



RHAND Credit Union

**“Use your Passion to create your
Wealth”**

March 20 2010

The Power of RHAND !



- Celebrated 60 years of Success.
- Total assets of \$395MM
- Total Loans of \$221MM
- 17,000 members strong
- Net Income of \$14MM in 2009, an increase of \$3MM during a difficult year !

The Way Forward



- RHAND's Board and management team have implemented a series of strategic initiatives over the past 8 months.
- Initiatives include:
 - Activation of the HR function
 - Implementation of cost control framework
 - Enhanced marketing of products & services
 - Enhanced customer service delivery, etc.

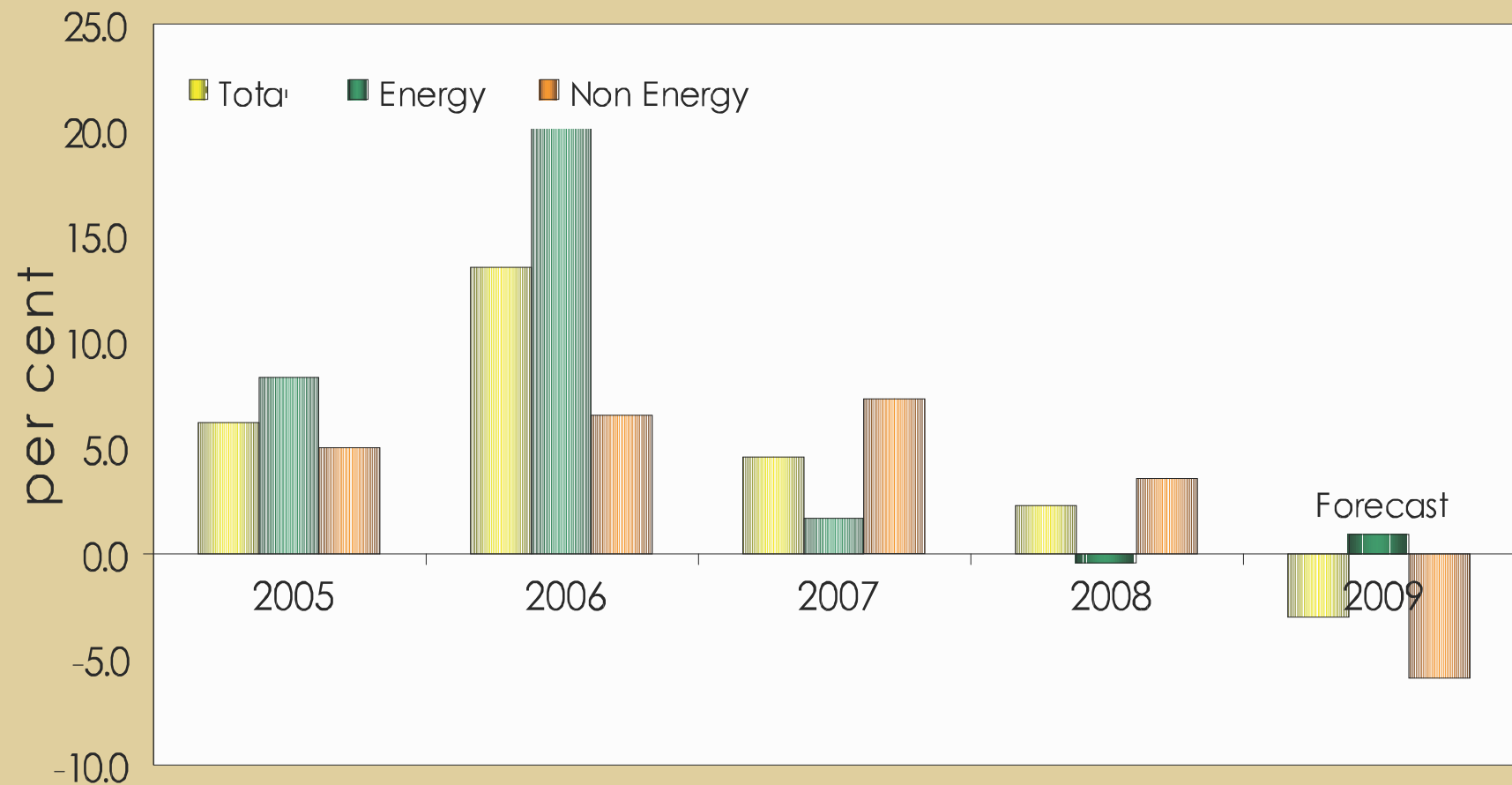
