a delay in the By-laws approval, as we are awaiting the new Society's Act that was alluded to by the Minister and by GARFIN.
  He also suggested that the meeting consider approving those amendments in terms of their content however in light of the new Act, put a committee in place to amend and make further adjustments if needs be.

- Sis. Gemma Bain-Thomas responded, stating that while the drafting of the amendments to the By-laws was being undertaken, GARFIN at the time was considering the final draft of the harmonized Regulations, and was preparing to go to parliament to have it approved. This was, however, delayed, but the review of the Credit Union's By-laws incorporated the proposals contained in what was considered the final draft of the Regulations.

- Sis. Lucia Livingston-Andall also responded by stating that the review of the By-laws must be considered a continuous work in progress as it had been over the last five years. She stated that it was expected that the amendments to the Co-operative Societies Act will have implications for Ariza and its By-laws. She, therefore, recommended that the AGM proceed with the approval of the By-laws, as presented, with the expectation that the consultation process will continue with the possibility of another revision at an upcoming AGM in a few years.

- Bro. Alan Francis, a member of the Supervisory & Compliance Committee shared some of his concerns with the Amended By-laws as follows:

  1. *Under the Membership Section* – This section dealt with the incorporation or the inclusion of the legal body relating to a company. The Supervisory Committee was of the view that based on the ACT, section 26 36 & 37, the membership refers to, that of Registered Cooperative Societies and not companies, he stated that if companies were to be included then they would be limited liability companies and therefore introduce a different dynamic.

  2. As it relates to the Corporate Secretary, based on the amendment proposed, the Corporate Secretary will be serving all structures of the Credit Union, The Board, Credit Committee, and Supervisory. The Board, however, would be electing the Corporate Secretary. The view of the Supervisory and Compliance Committee was that if all Committees are to be facilitated by a Corporate Secretary, then the AGM should be the body to elect the Secretary.

  3. With regard to the Joint Committee, the point was raised relating to the Policies and Procedures of the Credit Union. There was an overlap and there could be some distorting of responsibilities, given that the Act specifically states that the responsibility for all actions of the different Committee members and Management should fall under the Supervisory and Compliance Committee.

- Sis. Gemma Bain-Thomas responded by stating that the Joint Committee already exists, however it is not detailed in the By-laws. The Joint Committee is a combination of the Board of Directors, the Credit Committee, and the Supervisory & Compliance Committee and it is anticipated that there may be an overlap in its function. It is viewed as a committee of oversight which is part of the Governance Structure and in going forward, Governance is crucial, she stated that during the consultation, it was felt that this sort of oversight was necessary, nevertheless, she indicated that we can still relook at the clauses to identify any issues.

In terms of the Corporate Secretary, Sis. Bain-Thomas did not agree that the AGM should elect a Corporate Secretary, as it is an appointment of a Senior Management Staff.

- Sis. Andall reiterated that all ideas should be entertained, and the forum should be provided for further discussion. She expected the consultation to continue even after the passing of these By-laws to have further amendments that will come to the fore.

- Bro. Learrie Barry commented, endorsing the position on the adaption of the current draft of the By-laws to have further consultations in the future.

  On the issue of the Societies' Act, Bro. Barry stated that the diligence that was exercised over the By-laws, should be tripled for other areas of the Credit Union, to ensure that it does not become like a bank.

Resolution of the amended By-laws

"***Be it resolved that the membership of Ariza, accept the proposed amendments to the By-laws as presented to the AGM".***

The motion to approve the resolution for amending the By-laws as circulated was accepted by the AGM and seconded by Bro. Raymond Roberts.

Bro. Ambrose Phillip commented that in an attempted earlier intervention, he wanted to raise the paradox of having a committee member that many people may not be familiar with. He sought clarity in this regard. He also referred to the presentation of the By-laws conducted, stating that he was not in agreement with its approval, as it was not done based on protocol.
He queried the approval of the By-laws, as there was no voting from the membership, though there was an endorsement. He stated that one cannot record any discord or agreement with the passing of the By-laws. He continued, stating that if the approval of the amended By-laws is not done correctly, it can have negative implications for the Credit Union.

He also remarked on the point raised by Alan Francis from the Supervisory Committee, stating that his points were indeed valid, and if we have cross-referencing of laws and the cross-referencing is incorrect then the document should not be approved.

