

75 YEARS



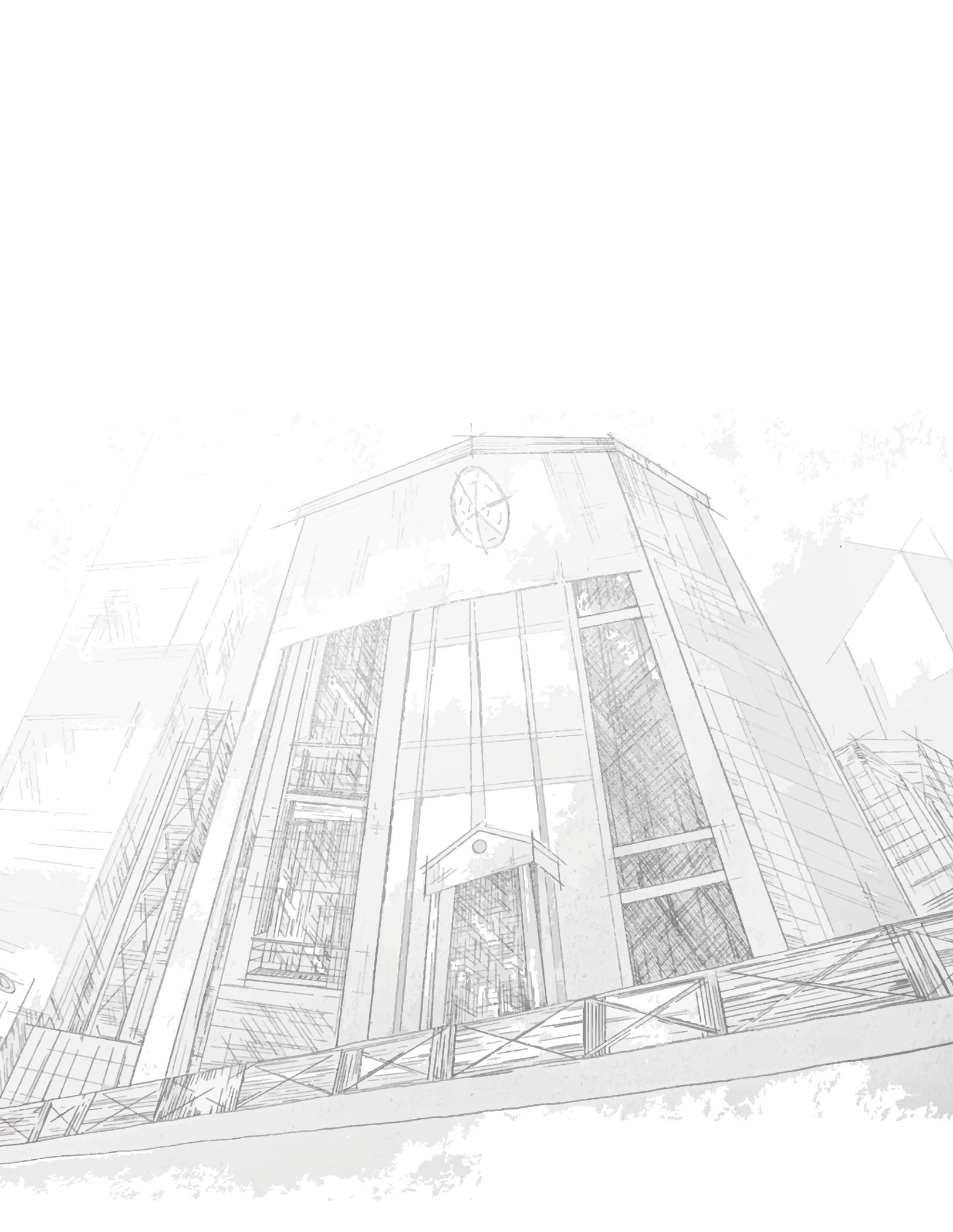
RHAND
CREDIT UNION



*Sustainable Development
Through Co-operation*



RHAND
CREDIT UNION



VISION

The model Credit Union and leading provider of financial and other services in the Caribbean

MISSION

To satisfy members' needs through creativity and foresight by providing competitive financial and other products and services

CORE VALUES

Respect | Integrity | Honesty | Fairness | Trust

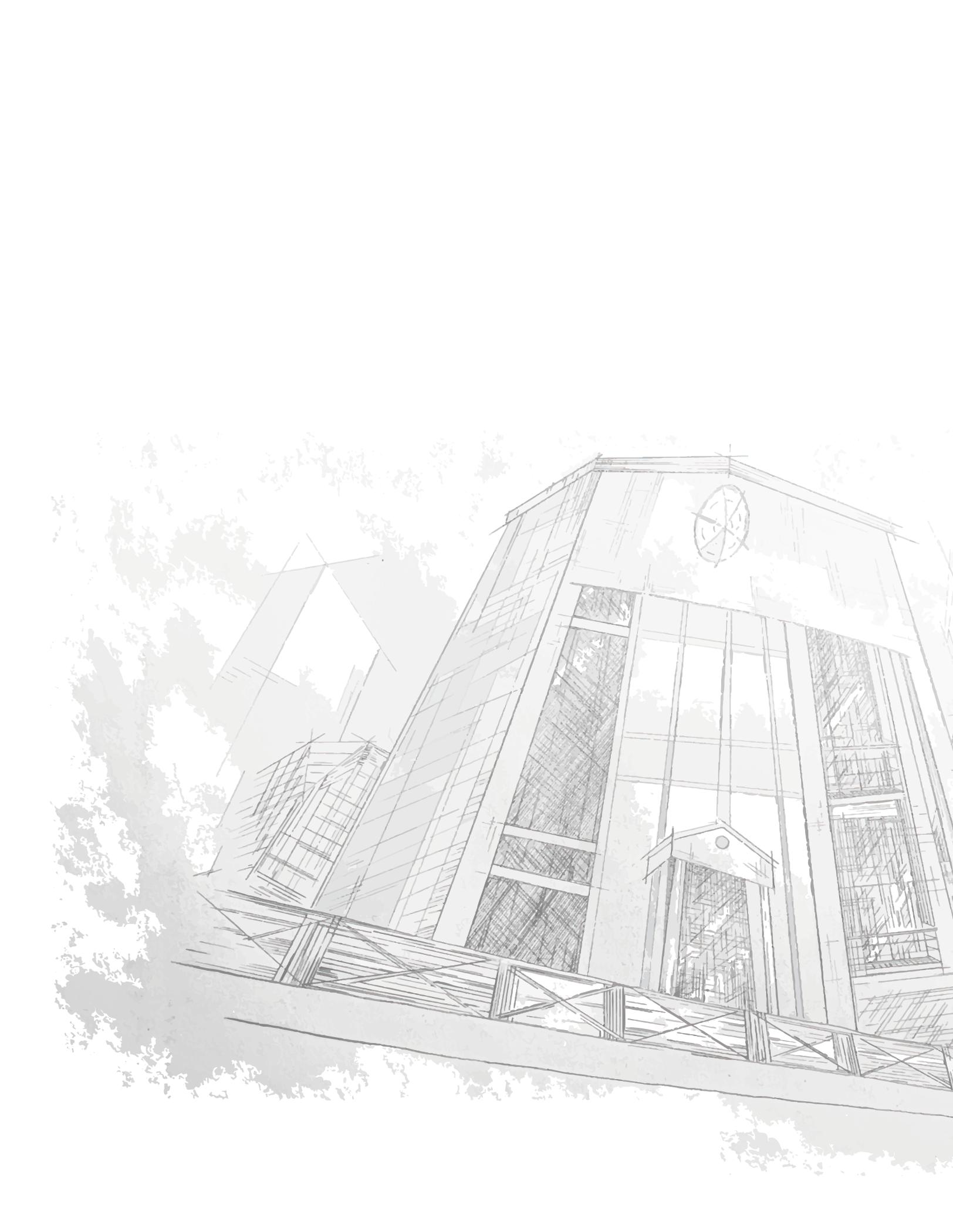
THE NATIONAL ANTHEM

Forged from the love of liberty
In the fires of hope and prayer
With boundless faith in our destiny
We solemnly declare:
Side by side we stand
Islands of the blue Caribbean Sea,
This our native land
We pledge our lives to thee.
Here every creed and race
Find an equal place,
And may God bless our Nation.
Here every creed and race
Find an equal place,
And may God bless our Nation.