The External Environment

Global and Regional Growth Performance



- The latest data from the IMF's *World Economic Outlook* indicate that **world output declined by 1.1 per cent in 2009.**
- The advanced countries registered a decline of about 3.4 per cent while emerging market economies grew by 1.7 per cent, led by China and India.
- Economic **growth in the Caribbean is estimated to have declined by about 1.4 per cent** in 2009.
- The Central Bank of Barbados estimates that the Barbadian economy contracted by 5.3 percent in 2009.

T & T's Growth Profile

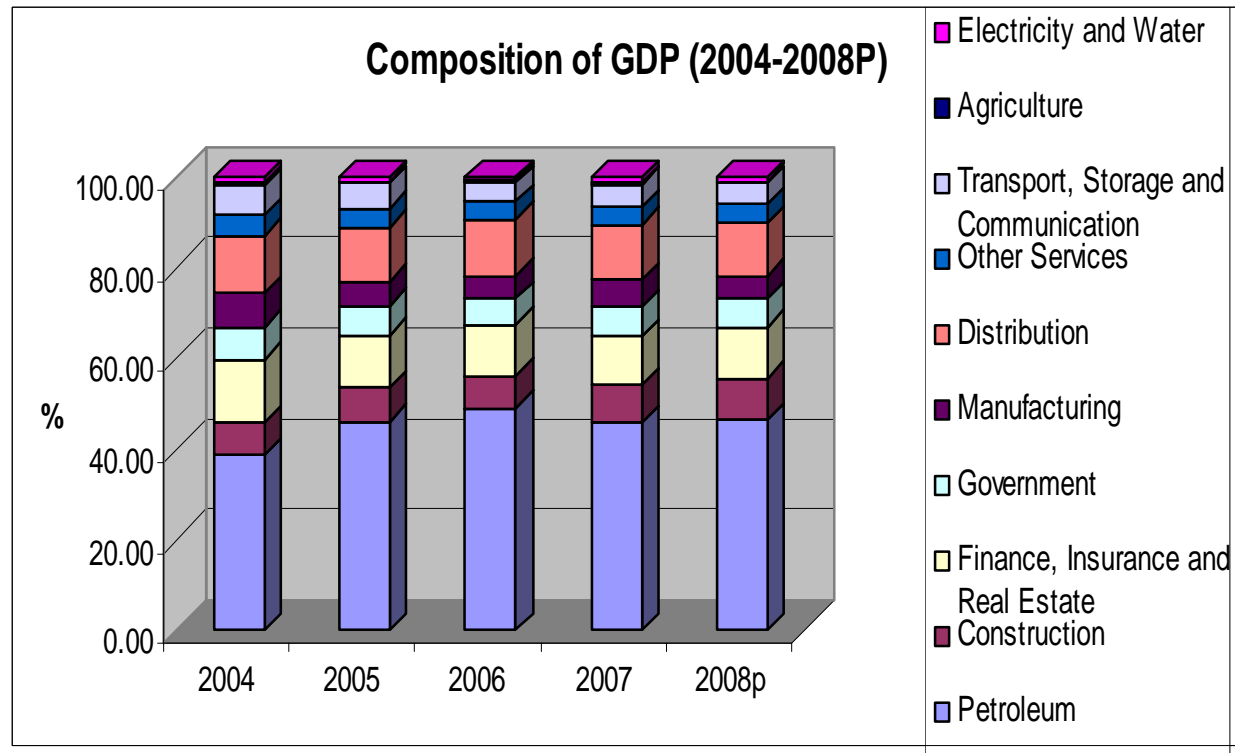


A picture of declining growth...