Sis. Andall, indicated that there was a misunderstanding with regards to the electing of the committee member for the Supervisory Committee, Sis. Zoe Hagley. This member was elected in 2020 to complete the unfinished term of Sis. Pearlena Sylvester and her biography was published in the Report of the last Annual General Meeting; she was, therefore, not a candidate for this year. Sis Hagley had also indicated her inability to continue to serve, hence she was not up for election.

Regarding the other points made by Bro. Phillip, Sis. Gemma Bain-Thomas indicated that the document would be reviewed to correct any error in cross-referencing that might have occurred. This however would not change the substance of the document. It was affirmed that there would be continuing review of the By-laws in keeping with changes in the Regulations and Co-operative Societies Act. It was necessary however to proceed with the current amendments to have updated approved By-laws.

The resolution for approval of the amended By-laws was put to the vote.

The results were in the affirmative with 69% of the 350 members voting for the approval of the By-laws while 11% voted in the negative.

AGM/21/10 MINUTES OF THE 73rd ANNUAL GENERAL MEETING

A motion that the Minutes of the 73rd Annual General Meeting be taken as read was moved by Bro. Christopher De Allie and seconded by Bro. Kippling Charles.

There were no corrections to the Minutes

A motion to confirm the minutes was moved by Bro. Dennis Cornwall and seconded by Sis. Rasheeda Andrews.

There were no matters arising from the Minutes.

AGM/21/11 The Board of Directors' Report

The President highlighted key points from the Report stating that the board was tasked to operate within a fluid environment with the Covid-19 crisis and worked diligently in accord to guide the management and the progress of the Credit Union.

He reported on the governance of the Credit Union stating that during the period all volunteer committees worked in unity in demonstration of the theme "together we can".

Under compliance, the Credit Union took all steps to remain compliant with all regulations and remained vigilant within the environment of heightened risks due to increase in digital and online activities.

During the Covid Period, the Credit Union displayed empathy by reaching out remotely to members. Employees were also able to work remotely with VPN access while transportation had to be arranged for some.

Regarding the Ridgeway project, the President stated that much of 2020 was spent preparing for increased promotion and marketing activities scheduled for 2021, planning for construction, ensuring all applications for approvals were submitted and on the maintenance of the property.

He touched on the Human Resource Highlights stating that Ariza was in the process of completing the implementation of the service transformation Project. This project was facilitated by Dawn Richards of DRA Consulting based in Trinidad. He informed that Phase 1 and Phase 2 of the training were completed and work was ongoing in 2021 to further improve service delivery and embed the "Ariza Way" standards in all interactions.

He informed that despite the pandemic, Ariza continued to provide support for the development of the nation's youth through its secondary and tertiary scholarship programs.

He urged the members to continue to remain true to the cooperative spirit.

He ended by sincerely thanking the Membership, Management and Staff, and all Committees for their support during the year 2020 and expressed an expectation of continuing support during 2021.

The motion to adopt the Report was moved by Sis. Claudette James and seconded by Bro. Lyndon Bubb.

AGM/ 21/12 Credit Committees Report

Bro. Justin Hazzard, the Chairman of the Credit Committee, presented the report.
He stated that the report was well compact and formulated and it reflected a true occurrence of what took place in 2020 regarding the mandate of the Credit Committee.

He proceeded to give a summary of the report in accordance with the By-laws and the mandate given at the last AGM.

In 2020, he indicated that the committee faced many challenges, with the onset of the pandemic which brought the global economy to a halt, without any warning, as a result, there was loss of income, employment heightened levels of stress and anxiety just to name a few.

He informed that the Board of Directors approved the granting of moratoria on principal, or principal and interest payment on loans to members, specifically geared to members who were directly impacted by the pandemic.

He stated that notwithstanding the reduction in the growth rate, considering the number of job losses due to the pandemic and the uncertainties, it is a notable achievement.

He went on to state that no loan promotions were held during the reporting period however the Credit Union engaged in working along with members to improve and overcome financial challenges resulting from the pandemic.

Regarding loan approval and disbursement, he stated that a drop in disbursement was recorded due largely to the reduction in loan requests. He went on to state that every sector, except Agriculture, recorded a drop in business activities. The most significant drop was in travel due to the lockdown and travel ban imposed by most countries.

In relation to Delinquency Management, there was a reduction in the portfolio and took the opportunity to commend the hard work of the Delinquency Unit team.