THE CREDIT UNION PRAYER

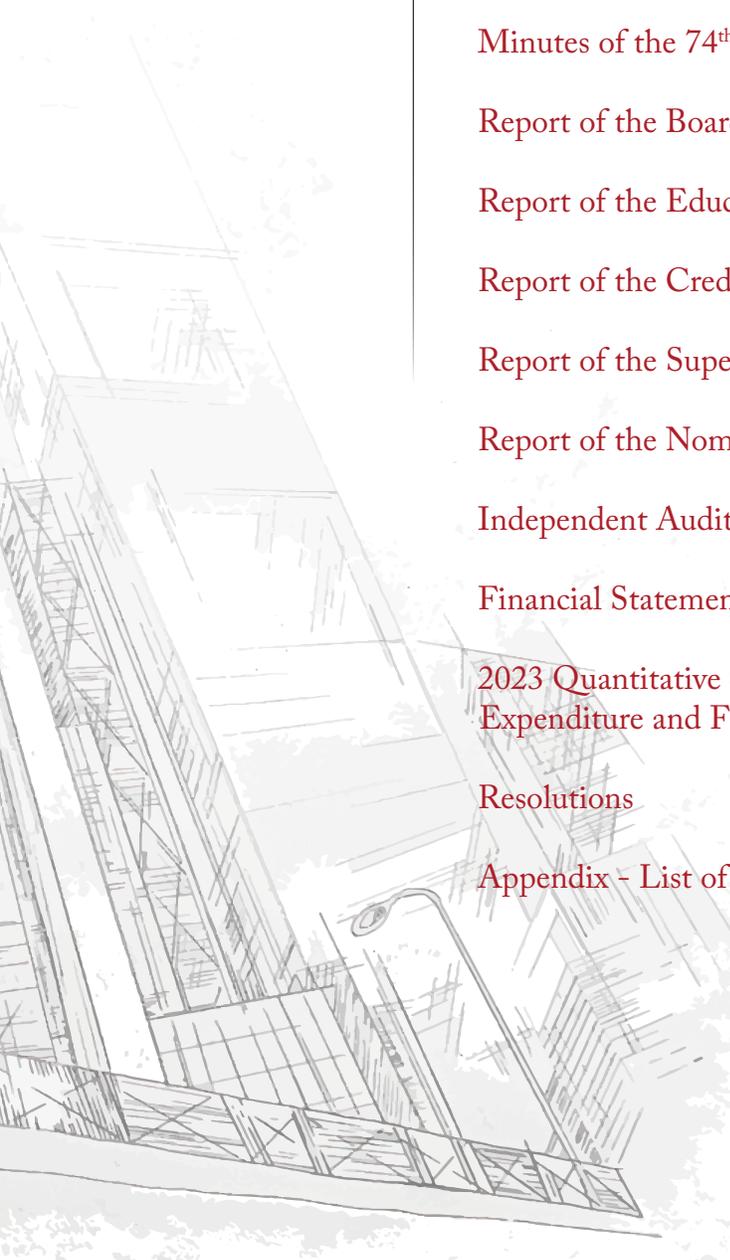
LORD, make me an instrument of Thy Peace.
Where there is hatred, let me sow Love,
Where there is injury, Pardon,
Where there is doubt, Faith,
Where there is despair, Hope,
Where there is darkness, Light,
And where there is sadness, Joy.

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



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A MESSAGE FROM THE PRESIDENT



Our Loyal Members,

On behalf of the Board of Directors, the Supervisory Committee and the Credit Committee, the Board-Appointed Committees, and the Management and Staff, I am honoured to bring greetings on this our 75th Annual General Meeting.

As we celebrate this milestone, I want to pay special tribute to our visionary ‘founding members,’ our loyal membership and those who have steered and supported RHAND from

its humble beginnings on March 27, 1947 to be one of the largest and well respected Credit Unions in Trinidad and Tobago with more than seventy-five years of proud and exemplary service. This is worthy of great commendation.

The Theme

The theme chosen for this year’s Annual General Meeting is “Sustainable Development through Cooperation”. This reaffirms RHAND’s commitment to the Credit Union philosophy of service, of continuously seeking new ways to meet the needs of our increasingly diverse and sophisticated membership, and of its intent to do so without compromising the requirements of future generations; strategically, through cooperation with our members, our sister Credit Unions and other key stakeholders, none more important than the Co-operative Credit Union League of Trinidad and Tobago and the Office of the Commissioner for Co-operative Development.

The ever-increasing use of information and communication technologies (ICT) will drive how we provide our services to our valued members. This Board is aware of its role in transitioning RHAND and its membership to this continuous shift in conducting business.

Your Board At Work

The Board which I lead, took note of the financial challenges faced by RHAND on assuming office following the May 2022 Annual General Meeting. Our early financial diagnostic indicated that the financial performance was being adversely affected by the slow economic recovery consequential to the COVID pandemic, the resulting national lock down, and the inflationary pressures fueled in part by the war in Ukraine.

In response, your Board in July 2022 acted decisively by setting up an Ad-Hoc Committee comprising members of the Board and Management to review the economic performance over the period of January 01, 2018 to July 31, 2022 and to come up with strategies to effect a turnaround in the financial performance in the shortest possible time frame. The Board later accepted the Report of the Committee and its findings and recommendations.

I want to publicly thank the members of the Committee for their excellent work.

2022 Performance Highlights

RHAND’s financial and non-financial performances have been commendable. New loans to members have steadily increased, so too, has our loan interest income even at lower interest rates. Our membership base continues to grow,

and the quality of our services to the membership has improved. Conversely, our investment portfolio took a significant hit due to the global economic slowdown which has been affecting markets around the world. Our overall reported performance was markedly affected by the performance of our investment portfolio.

Negotiations with the Estate Police Association of Trinidad and Tobago for the two bargaining periods 2015-2017 and 2018-2020 were completed and so were negotiations with our non- unionised senior employees. RHAND held its Annual Children's Christmas Parties. While the party in Trinidad was cancelled due to the inclement weather, the party in Tobago was a success.

The Years Ahead

In January 2023 the Board reviewed its 2022-2024 strategic plan in conjunction with the initiatives coming out of the Ad-Hoc Committee Report and made some amendments to better address the current to medium term outlook. Given these initiatives, I am quite satisfied with the strategies to be implemented, some new, and some traditional, however all are expected to work in tandem, redounding to the benefit of the membership.

Some of these initiatives that the membership can look forward to seeing in 2023 include:

- Greater use of ICT in conducting business with RHAND
- An even faster customer response and service with the completion of the PBX infrastructure upgrade
- Much more social media presence and contact
- The operationalization of our asset management subsidiary company, 'OneRHAND Wealth Management Services Ltd'
- Review of our Investment Portfolio Policy to mitigate wide fluctuations in performance
- More competitive interest rates as RHAND seeks to introduce its risk-based lending model
- More cooperation with the Credit Union Movement and other Credit Unions now that RHAND rejoined the Credit Union League in 2022.

As President, I am quite confident that these initiatives will be a success, that RHAND's outlook now and in the future is bright and sustainable, and that RHAND will be around...even stronger than ever for another 75 years and beyond.

We can only achieve this vision with the continued support of our dedicated employees and the confidence of our members and stakeholders, to all of whom we are profoundly grateful.

In conclusion, I pray that God will continue to guide all of us who are entrusted with managing RHAND, and for the safety and wellbeing of all our stakeholders.

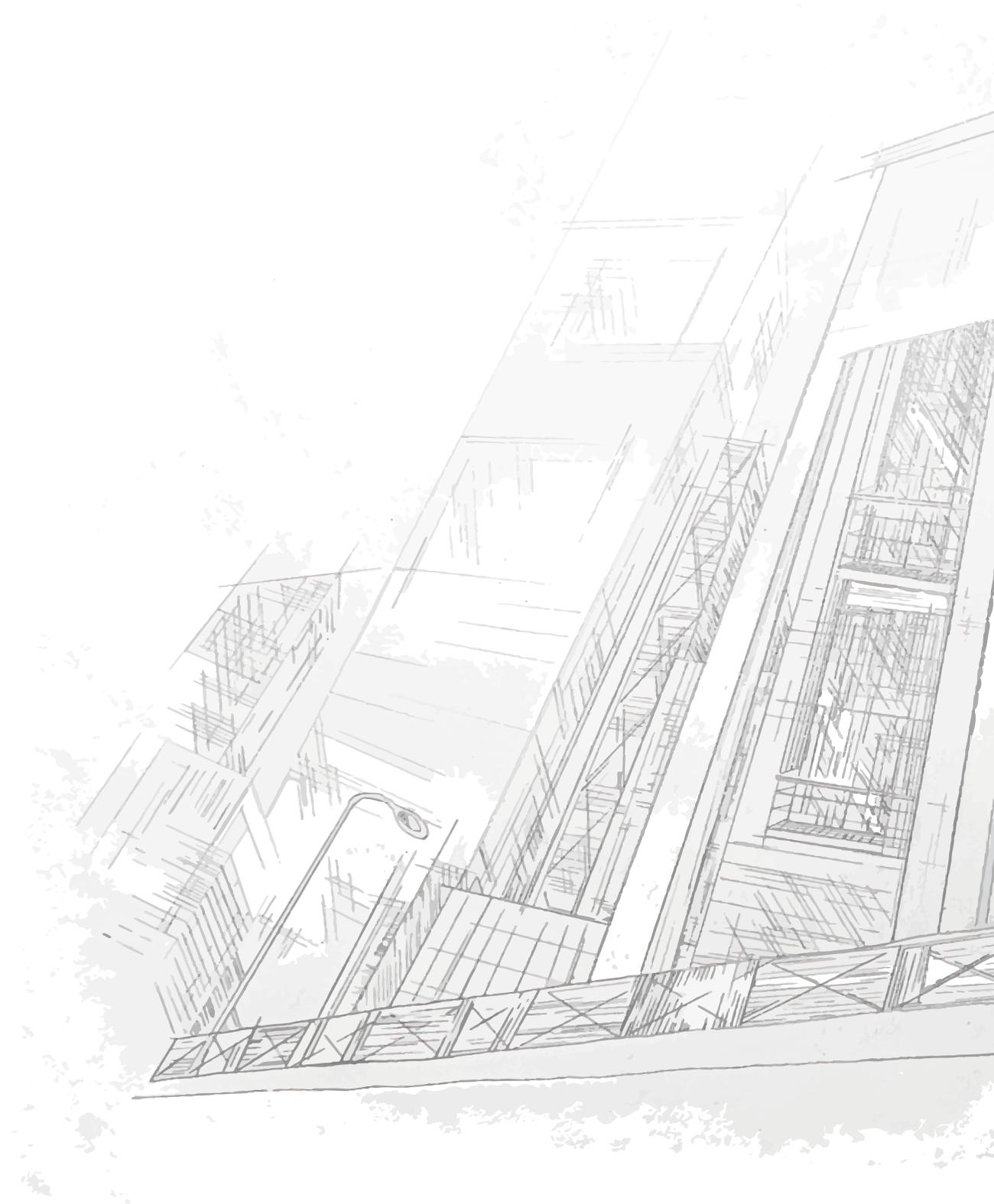
Happy 75th AGM!

Thank you.