	2003	2004	2005	2006	2007	2008	2009
Real GDP/%	14.4	7.8	6.1	12.2	5.5	3.5	-3.0
Energy Sector/%	31.4	8.2	8.4	21.4	4.4	0.4	0.9
Non-energy/%	6.7	6.7	5.0	6.6	6.7	4.8	-5.9

GDP Sectoral Composition



GDP in 2008 is estimated to be TT\$163,324.9 million;

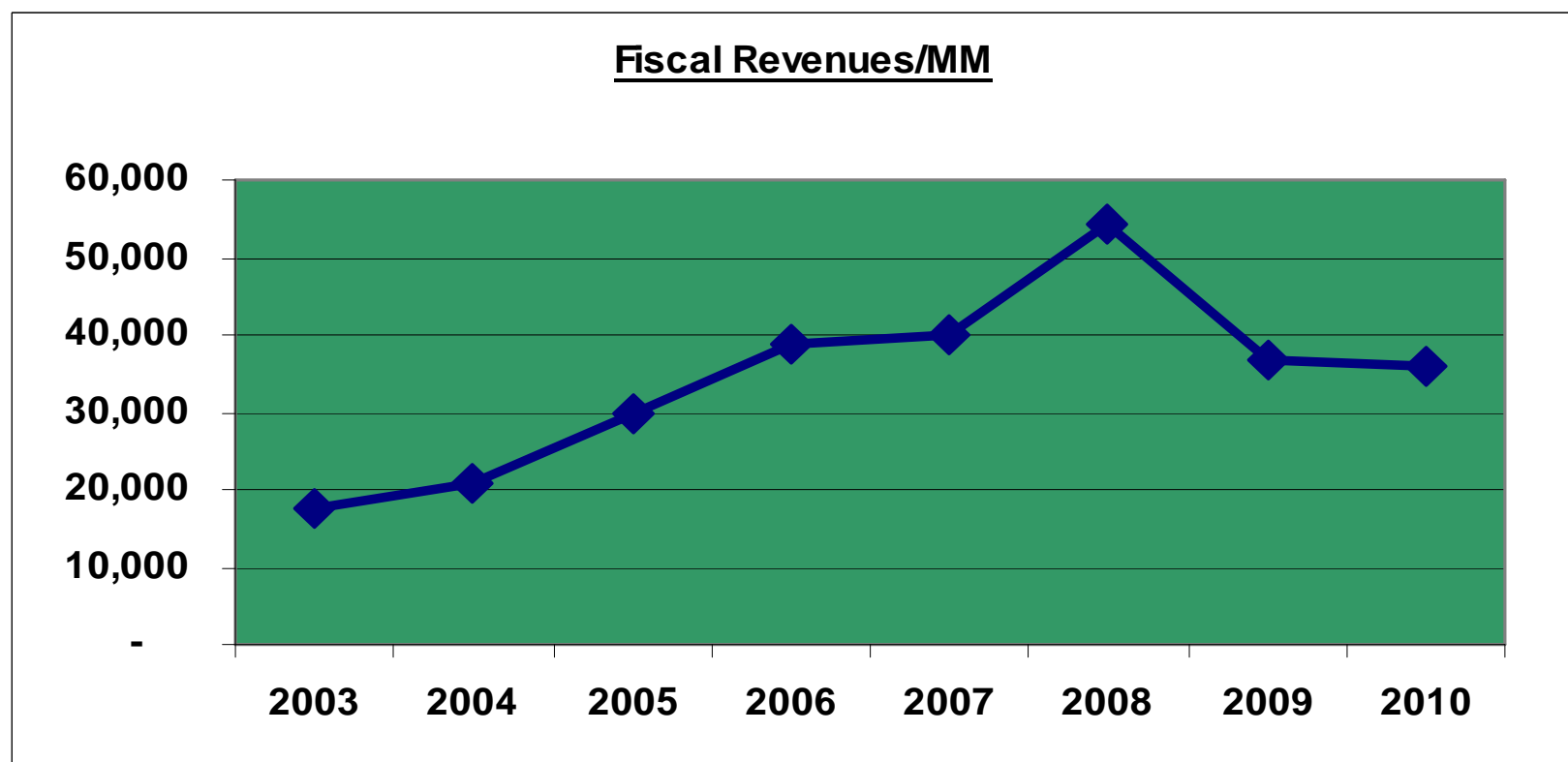
Per capita GDP for 2008 is estimated to be TT\$124,865.4;