He continued, stating that apart from the slowdown in the growth rate over the last 3 years, the Credit Committee recognized that 2020 was an unusual year and to achieve a growth rate of 9% is a remarkable performance.

In closing, he congratulated management and staff for working tirelessly with members to achieve this phenomenal performance, as 2020 was a year that tested our resilience.

He extended heartfelt thanks and appreciation to the Board of Directors and other Committee Members, the Executive Management and staff of the Loans & Credit Administration Department of Ariza Credit Union, and the general membership.

He also thanked the outgoing members of the Credit Committee and welcomed the new members entering.

The motion to adopt the report was moved by Sis. Gemma Bain-Thomas and seconded by Bro. Raymond Roberts.

AGM/ 21/13 Supervisory and Compliance Report

The Chairman of the Supervisory and Compliance Committee Bro. Francis Robertson presented the report. He stated that due cognizance was given to the changing operating environment brought on by the Covid-19 pandemic, and the Committee engaged in a mixture of virtual and in-person meetings/working sessions.

He stated that the tasks pursued were varied and the report presented was based on the committee's findings and general observations from those tasks.

The scope of work that was focused on for the year 2020, was within eleven areas as follows:

1. *Review of Human Resource Management Issues*
2. *Review of Assets and their protection*
3. *Review of Investment Policy*
4. *Review of Bank Reconciliations*
5. *Review of Management Accounts and Ratios*
6. *Review of Advances, Deposits, Loans and other transactions of Directors, Committee Members and Employees*

7. *Review of sample of Loans Receiving Covid-19 moratorium*
8. *Review of Minutes and papers of meetings of the Board of Directors*
9. *Conduct of cash Counts*
10. *Consideration of Members Complaints*
11. *Other Matters*

Bro. Robertson stated that the challenges and opportunities presented to Ariza could be summarized as follows:

1. *The question of loans and delinquency management as a means of safeguarding savings loans and investment in the future.*
2. *The credit union functioning in the post-Covid operating environment and its new requirements*
3. *The main streaming of the revised by-laws*
4. *The proposed Cooperative Societies Regulations*
5. *Transformation of the service rendered to the members given the new Covid environment*

Subsequent to presenting the eleven areas of focus, he highlighted recommendations for each. He made mention that a comprehensive review should be done for the placement of positions in the organizational chart to eliminate any duplication and /or inappropriate placement and to fill the positions that are vacant. He also noted points of particular interest being, the Board's agreement to purchase additional lands at Grand Anse and also the revised business plan in light of the economic conditions as a result of Covid-19.

Under "*conduct of cash counts*", the Supervisory Committee recommended that Ariza should continue to explore options to improve the counting of the ECCB's new polymer notes and efforts should be made to ensure that all petty cash vouchers are duly completed.

Under consideration of members' complaints, Bro. Robertson noted that members do not utilize the Supervisory & Compliance email address to communicate their issues, it is underutilized therefore the committee must re-think methodologies to enhance the utility of its email address.

In closing Bro. Robertson indicated that this year was challenging due to the pandemic and had to adjust to functioning within the environment shaped by various Covid protocols.

On behalf of the Supervisory & Compliance Committee, he thanked Management and Staff for their support as well as the general membership. Special thanks were extended to all who ensured the requisite preparations were made for meetings and working sessions.

Discussions on the Supervisory and Compliance Report were as follows:

1. Bro. Learrie Barry sought clarity on the level of non-earning assets that continues to be an area of concern from section 6.0 of the report. He raised concerns that additional lands were purchased at Grand Anse thus increasing the non-earning assets and questioned whether the Credit Union should defer any investment in the existing land.

2. Bro. Robertson responded, stating that the Supervisory Committee had reviewed this for further investigations, as the project proposed for Grand Anse, was placed on hold. He informed that the Grand Anse land was still being investigated and further discussions would be held with the Board on this matter.

3. Bro. Barry noted the Committee's comments on the Ridgeway Residences project and raised the following issues:
    a. The Credit Committee Report identified housing as having taken up 44% of the portfolio, the next largest proportion of loans being for debt consolidation and moratoriums which showed that members of this credit union were investing significantly in housing whether pandemic or not. Ridgeway Development was consistently advertised with not much sale.

    b. The average person would not be able to afford a home in Ridgeway based on the price quoted.

    c. His visit to the property showed the need for a higher level of maintenance of the grounds.

    d. He recommended that the Supervisory and Compliance Committee be more engaged with the project, interviewing residents and asking questions regarding the covenants

4. Bro. Robertson thanked Bro. Barry for his comments and assured him that the Committee would take note of his concerns.