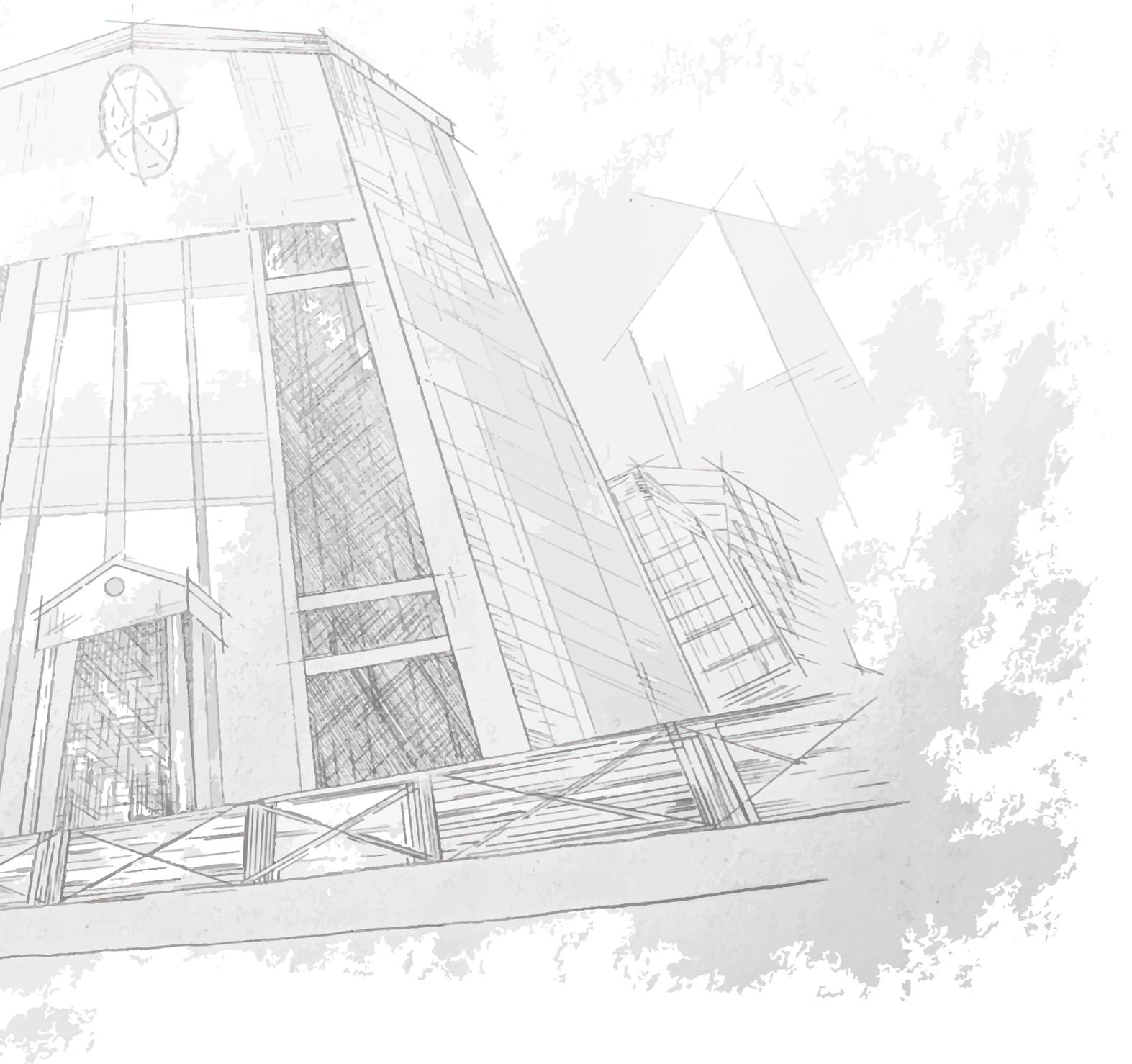


Desmond Noel

President – Board of Directors



NOTICE OF
**THE 75TH ANNUAL
GENERAL MEETING**



NOTICE OF THE 75TH ANNUAL GENERAL MEETING

Notice is hereby given that the 75th Annual General Meeting of RHAND Credit Union Co-operative Society Limited will be held on Saturday – April 15, 2023, commencing at 1:00 p.m.

The meeting would be held using a Hybrid format:

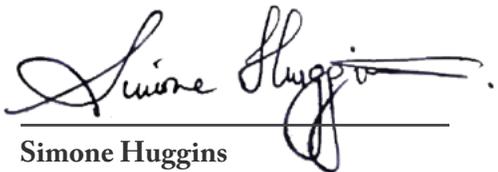
1. Virtually through the internet via links provided to a closed Zoom meeting portal; and
2. Simultaneously in-person with limited seating available at the following two (2) venues:
Trinidad (host location) – Radisson Hotel, Wrightson Road, Port of Spain
Tobago – Shaw Park Cultural Complex, Scarborough.

AGENDA

1. Adoption of the Standing Orders
2. President's Address
3. Minutes of the 74th Annual General Meeting of May 21, 2022
4. Matters Arising out of the Minutes of the 74th Annual General Meeting
5. Reports 2022
 - Board of Directors
 - Education Committee
 - Credit Committee
 - Supervisory Committee
 - Independent Auditor
 - Financial Statements
 - Nominating Committee
6. Election of Officers for the 2023/2024 Term
7. 2023 Quantitative Objectives, Proposed Capital Expenditure and Financial Projections
8. Motions
9. Resolutions
10. Other Business

Dated this 24th day of March, 2023

BY ORDER OF THE BOARD,



Simone Huggins
Secretary – Board of Directors

NOTICE OF THE 75TH ANNUAL GENERAL MEETING

NOTE:

1. Members wishing to participate in the AGM must pre-register online via our AGM registration portal on our website <https://rhand.org.tt/> or email at agm@rhand.org.tt along with your name, contact number, date of birth and a copy of valid identification. Members can also register by calling 62-RHAND ext. 1271 – 1273, or visiting any Branch where the necessary assistance would be provided.
2. Pre-Registration will end on Tuesday, 11th April 2023 at 4:00 p.m.
3. Members will have the option to select the preference of their attendance, that is, either virtually or in-person.
4. Members who registered to participate virtually will not be allowed to attend in-person. Likewise, members who registered to participate physically will not be allowed to attend virtually.
5. Reservations are required for members attending the in-person meeting. Reservations will only be available on a first-come-first-serve basis, due to the limited seating capacity at both venues.
6. Only Registered members will be emailed a link, with the accompanying instructions to access the virtual meeting.
7. The voting will be done electronically. As such, all members must be registered with a valid email address and a mobile phone number.
8. Please use a reliable and functioning email address to pre-register for virtual attendance. The Zoom link to join the meeting will be sent to the email used for pre-registration.
9. 2022 Annual Reports will be made available for download by Friday 7th April 2023.

STANDING ORDERS

Hybrid meetings are meetings or events that feature at least one group of in-person/face-to-face attendees connecting virtually with other meeting attendees. Therefore, each group of people or each environment will have its own rules and regulations to follow. The Standing Orders are divided into two sections - In-Person/Face-To-Face and Virtual/Remote. Both sections will guide you about your active participation in the meeting.

IN-PERSON/FACE-TO-FACE ATTENDANCE

- A member will stand when addressing the Chairperson and shall identify himself/herself.
- A member's contribution shall be clear and relevant to the subject before the Meeting.
- A member shall address the meeting when called upon by the Chairperson to do so after which, he/she immediately takes his/her seat.
- No member shall address the Meeting except through the Chairperson.
- A member may not speak twice on the same subject except:
- He/she is the mover of a motion - in which he has a right to reply, or
- He/she rises to object or explain (with the permission of the Chair).

VIRTUAL/REMOTE ATTENDANCE

By default, members' microphones and cameras are turned off for the duration of the meeting, except when allowed by the Chairperson to make audio/video contributions to the meeting.

To make a contribution a member shall:

- i. Type in the Q&A to post questions to the Chair.
- ii. Use the "Raise hand" function available on the Zoom platform,
- iii. Wait to be recognised by the Chairperson.

A member shall address the meeting *ONLY* when called upon by the Chairperson to do so. The member must:

- i. Ensure they are named correctly when joining the meeting to be recognised by the Chair.
- ii. If called upon by the Chairperson to ask a question via audio, the member would be allowed 2 minutes to do so.
- iii. For members who were allowed to submit audio questions, members are asked to mute the microphone at the end of the contribution.

A member can also use the "Chat" feature via "Q&A" to:

- i. Ask a question,
- ii. Raise a point of order,
- iii. Raise an objection,
- iv. Signal the need for the urgent attention of the Chair,
- v. The AGM moderator shall collate all matters raised via the Chat and transmit the same to the Chair.

All members are asked to utilise the Help Desk to share any issues they are having so that the team can troubleshoot during the session with minimal interruptions.

STANDING ORDERS

BOTH IN-PERSON AND VIRTUAL ATTENDANCE

Members must:

- i. Keep their phones on silent and NOT on vibrate to avoid distractions.
- ii. Ensure that their microphone is muted when taking any urgent calls.
- iii. Ensure that their contribution is clear and relevant to the subject before the Meeting.

A member may not speak twice on the same subject, except:

- i. A member rising on a “point of order” shall state the point clearly and concisely (a point of order must have relevance to the Standing Orders).
- ii. The mover of a motion – who has the right to reply.
- iii. To object or to explain (with the permission of the Chair).

Debate shall cease when the Chairperson determines that sufficient debate has taken place.

No speeches shall be made after the “question” has been put and carried or denied.

The Mover of a Procedural Motion - (adjournment, lay on the table, motion to postpone) shall have no right of reply.

A member raising a “Point of Order” shall state the point clearly and concisely. (A “point of order” must have relevance to the “Standing Orders”).

A member shall not call another member “to order” - but may draw the attention of the Chairperson to a “breach of order”.

In no instance can a member call the Chairperson “to order”.

Only one amendment should be before the meeting at any time.

When a motion is withdrawn, any amendment to it fails.

The Chairperson has the right to a “Casting Vote”.

If there is equality of voting on an amendment, and if the Chairperson does not exercise a Casting Vote, the amendment is lost.

Provision shall be made for the protection of the Chairperson from vilification (personal abuse).