Petroleum and Petrochemicals account for 46.3% of GDP at current prices;

A Precipitous Decline in Fiscal Revenues



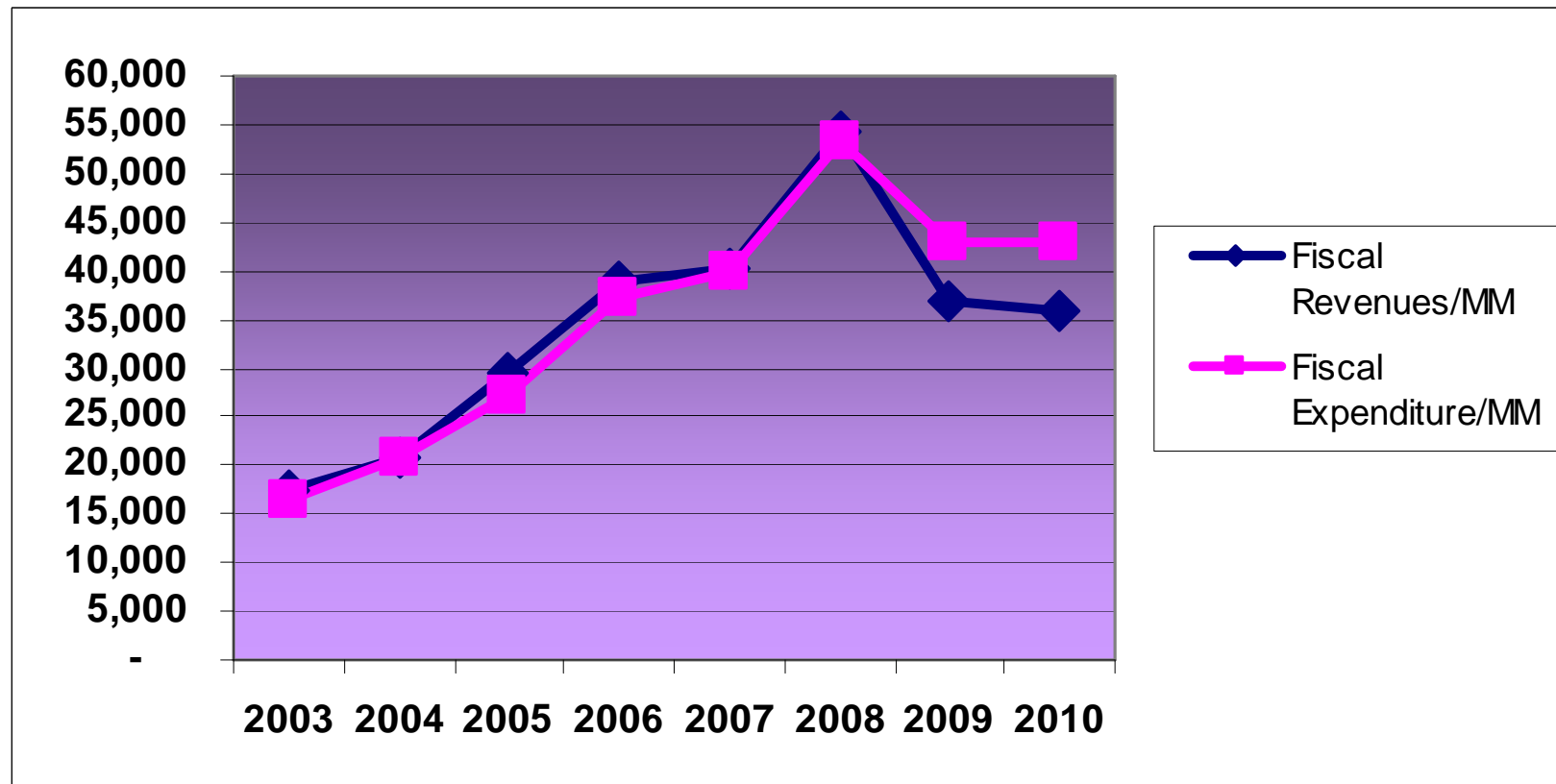
Fiscal revenues increased by 213% between Fiscal 2003 and 2008 but declined by 32% in Fiscal 2009 and is expected to decline further by 3% in Fiscal 2010