5. Bro. Ambrose Phillip also commented that he had submitted written questions relating to the total money spent on the project from inception broken down by land acquisition cost and infrastructural works. He had also enquired as to the total lots and areas that were sold and the total of house and land sales.

6. Bro. Kippling Charles responded to Bro. Phillip's queries are as follows:

   - The acquisition of land cost $274,000.00.
   - Infrastructural work on the road was approximately $2M.
   - Infrastructural work on the buildings was $2.8M.Sixteen lots were sold generating revenues of $1.67M
   - Of the 16 lots sold, 6 lots totaling 58,900 sq ft were repurchased
   - The sale of one house and land was $620,0000.

7. Bro. Phillip sought an explanation as to why lots were repurchased.

8. Bro. Charles explained that this project went through several stages. Initially, the project was designed to have houses built and sold. After Hurricane Ivan, the feasibility showed that it was not profitable and as such, the Board took a decision to sell out the lands. After that, with the onset of new technologies, it suggested that the original scope of the project could be revisited the Board decided to repurchase some of the lands that were sold, as it was not desirable to have one development with dissimilar models of houses.

9. Bro. Phillip stated that he was also part of the Board when this project was conceptualized and agreed that there were many uncertainties. He was beginning to wonder if the best decision was made. The project was well over 15 years, and the revenues were not being realized as quickly as he expected. He supported the call by Bro. Barry for a review of the project.

10. Sis. Livingston-Andall provided a historical rationale for the project within the framework of diversifying the Credit Union's income base away from predominantly Loan Interest Income. She indicated that this project had been through three economic crises during its lifetime: Hurricane Ivan, the 2008 economic crisis, and currently the Covid-19 pandemic. She indicated that she understood Bro. Phillip's comments regarding the need for a review. This was that exact sentiment expressed following the 2008 crisis when the economy had changed, and a decision was taken to sell the lands. She stated that this proved not to be the most efficient

or viable decision based on the change in the economy and a subsequent decision was made to repurchase the land and start again. She went on to state that the Credit Union was again at this juncture of decision-making and cautioned against going back. She informed that there was renewed interest from the recent heightened promotion both at home and abroad and the Credit Union should remain tenacious and focused.

11. Bro. Barry reiterated the need for a review with some definite end-game objectives.

12. He also enquired about the issue with the counting of the polymer notes.

13. Bro. Robertson explained that the concern had to do with the experience of doing actual cash count, as it was found difficult to count large sums of money by hands, as the machine used to count the money, had to be done multiple times, as the current notes are different from the notes used in the past, therefore the machine has difficulty accepting it. This is a technical issue.

Following these discussions, a motion was moved to adopt the Report by Bro. Javan Williams and seconded by Sis. Carla Thomas-Ross. This motion was carried.

AGM /21 /14 Auditor's Report

The Auditor's Report was presented by a representative from the Auditing Firm of Pannel Kerr Foster, Ms. Osanne Francis.

Ms. Osanne Francis read the Auditor's Report, stating they have audited the Financial Statements of the Ariza Credit Union which comprise the Financial Position as at 31st December 2020 and the Statement of Comprehensive Income and Statement of Changes in Members' Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

They found that the accompanying Financial Statements presented fairly in all material respects, the Credit Union's financial position as of 31st December 2020, and its financial performance and cash flows for the year then ended were in accordance with international financial reporting standards IFRS.

They believed that the audit evidence they had obtained was sufficient and appropriate to provide a basis for their opinion.

Discussions ensued on the Auditor's Report as follows:

1. Bro. Barry requested clarity on gross margin under the Auditors Report on page 65 and the itemized operating expenses.
2. Bro. Charles responded by stating that the Gross Margin Figure was the difference between the total income and the financial cost.

   Regarding the itemized operating expenses – personal expenses, Bro. Charles explained that the union negotiated an increase of 4.5% accounting for the increase in salaries as well as the pension payments to one employee who had retired during the year and the increase in uniform cost.

A motion to adopt the Auditor's report was moved by Bro. Dennis Cornwall and seconded by Bro. Justin Hazzard.