No member shall impute improper motives against another member.

Electronic recording of these proceedings is prohibited unless prior permission is obtained from the Chairperson.

All members shall professionally conduct themselves. The use of rude or abusive language will not be tolerated during the meeting’s proceedings.

COMPOSITION OF THE BOARD OF DIRECTORS AND STATUTORY COMMITTEES 2022-2023



BOARD OF DIRECTORS

From left: Linda Renaud-Medford - 2nd Substitute, Sherwin Williams - Director, Dave Williams - Assistant Secretary, Desmond Noel - President, Brian Caesar - Vice President, Kristed Herbert - Director, Simone Huggins - Secretary.

Not present: Charlene Davidson - Treasurer, David Maynard - Director, Cheryl Ann Bruce-Metivier - Director, Charmaine Cummings - Director, Martin Minguell - Director, Michele Rouff - Director, Andrea Ragoo - 1st Substitute.

COMPOSITION OF THE BOARD OF DIRECTORS AND STATUTORY COMMITTEES 2022-2023



SUPERVISORY COMMITTEE

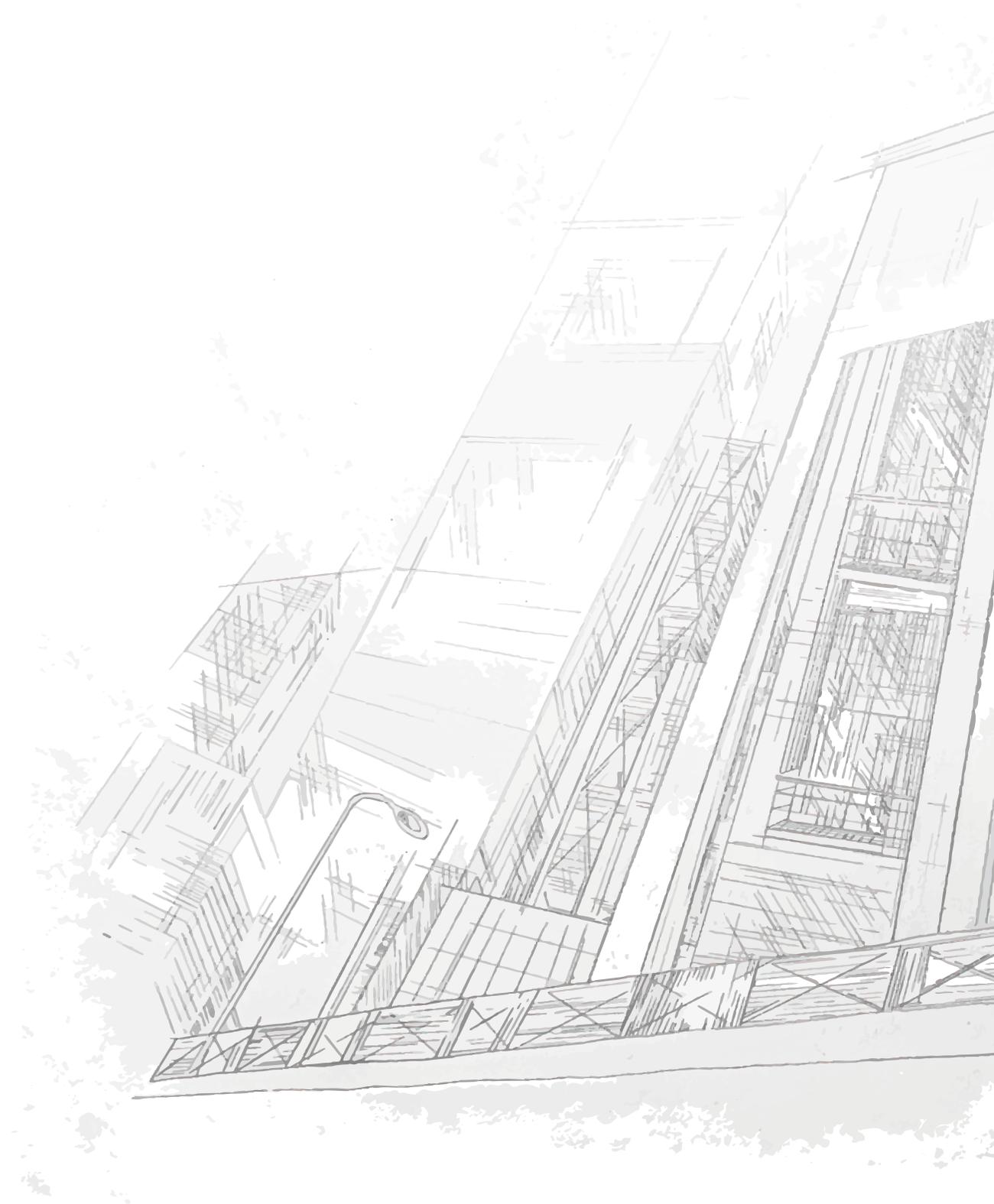
From left: Patricia Williams - Member, Marilyn Mora-Francis - Member, Jennifer Harvey-Bethel - Member, Erica Charles - Chairperson, Marisha Alexander - Member, Nadine Ellis - Secretary.

Not present: Chenice Peniston-Williams - 1st Substitute.

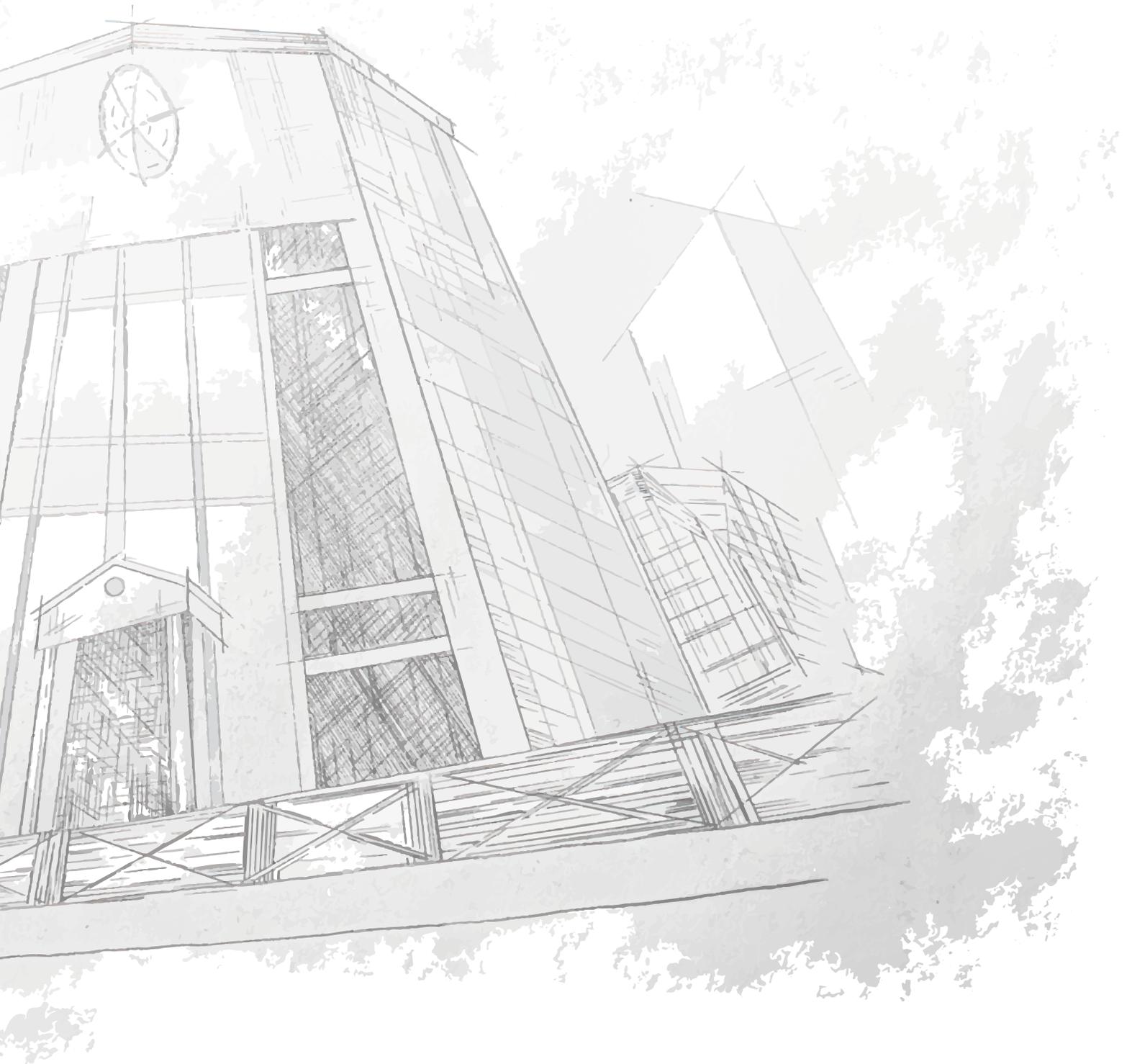


CREDIT COMMITTEE

From left: Carolyn Byer - Chairperson, Inesha Clauzel - Member, Susan Hinds-Morgan - Member, Patricia Harry - Secretary, Stacy Monroe-Frank - 2nd Substitute, Krystal Alexander - Member.



MINUTES OF
**THE 74TH ANNUAL
GENERAL MEETING**



MINUTES OF THE 74TH ANNUAL GENERAL MEETING

Held virtually at RHAND Credit Union's Head Office at 57-61 Abercromby Street, on Saturday, May 21, 2022.