The re-emergence of fiscal deficits

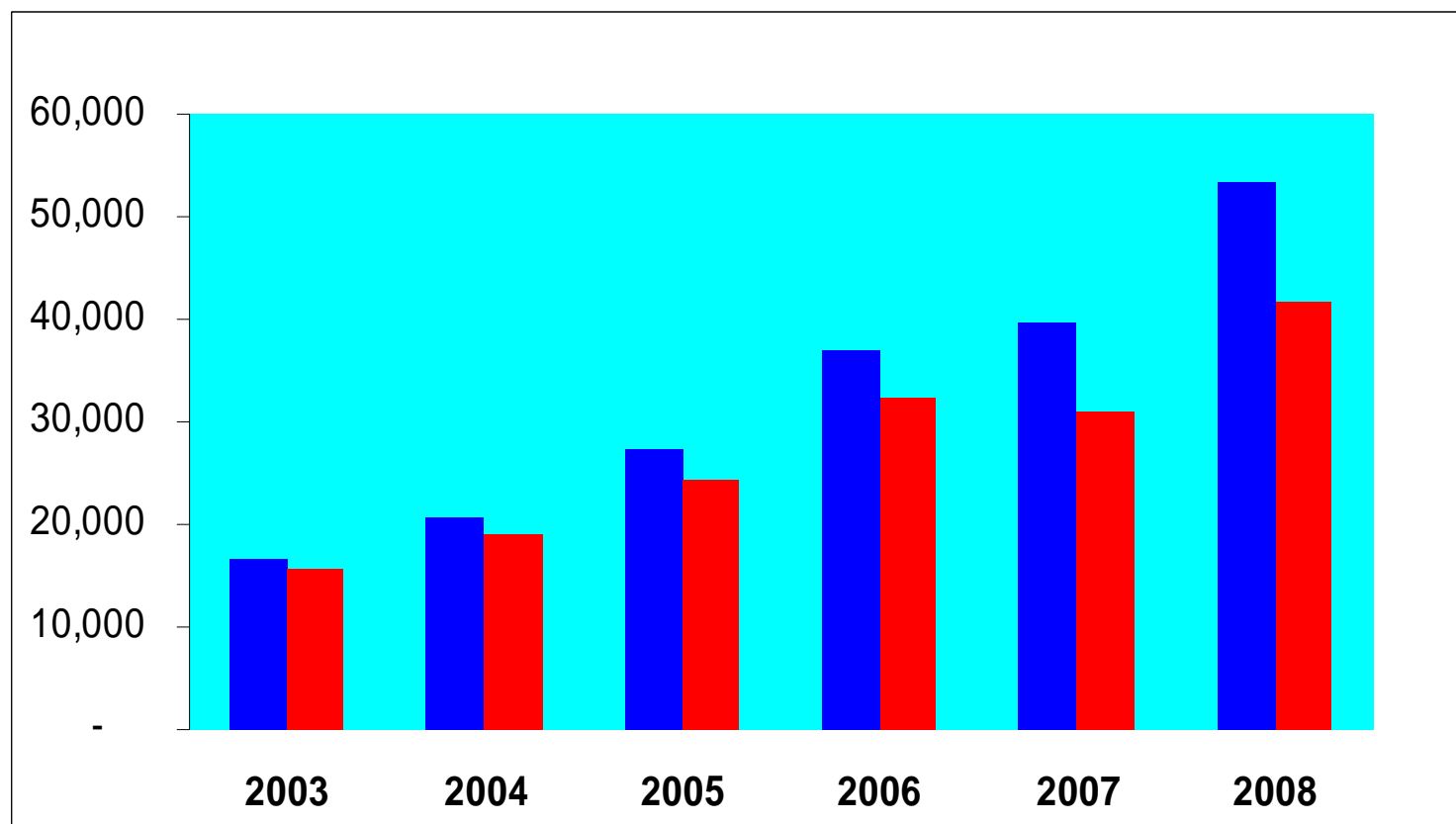


Fiscal expenditure increased by 220% between Fiscal 2003 and 2008 and subsequently declined by 20% in Fiscal 2009



Total expenditure 2003-2008 = TT\$ 280Bn

Recurrent Exp. is approx 85% of Total Exp.



Unemployment in 2009



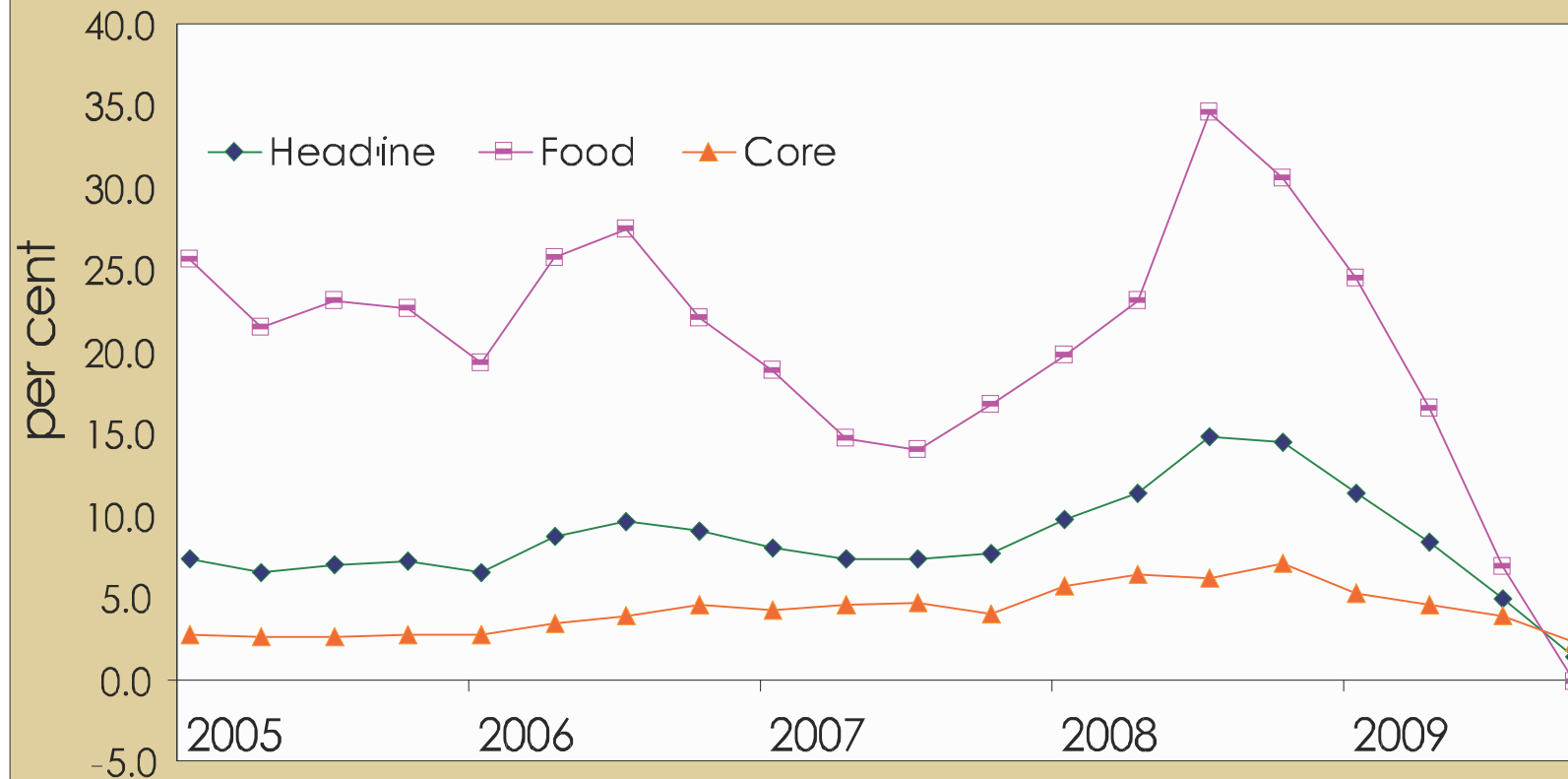
- **The unemployment rate in the third quarter rose to 5.8 per cent.**
- This is compared to 5.1 per cent in the previous quarter and 3.9 per cent during the fourth quarter of 2008.
- **The decline in employment in the 12 months to September was apparent in most sectors** with distribution recording the largest fall (8.6 thousand) while construction lost 4.6 thousand jobs.