AGM/ 21/15 Treasurer's Report

Treasurer, Sis. Carla Thomas-Ross summarized the Financial Reports for the year ended 31st December 2020.
She stated that the accompanying audited Financial Statements and analysis of the Credit Union's performance were submitted in accordance with the requirement of section 130 (1) of the Co-operative Societies Act No. 20 of 2011 as amended.

She highlighted five key areas:

1. The statement of Financial Position
2. Assets, earning assets, and non-earning assets
3. Liabilities
4. Capital
5. Statement of Comprehensive income

She presented the statements as follows:

- Ariza earned a total income of $33M during the year 2020 as compared to $31.1 M in 2019. Income from loans amounted to $30.4M and non-interest income totaled $2.6M. Loan interest income recorded an increase of $1.78M or 6.20% over 2019.

- The Credit Union recorded a surplus before provisioning of $9.35M. This performance continued to demonstrate the success of the Credit Union business model and the commitment of our members to the Credit Union.
- Covid-19 had resulted in several sectors being negatively impacted, affecting the ability of borrowers from these sectors to meet their obligation. As a result, the Credit Union granted moratoria of $192.5M.
- Ariza continued to play an essential role in assisting members in improving their livelihood by being a vehicle toward financial freedom, especially in these times of uncertainty.

She ended by thanking the members for their unwavering support throughout the year and asked that they continue to work together with the Credit Union to expand the organization's strengths and address the areas of challenge.

Discussions on the Report
Queries were previously submitted by Bro. Ambrose Phillip in writing.
Bro. Kippling Charles responded as follows:

Question:
Statement of comprehensive income. Please explain non-related income.

Response:
Main contributors to the $1.1M income were the International Debit Card (IDC) of $632,000.00, income from Carpark operations $231,000, ATM fees $161,000.00, and Sagicor commission $40,000.00.

Question:
Statement of cash flows - pension liability of $1M

Response:
The Board had approved a plan designed to augment the staff pension plan for Executive Management and long-serving employees in keeping with similar benefits in the market. One past employee was currently receiving a pension under that plan.

The plan is funded through a transfer, on the retirement of the employee, of the contributions by the employees and the Credit Union from the staff pension plan and augmented monthly by the Credit Union to pay a monthly pension to the retiree.

When the internally managed LPLS portfolio was transferred to Corp EFF Ltd. the funds held in that account of approximately $1.4 M. was transferred to the Pension Plan Fund for these employees. The entry in the account represents this reallocation and is not a new expense.

Question/Observation:
Late completion of the Audit

Response:
The transfer of the audit from PKF to BDO meant that a different approach was adopted. This posed some challenges given that the firm was based off-island. Notwithstanding the first draft was dated the 12th April. Subsequently, however, Management undertook a comprehensive review of the loans' portfolio and the adequacy of the provisioning. That was done collaboratively among the Executive Manager of Finance and Operations, the Accountant, and the Internal Auditor with the Audit Committee being integrally involved in the process.

The aim was to be 100% compliant with IFRS, and, to adopt a conservative approach to provisioning considering the market. This resulted in additional percentages being made for certain credit losses over and above what was required by the policy and an additional provision for bad debts of $3.7M. This process took some time, and the audit needed to obtain that information before it could be completed. The actual sign-off of the Audited Financial Statements occurred in July.

A motion to adopt the Treasurer's report was moved by Bro. Lyndon Bubb and seconded by Sis. Neika Johnson.

AGM/21/16 Resolution for approval of 2021/2022 Budget

Sis. Carla Thomas-Ross also presented the Budget as follows:

WHEREAS it is required under the Credit Union bylaw section 37 that the budget be approved by the Annual General Meeting

AND WHEREAS this budget is presented for the consideration of the meeting in the Annual Report and is highlighted as follows:

	2021	**2022**
Total Assets	$552.6M	$617.0M
Net Loan	$411.4M	$465.4M
Total Income	$38.1M	$42.5M
Total Expenses	$25.7M	$27.7M
Surplus	$10.5M	$13.6M
Capital Expenditures	$5.9M	$1.4M

BE IT RESOLVED that the budget, as presented, is approved.

Before the approval of the budget, there were a few queries from the members.

Bro. Christopher De Allie sought clarity regarding the budget reduction with the equity shares of $5M from 2020-2021.

Bro. Charles clarified that the reduction had to do with the passing of the resolution to increase qualifying shares to $500.00. He stated that by observing the budget as presented, the $5M reduction was complemented by a $5M increase in the Qualifying Shares, therefore, there was a $5M reduction in the Equity Shares, and an increase in Qualifying Shares by $5M.