1. INTRODUCTION

- 1.1 The 74th Annual General Meeting of RHAND Credit Union Co-operative Society Limited commenced virtually at 1:12 p.m. The Chairperson and President, Mr. Martin Gibbs, welcomed all members to the meeting and noted that this was a celebration of RHAND's 75th year in operation. He also acknowledged the presence of the members of the Co-operative Division present to monitor the proceedings.
- 1.2 The Chairperson thanked the members of the Board and Executive members for their support in his most challenging year at RHAND as President and was grateful for his work experience as an auditor, the assistance of the Treasurer, Mr. Reynold Cooper, regarding Anti-Money Laundering laws and the help of the Secretary, Mr. Desmond Noel, who is a well-versed accountant and who explained the laws to the Board relating to financial institutions.
- 1.3 The Supervisory Committee commended the Board's general compliance with the Bye-Laws, but recognized a breach that was brought to the attention of the Commissioner of Co-operative Development. The Chairperson of the Board apologised for the unintentional breach and pledged to prevent its recurrence. The infringement concerned the number of days the Nomination Committee had to submit their report before the AGM's date. The report's late submission went unnoticed by the Board, but the Chairperson urged members to contact the Board with any future oversights and resolved to work on improving communication.
- 1.4 Ms. Joycelyn Hunte, Vice President, was presented by the Chairperson to preside over the next portion of the proceedings. Ms. Hunte welcomed members to the 74th Annual General Meeting and encouraged all in attendance, both physically and virtually, to stand for the playing of the National Anthem. Upon completion, Ms. Hunte invited members to recite the Credit Union Prayer – the Peace Prayer of St. Francis of Assisi. Members were then invited to stay standing for Rev. Clifford Rawlins' invocation. Ms. Hunte then led the membership in observing a minute of silence in memory of RHAND members who had passed in the preceding year.
- 1.5 The Chairperson then requested a Credentials Report, and the moderator stated that there were five hundred and fifteen (515) members present.

2. NOTICE OF MEETING AND ADOPTION OF STANDING ORDERS

- 2.1 The Chairperson introduced Mr. Desmond Noel, Secretary, who read the Notice and Agenda of the Meeting, as well as the twenty (20) Standing Orders into the record.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

- 2.2 The Standing Orders were moved on a motion by Dave Williams and seconded by Shenieka Wilson. Having been so moved, the motion was put to the vote and adopted.
- 2.3 The Annual Report was then accepted as having been read by the meeting on a motion made by Shirline Williams and seconded by Carol Herrera. Having been so moved, the motion was put to the vote and carried. The Chairperson thanked the membership, and this was followed by a tutorial presentation to guide members on how to participate in the afternoon's proceedings.

3. THE PRESIDENT'S ADDRESS

- 3.1 The Chairperson mentioned that the President's Address was included in the brochure and would not be modified.

4. CONFIRMATION OF MINUTES THE 73RD ANNUAL GENERAL MEETING HELD ON 24TH APRIL 2021

- 4.1 The Chairperson moved to errors and omissions from the Minutes of the 73rd Annual General Meeting and indicated that the errors and omissions for the entire brochure should be taken as a whole. He then invited members who read the brochure to indicate any errors or omissions in the Minutes of the 73rd Annual Report as well as the Minutes of the Special General Meeting, Report of the Board of Directors, Report of the Education Committee, Report of the Credit Committee, Report of the Supervisory Committee, Report of the Independent Auditors, Financial Statements, the Report of the Nominating Committee, Election of Officers, the Quantitative Objectives, Motions, Resolutions and Other Business.
- 4.2 There were no errors or omissions to report in the Minutes of the 73rd Annual General Meeting as well as in the Minutes of the Special General Meeting, Report of the Board of Directors, Report of the Education Committee, Report of the Credit Committee, Report of the Supervisory Committee, Report of the Independent Auditors, Financial Statements, the Report of the Nominating Committee, Election of Officers, the Quantitative Objectives, Motions, Resolutions and Other Business and the motion for the Confirmation of the Minutes was moved by Esme Forde which was seconded by Diane Baptiste. This was put to a vote and the Minutes were carried.
- 4.3 The Moderator then asked for the acceptance of all errors, amendments, corrections and omissions identified in the Annual Report and the Chairperson specified the Confirmation of the Minutes of the Special Meeting on January 28, 2021. This motion was moved by Keisha Scott and seconded by Lennox Austin. Having so moved, it was discovered that two polls were running at the same time and the motion was asked to be confirmed again, this time being moved by Nadine Ellis and seconded by Shirline Williams. The motion was put to the vote and the Chairperson indicated that the Minutes of the Special Meeting were carried.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

5. MATTERS ARISING OUT OF THE MINUTES OF THE 73RD ANNUAL GENERAL MEETING

5.1 The Chairperson indicated that there were no matters coming forward to the AGM as far as he was aware from the meeting of the 73rd.

6. MATTERS ARISING OUT OF THE MINUTES OF THE SPECIAL MEETING

6.1 The Chairperson indicated that they were asking for permission to expend on the purchase of the properties in Arima and next door to RHAND and these purchases have been completed. The office in Arima has been moved to the new premises and it was officially opened on the 14th of May. He congratulated staff on organising the move and indicated that the new spot was now available to members to visit at Corner Pro Queen and Green Streets, Arima. The Chairperson then solicited questions surrounding the preceding remarks.

6.2 The Moderator indicated that a few members were questioning the tardiness of the brochure, to which the Chairperson indicated that there were challenges to overcome including organising to have the brochure printed. One of the major issues for the delay was the issue of the Nomination Committee's Report regarding the nominations to the Board and Committees in RHAND. The Chairperson went on to explain in detail about having Bye-Laws amended for Special Meetings and the introduction of term limits but queries were made as to how the Bye-Laws were interpreted and operationalized.

6.3 The Chairperson indicated that the Nominations Committee was tasked with finding out this year, and requested an interpretation from the Board and the Commissioner for Co-operative Development. The response received in late March confirmed that all who served two terms prior to 2019 were ineligible to run for re-election and that, unfortunately, the Chairperson, Mr. Cooper, and another Member fell into that category, thereby creating vacancies. This also included a Board Director who needed to demit office. The Nominations Committee engaged with the Board and resolved the issue by reopening nominations and producing a Report for inclusion in the brochure, despite the fact that deadlines for submitting information had passed, resulting in the AGM's date being further adjusted to facilitate the printing of the brochure.

6.4 The Chairperson stated that a member felt that the Report of the Nominating Committee should be disposed of and nominations taken from the floor, since it was felt that the Bye-Law 17(c) says that: "If there are not enough nominations coming from the Nominating Committee, then the Chair may take nominations from the floor." He responded that they tried to prevent that over the years because it was not a fair assessment of nominees and that reasoning allowed for the Meeting being held today.

6.5 Member Andrea Rago asked: "Why was the reopening of the nomination process only two days? Is that sufficient time for suitable persons to apply?" The Chairperson stated that they were seeking to have at least three more nominees and have it completed in the shortest possible time to avoid pushing back the AGM further. He then invited members to send in their further questions which would be dealt with later.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

7. REPORTS 2021

REPORT OF THE BOARD OF DIRECTORS

- 7.1 The Board of Directors' Report, which covered the macroeconomic overview, the domestic financial overview and regulatory developments was tabled for the meeting's consideration. Members were invited to submit questions and the Moderator advised on how to do so virtually through the portal. Members were satisfied and did not seek any explanations regarding its contents. The Report of the Board of Directors was adopted on a motion by Shenieka Wilson which was seconded by David Ross. Having been so moved, the motion was put to a vote and carried.

REPORT OF THE EDUCATION COMMITTEE

- 7.2 The Chairperson introduced Ms. Joycelyn Hunte, Vice President, to present the Education Committee's Report. The Report of the Education Committee was tabled for consideration, which highlighted the changes to the Children's Christmas party in 2021 and the re-introduction of the Credit Union Management Development Programme. There were no questions posed by Members. The Report of the Education Committee was adopted on a motion moved by Winifred Williams which was seconded by Christopher Samuel. Having been so moved, the motion was put to the vote and carried.

REPORT OF THE CREDIT COMMITTEE

- 7.3 The Chairperson introduced Ms. Susan Hinds-Morgan, Chair of the Credit Committee, to present. The Report of the Credit Committee was tabled for consideration. Members were invited to submit questions.
- 7.4 Member Genevieve Marshall enquired whether anything could be done to protect members' privacy when dealing with sensitive information exchange in the Loans Department, as business was performed within earshot of other members.
- 7.5 Member Michelle Superville-Craigwell referred to 6.3 Review of the Delinquency Portfolio stating a decrease in the Ratio, and an increase in dollar value amount on non-performing loans, although six members were delinquent from the previous year in review. She said it was giving an erroneous status and asked if it was acceptable. The Chairperson stated a reply would be given later on after review.
- 7.6 Member Melanie Purcell enquired in what instances would the Credit Committee approve share withdrawals. Ms. Hinds-Morgan replied that the Committee evaluates the needs on a case-by-case basis.
- 7.7 Member Anais Hoyte Thompson stated that she understood there was a change in policy for share withdrawals from shares for members whose loans were approved from 2020 to the present, where one-third (1/3) was held as security on shares. However, she questioned why members were being denied share withdrawals from deposits made that are not on hold if their loans are in good standing. Ms. Hinds-Morgan replied that loans require retention of one-third (1/3) of the shares and are kept as collateral.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

- 7.8 Member Marcia Massiah questioned what measures were in place regarding the recovery of loans classified as delinquent, so as to further reduce the rate. She also queried whether programmes to assist members with debt management were being explored. The Chairperson responded that RHAND had run various financial programmes over the years, which are now available online, and that the Education Committee's work is detailed in the Report.
- 7.9 Member Beulah Dalrymple asked whether loans can be granted more expeditiously to persons who had enough shares to cover the loan. The Chairperson confirmed that the policy for loan application secured by shares can be called for in the morning and collected by cheque in the evening. However, full loan personnel were not available during the pandemic, resulting in a backlog that should be remedied soon.
- 7.10 The Report of the Credit Committee was adopted on a motion moved by Lolitta Wheeler which was seconded by Roslyn Cider. The Moderator stated that some questions were not addressed but would be collated and addressed separately or later on in the meeting. Having been so moved, the motion was put to the vote and carried.