Inflation



- The final inflation figures for 2009 indicate that **headline inflation** slowed to **1.3 per cent** in the twelve months to December 2009.
- Compared to 1.5 per cent in November and 14.5 per cent a year earlier.

Lower Inflation in 2009



Economic Outlook for T & T



- Minimal to zero growth in 2010.
- Gradual recovery of prices for energy exports in 2010.
- Global economic slowdown will impact export earnings in the energy and non-energy sectors and may stymie the growth in government spending.
- Increased Government Borrowing.
- Domestic unemployment is expected to rise in 2010.
- Declining Inflation of 1.3% as at December 2009 but there is a risk of it rising in the latter months during 2010.

Where do we want to be?



- **Sustainable growth**

- Further expansion of the non-energy sector
- Access to regional and extra-regional markets

- **General Price Stability**

- Headline inflation and core inflation
- Exchange rate stability

- **Income distribution**

- Increasing incomes via productivity gains
- The creation of sustainable employment

AT A PERSONAL LEVEL...

In the meanwhile... Personal Strategies in this environment



- Review your income
- Review your expenses
- Revisit your personal objectives
- Focus on your personal marketability
- Be positive and network effectively

Review Income



- Identify possible sources of new income – effectively use existing assets.
 - Retrain yourself, acquire new skills
 - Unique skills - A parttime job/ sales etc
 - Turn vehicle into an income generator- Car pooling
 - Convert unused land/space - Kitchen garden sales to friends and neighbours
 - Use the home computer to provide services: typing, presentations, graphics

Review Expenses



- Revisit personal budget
 - Eliminate unnecessary items
 - Conserve energy
 - Shop around, take advantage of bargains
 - Maintain a responsible social budget
 - Consolidate debt – interest rates are declining
 - Pay debt on time – eliminate late fees
 - Cancel unused credit cards
 - Protect savings

Extend the life of your assets



- Body, mind and soul – healthy diet, keep learning
- Maintain appliances as scheduled
- Repair rather than repurchase
- Unplug items when not in use

Invest, Invest, Invest !



- Locate opportunities in and around your communities and invest in them.
- Invest your time, knowledge and patience.
- Invest in small businesses.
- Invest in people with a passion.
- Pool your resources and invest in new ventures.

Thank-you !