Bro. De Allie also sought clarification on the growth in the loans' portfolio, its projection, and the assumption behind the projections.

Bro. Charles responded, stating the following:

- The Morne Jaloux Project and the loans projected to be generated over the period.
- The natural growth in the portfolio.
- The repurchasing of loans from ECHMB to the amount of $10M that was previously sold.

Bro. De Allie sought further clarification with regard to the Capital Budget of EC$4M on the Grand Anse Property.

Bro. Javan Williams provided clarity on the Grand Anse property, stating that the original was purchased many years ago, however, with the anticipated development and the expansion of the Grand Anse area, the Board saw it appropriate to purchase the adjacent lot based on the reasonable price offer.

He also informed that there was a concept development for Grand Anse, which included the construction of premises to serve members on the southern side. However, again due to the new economic situation, the project had been put on hold. The amount budgeted of $4M however was to commence the construction of office facilities.

Bro. Barry enquired as to where the $8M accumulated surplus projected income would come from for the year 2022.

Bro. Charles responded by indicating that the projected surplus for 2022 was $13.5M which is a combination of quite a few assumptions starting with the projected loan growth. The gross margin projected is at $28.4M and the expenses are deducted from that amount. Looking at the figure in isolation will not give a true picture. Using this approach in 2020 operating income was projected at $8.9M. That was seen as very ambitious, but the actual outcome was $9.3M. The budgeting process is transaction- based wherein all the proposed transactions are assimilated and drilled down into the Financial Statements. This has proven to be very accurate. This approach was adopted in 2020 and the difference between the budget and the actual was somewhere around $700.00.

A motion to approve the budget for 2021 and 2022 was moved by Claudette James seconded by Bro. Lyndon Bubb.

The Budget was approved via electronic voting.

AGM/21/17 RESOLUTION FOR THE ALLOCATION OF SURPLUS

A resolution for allocating surplus for the year 2020 was presented by the Treasurer as follows:

> **WHEREAS** the Credit Union paid interest of 3% on Lifetime Savings amounting to $6,543,098 to its members during 2020;
>
> **AND WHEREAS** the Credit Union earned a surplus of $4,073,077 for the year ended 31st December 2020 and a balance of $2,484,577 remains unallocated after making the required statutory and other allocations for the year;

AND WHEREAS the highest rate of dividend on Equity Shares allowable under the Co-operative Society's Act and regulations is 5%.

BE IT RESOLVED

That a dividend payment on EQUITY SHARES OF 3% amounting to $578,331 is paid to members.

A motion for the approval of the resolution for the allocation of surplus was moved by Sis. Neika Johnson seconded by Bro. Javan Williams.

The Resolution for the allocation of Surplus was approved through electronic voting.

AGM/21/18 APPOINTMENT OF AUDITORS FOR 2021

A Resolution for appointing auditors for the year 2020 was presented by the Treasurer as follows:

WHEREAS the Annual General Meeting of 2020 approve the firm of PKF Accountant and Business Advisors as the Credit Union's Auditor,

AND WHEREAS the firm provided satisfactory service to the Credit Union.

BE IT RESOLVED that the firm of Pannell Kerr Forster be appointed as the Credit Union's auditors for the year 2021.

The resolution was adopted on a motion moved by Bro. Javan Williams and seconded by Bro. Dennis Cornwall.

The appointment of the Auditors was approved utilizing electronic voting.

AGM 21/19 Any Other Business

The Facilitator congratulated Bro. Rawle Roberts of La Fortune, St. Patrick. He was the winner of a Samsung note 20 Ultra.

AGM 21/ 20 Adjournment

The meeting ended with some entertainment by Sabrina Francis and her band from the tree house situated in St. David.

A motion was moved to end the meeting at 6:50 p.m. by Sis. Claudette James and seconded by Sis. Neika Johnson.

BOARD OF DIRECTORS

Sis. Lyndonna Hillaire-Marshall

Mrs Lyndonna Hillaire-Marshall is a well-trained Senior Administrator with over twenty-six years of Public Service experience. She currently serves in the capacity of Permanent Secretary (Ag.) w.r.f Public Administration, Ministry of National Security, Home Affairs, Information and Disaster Management. Previously, she served as Project Coordinator, Awakening Special Potential by Investing in Restoration and Empowerment (ASPIRE), Youth Project. Before that, she served as Head, Reform Management Unit, Department of Public Administration in the Prime Minister's Office for four years after serving as Deputy Comptroller of Customs for six years.