REPORT OF THE SUPERVISORY COMMITTEE

- 7.11 The Chairperson introduced Ms. Claudette Brown, Chair of the Supervisory Committee, to present. The Report of the Supervisory Committee was tabled for consideration at the meeting.
- 7.12 Member Martin Minguell asked for an explanation of a statement in the Report at 6.4, 'The Board is making efforts to be compliant'. He questioned if the Board Minutes are not provided in a timely manner and if not, why. Ms. Brown responded that the Committee completed the annual report in January 2022, Minutes were received up to November 2021 and the Report was submitted to the Board of Directors for inclusion in the brochure on February 3rd 2022. So there was a timely receipt of Minutes of the Annual Reporting for 2021.
- 7.13 Member Michele Rouff stated, "The Supervisory Committee is charged with securing the assets of the Credit Union and securing the interests of members between AGMs: Can the Supervisory Committee please present to the membership their perspective on the nominating process in keeping with their mandate? Can the Supervisory Committee advise how the Committee monitors the integrity of the Board decisions and implementation of those decisions? Is the Supervisory Committee aware of any litigation between individual Board Members? If this, in fact, is a reality, how was this allowed to happen?" Ms. Brown held that the Committee was charged with monitoring and communicating with the Board and was in receipt of requested Minutes for the period January to April 2022, together with the reports of the Nomination Committee. She commented that their concerns were shared with the Board and stated that the work of the Committee continues after each AGM through the preparation of reports to the Board. Ms. Brown also confirmed that all their correspondence for the Nomination Committee or any other Board-appointed Committee goes through the Board.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

The Chairperson commented that it was customary to allow the Nominating Committees to review and amend as necessary. Once these amendments were presented to the Board, permission was given in compliance with Bye-Laws 17(a), (b) and (c) with respect to the Nominating Committee.

- 7.14 The Report of the Supervisory Committee was adopted on a motion by Lee Anna Wellington which was seconded by Ajay Alleyne. Having been so moved, the motion was put to the vote and carried.

INDEPENDENT AUDITOR'S REPORT

- 7.15 The Chairperson invited Mr. Riaz Ali, Audit Partner at BDO Chartered Accountants, to present the Independent Auditor's Report. Mr. Ali advised that BDO had "... audited the financial statements of RHAND Credit Union Co-operative Society Limited... which comprised the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in institutional capital, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies." He further stated that it was the Auditor's opinion that "...the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards..."
- 7.16 Members were satisfied with the Independent Auditor's Report and did not request any further explanation of its contents. The Report of the Independent Auditor was adopted on a motion by Shirline Williams which was seconded by Curt Smith. Having been so moved, the motion was put to the vote and carried.

FINANCIAL STATEMENTS

- 7.17 The Chairperson invited the Treasurer, Mr. Reynold Cooper, to present the Financial Statements. Mr. Cooper shared a video presentation of the Financial Statements for the year ending 31st December 2021. Some of the main highlights of his presentation included the following:
- 7.17.1 Notwithstanding the headwinds of 2021, income grew with the support of higher contributions from loan income which accounted for \$41.5M, which was 2.6 per cent higher than last year.
- 7.17.2 Expenditure increased by an additional 3.1 per cent over the one-year period in 2021, which was mainly attributable to higher provisions for expected credit loss, stemming from the impact of COVID-19 on the credit environment.
- 7.17.3 Another significant contributor was the expense incurred in absorbing the debt of up to \$100,000 of our one hundred and three (103) members who passed away in 2021.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

- 7.17.4 Credit quality has shown signs of improvement with a current position of 6.4 per cent, following its uptick during the height of the COVID-19 pandemic in 2020. RHAND's surplus remained relatively in line with 2020.
- 7.17.5 The five-year average of 21.2 percent is a record high for the Credit Union, an amicable performance compared to other fellow Credit Unions.
- 7.17.6 RHAND continues its story of growth in assets. This was mainly due to an increase in the loan portfolio from \$403.6M in 2020 to \$446.4M in 2021, a 10.6 per cent year-on-year. Property and equipment also contributed to the higher asset base by \$20.5M over the same financial period.
- 7.17.7 Focus will remain on ensuring that we maximise the ratio of earning assets to non-earning assets, which will lead to better returns for the membership.
- 7.17.8 The pandemic created new opportunities to secure prime real estate below market value and RHAND intends to take this opportunity to also shed some real estate holdings that carry less strategic value.
- 7.17.9 RHAND's institutional capital is well above the 10 per cent international benchmark at 12.6 per cent in 2021.
- 7.18 In conclusion, Mr. Cooper stated that digital transformation initiatives are expected to improve operational efficiencies through automation and frictionless workflows, enhancing the ability to deliver digital products and services. And in striving for growth and member-value creation, RHAND will continue to actively pursue valuable options to expand the core business into potential new markets.
- 7.19 The Chairperson stated that the floor was open for members who wished to ask questions about the Financial Statements.
- 7.19.1 Member Shanelle Samuel asked what the percentage in dividends was for this year, to which the Chairperson responded that it's printed in the brochure and will be answered shortly, to wait for the Resolutions.
- 7.19.2 Member Sharen Mcknight Roberts asked how are dividends being paid, by your overall shares or money saved within the term. The Chairperson responded that dividends are actually paid on the shares that you hold between January to December of that year. There is a particular formula that is used by Credit Unions to arrive at the dividend. So, if we say you are getting a 10 per cent dividend, it is not just a 10 percent of your shares, but it's based on the shareholdings of each month.
- 7.20 Members were satisfied with the Report on the Financial Statements and did not request any further explanation of its contents. The Report was adopted on a motion by Gillian Manswell-Richard which was

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

seconded by Linda Renaud-Medford. Having been so moved, the motion was put to the vote and carried. The Chairperson thanked members for their participation.

8. QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL, EXPENDITURE AND FINANCIAL PROJECTIONS FOR 2022

- 8.1 General Manager, Mr. Ainsley Andrews, tabled the Budget for members' consideration. He advised that it could be viewed between pages 126 to 128 with items detailed in the Quantitative Objectives for 2022, spelling out of key initiatives for the year, followed by comparisons against the last year for Proposed Capital Expenditure and then going into the Financial Projections for 2022, with comparisons, Budgeted and Actual for the previous two years. The Chairperson then opened the floor for questions from members.
- 8.1.1 Member Michelle Superville Craigwell referred to page 128 regarding SurePay and wanted an explanation where it said, "No estimate given, but have expenditure." Mr. Andrews replied that the lack of a figure was due to SurePay's adoption still being relatively new and there being little take up, making it difficult to make a numerical projection. Furthermore, the actual expenditure on that particular facility was reducing year on year, thus assessments were being conducted to see whether the service added value to the membership.
- 8.1.2 Member Trudy Lewis noted that she receives text messages on a regular basis and that her information is the same for emails, but she has yet to see the programmes. She was asked to elaborate in a separate question, and the Chairperson stated that they will document all questions that require clarification and post them on the website within a week after the AGM.
- 8.1.3 Member Salome Kent Reid inquired about what happens to someone's debt after he or she passes, and whether it is automatically written off, since he observed in the Report that deceased loans were written off. Mr. Andrews responded that members' loans up to \$100,000 were insured at no expense to the member, therefore, loan balances under \$100,000 would have been written off as part of the benefit of being a member of the Credit Union.
- 8.1.4 Member Donna Marcellin-Samuel questioned if the deceased person's shares would be transferred to their beneficiary. Mr. Andrews explained that the current process under the Act allows for up to \$50,000 of the member's shares to be made payable to the listed nominee on their account, and that any balances in excess of \$50,000 between shares and deposits must be applied for by the Administrator of the Estate or the Executor of the Estate.
- 8.1.5 Melanie Purcell, a member, sought clarity on whether loans up to a certain age were covered. Mr. Andrews explained that there is no age limit on the loans that are now covered, and that coverage is currently being outsourced. In the event of an adjustment, the membership will be advised accordingly.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

- 8.1.6 Member Nikisha Ottley asked about what happens to loans in excess of \$100,000, and Member Melanie Archie queried in regards to what happens if the member dies with loans in excess of \$100,000. Mr. Andrews responded that excess balances would be declared a liability of the member or their whole estate. He added that while life insurance is not a mandatory requirement in financial or estate planning by members, they can consider having life insurance assigned to their respective loans to remedy that.
- 8.1.7 Member Mary Diaz enquired whether the policy of the deceased's write-off also extended to mortgages. Mr. Andrews indicated that it applied to all loans made in the member's name.
- 8.1.8 Kyeva Alexander-Villafana, a member, solicited information on the acquisition of property in Arima, as well as the status of available lands, including how much was sold and how much remained. Mr. Andrews assumed she was referring to the Inez Gate Housing Development and stated that RHAND was one of the developers' partners in providing financing for individuals seeking funds to purchase the land, but it was not a RHAND project, so details on whether or not the land had been sold were unavailable.
- 8.1.9 Member Shenieka Wilson asked why members were unable to transfer funds from shares to their deposits or LINCUS cards. Mr. Andrews responded that funds for the LINCUS card would first be transferred from deposits and that the share account is intended to be a long-term savings account. As a result, the accounts were not configured for automated and easy transfers from share accounts. However, if the shares are not encumbered or are worth more than the value of your loans, an over-the-counter transaction may be accommodated.
- 8.1.10 Member Rachael Absolam Browne enquired about critical illness and what happens to a person's loan that becomes delinquent due to illness. Mr. Andrews responded that the loans were covered by insurance in the event of death or critical illness. However, if the member would have benefited from debt forgiveness or having that balance written off because they were classified as critically ill, they would not be able to enjoy that advantage again.
- 8.1.11 Member Michele Rouff stated that her question concerned the litigation between two Board Members, and she surmised that if the Board opted to use members' funds to support one or the other in these proceedings, it would undoubtedly affect members' dividends, et cetera. And in keeping with the practice of circumventing members' questions, members will never know. The Chairperson countered that the Board had no intention of expending members' money on litigation at this time or in the future and that Ms. Rouff's concern was unfounded.
- 8.2 Members were satisfied with the General Manager's presentation of the Budget and did not request further explanation of its contents. The Budget for the 2022/2023 Term was adopted on a motion by Shirline Williams which was seconded by Mary Lou Edmund-Marcano. Having been so moved, the motion was put to the vote and carried. The Chairperson thanked members for their participation.

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

9. ELECTION OF OFFICERS FOR THE 2022/2023 TERM – REPORT OF THE NOMINATING COMMITTEE

9.1 The Chairperson announced that it was time for the Nominating Committee's Report. However, because they received a motion seeking to have the Nominating Committee's Report set aside, he asked for a motion to vary the Agenda so that Item 9 could be considered. The motion to vary the Agenda was adopted by Kingsley Hinkson which was seconded by Keisha Scott. Having been so moved, the motion was put to the vote and carried.

10. MOTIONS

10.1 The Chairperson invited Member Petal-Dawn Hinkson to present her motion. Ms. Hinkson reported that the motion to set aside the Report of the Nominating Committee being filed before the membership was in response to a letter she sent to the Commissioner of Co-operative Development and which was copied to the Secretary of RHAND.

10.1.1 Ms. Hinkson stated that the reason for filing the motion was because there was a time constraint and that not getting a timely response from the Commissioner's Office, she was concerned with the process undertaken to reopen nominations for positions on the Board and specifically to Bye-Law 17. She was of the view that the Board had a duty of care to inform the membership of their reasons for reopening nominations and, more importantly, to explore the option of requesting nominations from the floor at this AGM. She also stated that she received a reply from the Commissioner on May 20th, advising that after their investigations, their findings revealed that there was a breach in Bye-Law 17(b).

10.1.2 Ms. Hinkson then stated that her motion was to have the Nomination Committee's Report set aside and nominations should be invited from the floor to fill all vacant positions on the Board of Directors, Credit Committee and Supervisory Committee. She indicated that the first report submitted by the Nominations Committee was flawed, hence the reason for a second report to be brought before the Board. That second report, the Commissioner indicated, was not in compliance with Bye-Law 17(b). Therefore, she pointed out that the nomination process was flawed and hoped that the vacant positions would come from the floor, this being an option that is provided for in Bye-Law 17(c). This motion was moved by Ms. Hinkson and seconded by Segrid Minguell.

10.2 On the Chairperson's invitation, the membership spoke for and against the motion, after which the Chair of the Nominating Committee gave her closing comments. The Moderator informed the members to disregard the previous poll which was re-run after all questions were asked and answered.

10.2.1 Ms. Debra D'Abreau, Chair of the Nominations Committee, raised the issues concerning the reopening of the nominations process and indicated this should utilise the Bye-Laws within the revised January 2020 published booklet which engaged all the amended Bye-Laws from the years 1999 to 2018.

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Ms D'Abreau highlighted the term limits approved by the Commissioner's Office should be utilised in 2019 and implemented as part of the eligibility criteria.

- 10.2.2 In 2019, investigations showed the Bye-Laws were not implemented, hence the Commissioner for Co-operative Development (CCD) was invited to give their interpretation of the Bye-Laws concerning term limits.
- 10.2.3 After the CCD responded to the recommendations on March 29th 2022, the interpretation from the Commissioner's Office created disruptions in the process causing three nomination withdrawals. A prepared outline of different mechanisms legally available and advice was sought in dealing with a previous shortfall in the Credit Committee.
- 10.3 Ms. Joycelyn Hunte, Vice President, interjected, noting that Ms. D'Abreau might be in violation of Standing Order 8, which states that a person may only speak for two (2) minutes unless the Chairperson grants permission. On the Chairperson's invitation, Member Sherwin Williams adopted the motion giving Ms. D'Abreau additional time, which Esme Forde seconded. After being moved, the motion was put to a vote and carried.
- 10.3.1 Subsequent to the ruling of the Commissioner's Office on the 29th and further clarification of the meaning of the Bye-Law sought by the Board, a memo was received from the Board advising of the outcome of the tenth Special Meeting of the Board convened on April 4th 2022 with the representative of the CCD, being the three outgoing members had to demit office based on the implementation of the term limits. She added that a report was done on the implementation of the term limits as well as eligibility status using the 2019 baseline.
- 10.3.2 A report with recommendations was presented to the Board on April 8th showed the various mechanisms for the reopening of nominations AGM 2022 for the Board of Directors.
- 10.3.3 The Board did not accept the recommendations and reopened nominations for the Board only. Armed with the March 22nd 2022 Report, the Committee sought to guide the Board as to the reopening of nominations which sought to fill three vacancies.
- 10.3.4 Nominations reopened on the 12th, 13th and 14th of April and a significant number of persons responded. All twenty-eight (28) nominees who came forward in January and the eleven (11) who responded to the reopening process met all the eligibility criteria within the rules and regulations of the Credit Union.
- 10.4 The Chairperson invited members to pose questions and then for Ms. Petal Dawn Hinkson to respond.
- 10.4.1 Member Andrea Rago expressed her full support for Ms. Hinkson's motion, but expressed concern regarding the reopening of nominations, as the two-day limit did not allow members enough response time. She also noted the gaps in the process where the Commissioner's judgement was not sought in a

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

timely manner to avoid the Bye-Law being broken. She suggested the procedure had not been adequately discussed with the Commissioner. The Chairperson explained that the Commissioner had been contacted in February and had responded in March.

- 10.4.2 Member Michele Rouff congratulated the Nominating Committee on bringing awareness to the Board through the Commissioner's interpretation of the Bye-Law and commented on the short timeframes for the reopening process and the lack of engagement with the membership.
- 10.4.3 Member Jacqueline Bailey-Howell also supported the motion, stating the AGM should have been postponed in favour of convening a Special Meeting instead.
- 10.4.4 Secretary Desmond Noel asserted that the Board should have notified the membership concerning the occurrences and that the Nominations Committee's procedure was appropriate. He stated that the Nominations Committee missed the deadline for sending their second report to the Board by two days. He explained why the meeting was held on the 21st rather than the 30th, citing the providers' availability to host the AGM. He noted that no investigation was conducted with the Board prior to the member raising the issue with the CCD's Office, which would have proven nothing unethical or improper had transpired. Mr. Noel voiced misgivings about removing all of the screened nominees and receiving them from the floor.
- 10.4.5 Member Marisha Alexander questioned why the Credit and Supervisory Committees' nominations had to be redone if the issue related to the Board of Directors' nominations procedure. The Chairperson indicated that this was not what the motion sought to address.
- 10.4.6 Mr. Martin Minguell expressed severe concern about the Secretary's statements/implications, then clarified the Secretary's responsibility involved contacting the motion's mover to provide information so a legitimate motion could be delivered.
- 10.5 The Chairperson invited Ms. Petal Dawn Hinkson to reply.
- 10.5.1 Ms. Hinkson highlighted her writing to the Commissioner and copying the Secretary, but neither the President nor the Secretary responded. She also indicated that, notwithstanding the Nominating Committee's explanations, the first and second reports were flawed, and that they should be set aside and nominations taken from the floor.
- 10.5.2 Ms. Hinkson alerted the breach to Regulation 17(b), to which the Chairperson remarked that the flaw occurred in the filing of the reports which was distinct from the reports themselves being flawed. The Commissioner indicated that there was a breach, and that the Supervisory Committee noted that the report was late.

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- 10.5.3 In conclusion, Ms. Hinkson quoted Regulation 17(b) and then used the Roberts Rule of Order, stating that once she closes, there is supposed to be a vote and no other argument. At this point, Ms. D'Abreu interrupted on a point of order and was told she was not the mover of the motion and cannot speak again. Ms. Hinkson moved the motion and encouraged member agreement on floor nominations for all positions.
- 10.6 Ms. D'Abreu indicated, with the Chairperson's permission, that the flaw in the Report should not be based on time, but on what the Nomination Committee reported on.
- 10.7 There being no seconder, the motion to set aside the Reports of the Nominating Committee was put to the vote and carried. The Chairperson then vacated the chair for the Returning Officer to conduct elections.

11. FLOOR NOMINATIONS FOR ELECTION OF OFFICERS FOR THE 2022/2023 TERM

- 11.1 Following the adoption of the motion to set aside the Report of the Nominating Committee, the Chairperson vacated the Chair deferring to the Returning Officer, Mrs. Daphne Moore. The Returning Officer asked for a credentials report and then explained the nominating process to be followed for taking nominations from the floor for the Board of Directors, the Supervisory Committee and the Credit Committee. The presentation of the nominees was preceded by a video tutorial on the utilisation of the virtual Annual General Meeting voting process via the digital portal.
- 11.2 After each nominee delivered a brief introduction during the getting-to-know-the-nominee process, the Returning Officer commenced the voting procedure via the digital portal and the members proceeded to cast their votes for each category.

12. RESOLUTIONS

- 12.1 The Secretary tabled the following Resolutions for consideration:

APPOINTMENT OF AUDITORS

Be it resolved, that the firm of Chartered Accountants - BDO, be appointed as the Auditors of the Society for the financial year ending December 31, 2022.

BUILDING FUND

Be it resolved, that pursuant to Bye-Law 15(h) (ix), that the sum of \$750,000 be allocated from the surplus for the year ended December 31, 2021 to the Building Fund.

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DIVIDEND ON SHAREHOLDINGS

Be it resolved, that a dividend of 3.25% on the average monthly share balance held by each member for the year ended December 31, 2021 be declared for the year ended December 31, 2021 and that the proceeds of the dividend distribution be credited to Share Savings and Savings Deposit Accounts of each member by way of credits of 25% and 75% respectively of the entitlement of each member.

PATRONAGE REFUND

Be it resolved, that the Patronage Refund of 2.0% on the interest paid on the loans of members in 2021, where the loans are less than 90 days past due, for the year ended December 31, 2021 be declared for the year ended December 31, 2021.

Where the loans are 20 days or less past due, the proceeds of this refund shall be credited to the Savings Deposit Accounts of each qualified member.