Mrs. Hillaire-Marshall is currently pursuing a Doctor of Business Administration degree specializing in Organizational Development. She completed her Master of Business Administration and a Master of International Business degrees from St. George's University; she attained a Bachelor of Science in Business Administration Degree with honors along with a certificate in Public Administration from the University of the West Indies. She also earned an Advanced Diploma in Customs Management from the University of Canberra, Australia. In addition, she completed several academic and self-development certificate courses.

Over the years, she also gained great satisfaction in committing her time and expertise to facilitate professional capacity-building workshops for both public and private sector entities. Some of her areas of expertise include: · Breaking the Procrastination Cycle · Professionalism in the Workplace · Team Effectiveness · Effective Communication · Emotional Intelligence · Customer Service · Employee Motivation

With her leadership skills and her strong appetite for self-development and helping to improve the lives of others, we believe that her connection to people and her ability to navigate different work environments well places her to make her contribution to the Board of Ariza.

Bro. Kimanii G. Daniel

Kimanii G. Daniel is a holder of a Master of Science degree in Computer Science from Georgia Institute of Technology and an Information Technology degree from St. George's University. He has amassed 25 years of management, IT infrastructure planning and development, and analytics expertise throughout his career in various industries, ranging from IT support to contact centers to finance to education. Kimanii's key strengths include leadership, software development in various languages, database administration, process automation, and strategic planning.

Additionally, Kimanii held management positions in the finance, educational, and tech industries. He currently holds a faculty position at St. George's University as the coordinator for curriculum evaluation and assessment for the school of medicine clinical years. He is also the Chair of the Committee for Technology-based Teaching and Learning at SGU (CTTL).

His background also spans project management, conflict resolution, and team building.

BOARD OF DIRECTORS

Sis. Peterlyn Cooper

Sis. Cooper has an extensive career in human resources, administration, customer care, and project management, She is ready to be involved with a board and organisation where she could deliver value through her technical expertise, leadership skills, and operational understanding.

She currently works in project management and previously in human resources and customer care management at a major telecommunications organization on the island. In collaboration with the leadership team, she has executed strategies toward the successful delivery of organizational objectives including but not limited to growth in revenue, reduction in cost, and customer satisfaction.

As a tenacious truth-seeker, she utilizes research and analytical skills to find unique solutions to difficult problems. This, together with her professional experience and education as well as her commitment to work, places her in a positive position to contribute to the Ariza Credit Union board and help the organisation to achieve its mission and goals.

Sis. Michelle Sayers-Griffith

Sis. Griffith has a wealth of experience in the financial services industry spanning over 25 years. Just about 17 of those years were at the senior management level, with responsibility inter alia for retail banking operations, retail lending, and commercial lending. After exiting the Banking sector in 2015 she held the position of Operations Manager of a leading hardware outlet for one year before assuming her current position as Enterprise Risk Manager of a leading local conglomerate.

Mrs. Griffith possesses a Bachelor's Degree in Management and Economics from the University of the West Indies, is an affiliate of the Association of Certified Chartered Accounts (ACCA), and is a Certified Anti Money Laundering Specialist.

SUPERVISORY AND COMPLIANCE COMMITTEE

Bro. Alan Francis

Mr. Francis is the Finance Officer of the Grenada Solid Waste Management Authority, solely responsible for the preparation of the Authority's Financial Statements. He prepares Monthly & Quarterly reports on matters arising in the respective periods, to the board, through the General Manager, and on matters of internal control.

He also assists in formulating the Strategic plans of the Authority and in budget preparation. Currently, he is a member of the in-house evaluation committee responsible for reviewing and making recommendations for the selection of all procurement contracts in accordance with specific legislation policies and guidelines.

During his tenure, he assisted in auditing the books of companies such as Grenada Airports Authority, Grenada Industrial Development Corporation, Vena Bullen & sons of Carriacou, and Grenada Solid Waste Management Authority. He served as a temporary Accountant at both the Grenada Industrial Development Corporation & Grenada Solid Waste Management Authority while their respective Accountants were on leave. He also served as a member of the Supervisory Committee of the Ariza Credit Union in the past.

Bro. Terrence Victor

Mr. Terrence Victor has been an active member of the Ariza Credit Union for more than twenty years. The following is a summary of Mr. Victor's career as a Public Officer and a member of Ariza:

- Formally trained in Co-operative Management
- Past member of Credit Committee.
- Master's Degree in Business Administration
- Represented the Ariza at various meeting and conferences
- Functioned as Registrar of Co-operatives from 2013 to 2016
- Currently acting as the Chief Procurement Officer – Ministry of Finance
- High level of integrity
- Significant knowledge of the Cooperative Societies Act and the fundamental principles of the cooperative movement

CREDIT COMMITTEE

Sis. Portia Fraser

Portia Fraser has been a public servant for the past 25 years and currently holds the post of Trade Officer at the Ministry of Foreign Affairs, Trade and Export Development. Ms. Fraser previously held the post of Senior customs officer for 18 years at the Grenada Customs & Excise Department. She currently holds a Bachelor's degree in Management studies from the University of the West Indies and a Master's degree in Project Management from the University of International Cooperation. She is a result-oriented person who works well with others to achieve the desired outcome.

Ms. Fraser is a firm believer in hard work and believes that nothing is impossible without commitment, dedication and loyalty. Her hobbies and interests include traveling, reading and learning new things. She is pleased and grateful to be of service to the members of Ariza Credit Union.

Thank you to our Founding Members

Sis. Phyllis Seon, Bro. E.C King, Bro. F.M. Coard, Bro. R. W. Mitchell, Bro. H. M Squires, Bro. Gordon. S. Dabreo, Bro. Lionel J. Rose, Bro. George Richardson, Bro. George Pilgrim, Bro. Oswald L. Buxo, Bro. Joseph E. Munro, Bro. Hudson R. Scipio, Bro. Fred G. Stewart, Bro. L.J Wilson, Bro. L. J. Clara, Bro. S. L Cyrus, Bro. Kipling Lalsingh, Bro. Cladius B. Strachan, Bro. W. B. Roberts, Bro. A.D. W. Johnson

Highlights 2021






Inspiring Hope

Why Choose Ariza Credit Union

We keep our members at the centre of our focus, we're a little different from the regular financial institution – a welcoming, all-inclusive credit union focused on your satisfaction. We want to grow and develop our credit union, one member at a time. As a credit union, we connect with the spirit of co-operation because we realise what really matters is you. Your happiness, your peace of mind and your smile are what keep us going.

Our members choose us because they believe in something good and it encourages us to build on their trust and loyalty in a convenient, modern and progressive environment.

At Ariza, we offer a range of accounts to help you achieve financial freedom:

The Transactional Account which is designed for your everyday transactions is tied to your debit card, giving you access to your money anywhere, anytime. No interest is paid on this account and you are encouraged to keep a minimal balance. Excess funds can be transferred to your savings account using AMIE.

The Savings Account is used to save for specific life goals and can be personalized by naming it using AMIE, Ariza's Mobile and Internet Experience. This account carries an interest rate of 1.5%.

Ariza's Lifetime Savings account is designed for your long-term savings goal and will be used to determine your loan eligibility. This savings is insured up to $13,500 with our Loan Protection/Life Savings (LPLS) benefit. This account carries an interest rate of 2.75%.

You are also encouraged to take advantage of our Retirement Savings, Educational Savings Plan and sign up your secondary school children to our Excel Club where they can reap rewards for excelling in school.

Ariza's hassle-free solutions include:

- **Salary Assignment and deductions**: saving funds directly at Ariza is made easier with salary deductions and assignments.
- **AMIE (Ariza Mobile and Internet Experience)**: Move at the pace of life, never wait to do important transactions ever again by using our online platform and mobile app.
- **Scholarships**: We care about your future and your children's future, secure it by investing in education. Find out how Ariza can help with our scholarship options.
- **LPLS (Loan Protection Life Savings)**: Your Lifetime Savings is secured up to $13,500 and your loans are secured up to $54,000.00 at no additional cost to you. Your beneficiary may receive funds in excess of your savings
- **24/7 Access**: Access your account 24/7 using Ariza's international visa debit card through the Connex network of ATM's throughout Grenada and Carriacou. Use your debit card at merchants locally, online and internationally.

In an ever-changing global environment, we will remain member-focused and leaders in our community and we will continue to build and nurture a strong relationship with you.

Our goal is to make Ariza Credit Union your first choice, an all-inclusive solution for all your financial needs, whether it be daily banking or long-term goals.

Notes

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