Where the loans are more than 20 days but less than 90 days past due, the proceeds of this refund shall be credited to the loan of each qualified member.

HONORARIA

Be it resolved, that honoraria in the gross sum of \$306,667, which is (\$230,000 net of income tax liability), be declared for the year ended December 31, 2021.

- 12.2 The Meeting adopted the Resolutions as presented on motions moved by the Chairperson. The Appointment of Auditors was seconded by Emmanuel Walker; the Building Fund was seconded by Esme Forde; Dividend on Shareholdings was seconded by Claudette Brown; the Patronage Refund was seconded by Erica Charles and the Honoraria was seconded by Dave Williams. The motions were put to the vote and duly carried.

13. OTHER BUSINESS

- 13.1 The Chairperson invited questions, intimating that all unanswered queries during the meeting will have the answers posted on the website at a future date to be announced.
- 13.2 The Moderator shared the following question from member Keisha Natasha Noel Julien: “What was the reason for the sudden change of the Group Health Plan from Sagicor to Beacon? Why are Beacon claims and reimbursements taking so long? And why did it take so long to receive the Beacon member cards? Why aren’t the monthly premiums being deducted from members’ accounts?”

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13.2.1 The Chairperson deferred to General Manager Ainsley Andrews, who explained that switching from Sagicor to Beacon will provide the membership with much more advantages at a significantly lower cost. Mr. Andrews responded when asked about the length of time it took to handle claims, reimbursements, and the issuance of Beacon member cards that constructive meetings had been conducted to address these concerns and that the discussions should result in noticeable changes in a couple of weeks.

13.2.2 The Moderator relayed to the membership the following enquiry from member Robert Joseph: “Concerning the RHAND’s Group Health Insurance, would you please request of Beacon Insurance to retain a medical doctor who can fully comprehend a doctor’s diagnosis, treatments and prescriptions written on the prescribed medical claim forms, please? I’ve had to return to my doctor a couple of times for him to restate and explain the diagnosis. No reason was given. When I enquired, I was told that numerous claims are being returned to RHAND for the same reasons.”

According to Mr. Andrews, this subject was brought up in the meeting with Genesis, Beacon’s brokers, and will be addressed subsequently.

13.2.3 Member Michele Rouff made the following comment via the Moderator in the context of the President’s address: “Did the President acknowledge the passing of June Young Kendall earlier this week? June served on the Board for quite a number of years, also serving on the Executive.”

Although unaware of Ms. Young Kendall’s passing, the Chairperson expressed his sincere condolences to her family and all mourners.

13.2.4 Through the Moderator, Andrea Rago asked: “Why were last year’s brochures placed in the collection area? Members unknowingly collected last year’s brochures thinking that it was this year’s. This was very misleading.”

The general manager expressed gratitude for the feedback, declaring he was not knowledgeable of the occurrence but will make the necessary enquiries into the incident.

13.2.5 The meeting’s Moderator highlighted a query posed by Wendy Quamina Yorke by mentioning the following: “Mr. Chairperson, is it correct that the outgoing Vice President had cause to take legal action against a Board Member? Please enlighten this august body with the related information.”

The answers provided by the Chairperson and General Manager clarified the Society’s position, which was that the matter was one of a legal nature receiving the Vice President’s attention. Further, the member may contact the Vice President if any additional information is required.

13.2.6 Member Colleen Cameron asked through the Moderator: “For the last couple virtual AGMs, we have been told that questions not answered during the AGM will be collated and answers sent out, but I am yet

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

to see this. So I hope that there is no recurrence of the same. I am also curious as to why the AGM is in the format of a Webinar, which means that questions cannot be presented by video. Was it considered to have a hybrid event that would have allowed in-person and virtual members to participate?”

In response to this query, Mr. Andrews explained that while the answers would have been posted within the suggested timeframes, a text message will be sent to the membership informing them of this year’s questions and answers, which will also include the questions and answers from previous years on the same page.

The Chairperson then explained that frequently asked questions would be placed on the website for as long as possible. Additionally, the introduction of in-person meetings during the pandemic was not anticipated in the Annual General Meeting’s early planning, making the hybrid event impractical.

14. TRIVIA

- 14.1 Trivia questions centred on RHAND’s 75th Anniversary festivities were posed during the entertainment portion. Leandra Tate, Curt Smith and Nikisha Ottley emerged as the winners.

15. ELECTION RESULTS OF OFFICERS FOR THE 2022/2023 TERM

- 15.1 The following persons were elected to the Board of Directors, the Credit Committee and the Supervisory Committee:

Board of Directors

Kristed Herbert
Martin Minguell
Sherwin Williams
Charlene Davidson
Michele Rouff (One-year term)
Andrea Ragoon (First Substitute)
Linda Renaud-Medford (Second Substitute)

Credit Committee

Don Finley
Krystal Alexander
Carolyn Byer
Inesha Clauzel (First Substitute)
Stacy Monroe-Frank (Second Substitute)

MINUTES OF THE 74TH ANNUAL GENERAL MEETING

Supervisory Committee

Marisha Alexander

Marilyn Mora-Francis

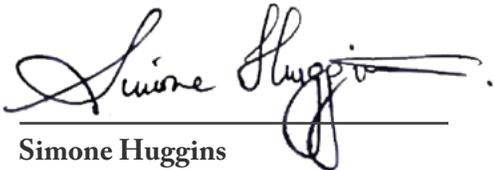
Nadine Ellis

Chenice Peniston-Williams (First Substitute)

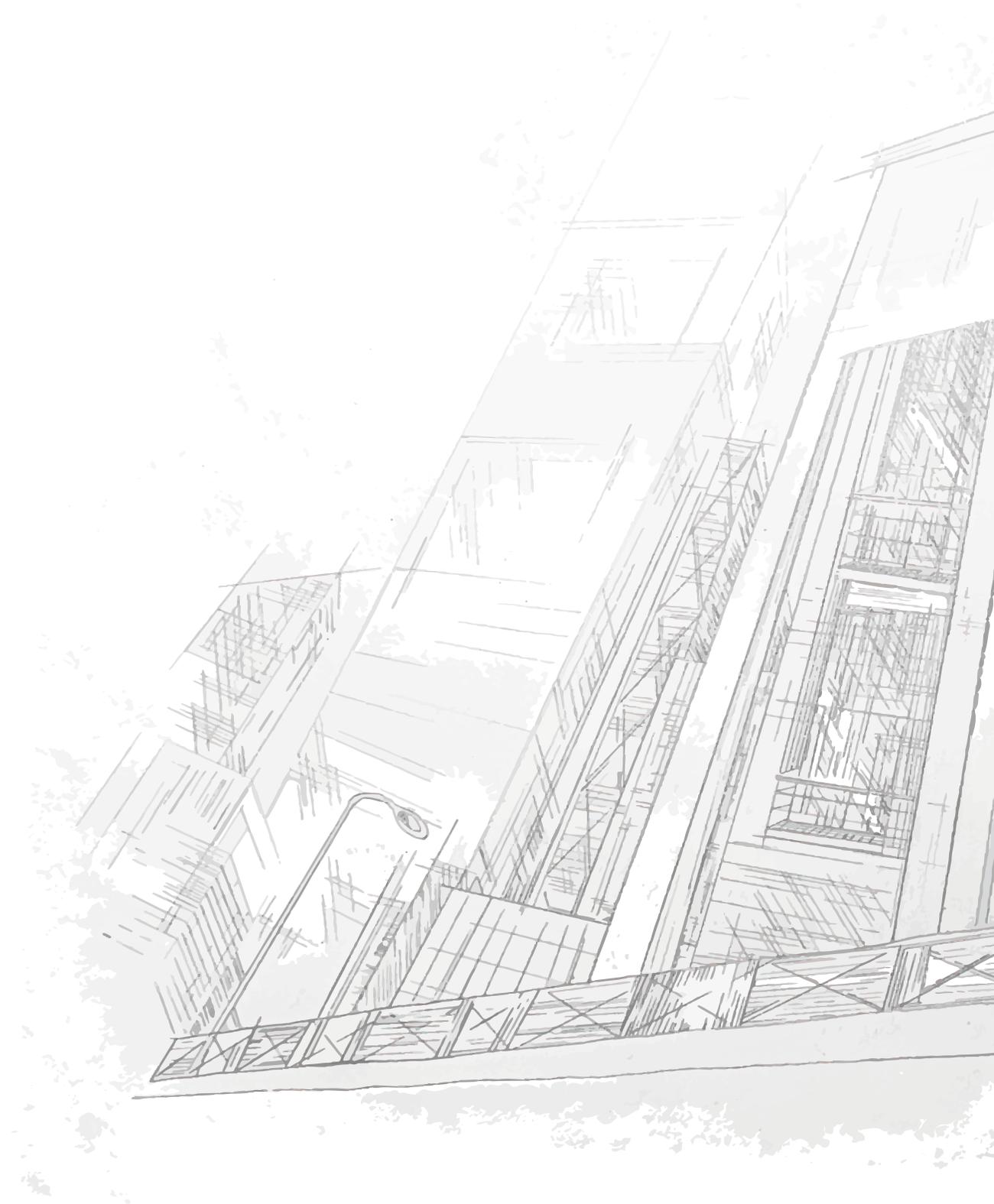
Jennifer Harvey-Bethel (Second Substitute)

- 15.2 Members having accepted the results of the election, a motion for the destruction of the digital ballots was moved by the Returning Officer and seconded by Euclyn Richards. Having been so moved, the motion was put to the vote and carried.
- 15.3 The Chairperson thanked Mrs. Daphne Moore, the Returning Officer, for her service to RHAND Credit Union Society Limited, and they both congratulated the newly elected members and returning officers of the Board, Supervisory and Credit Committees.
- 15.4 The Chairperson thanked all members and service providers for their attendance and participation in the meeting and wished farewell to RHAND's Board after 31 years of service.
- 15.5 There being no further business, the meeting concluded at 6:58 p.m.

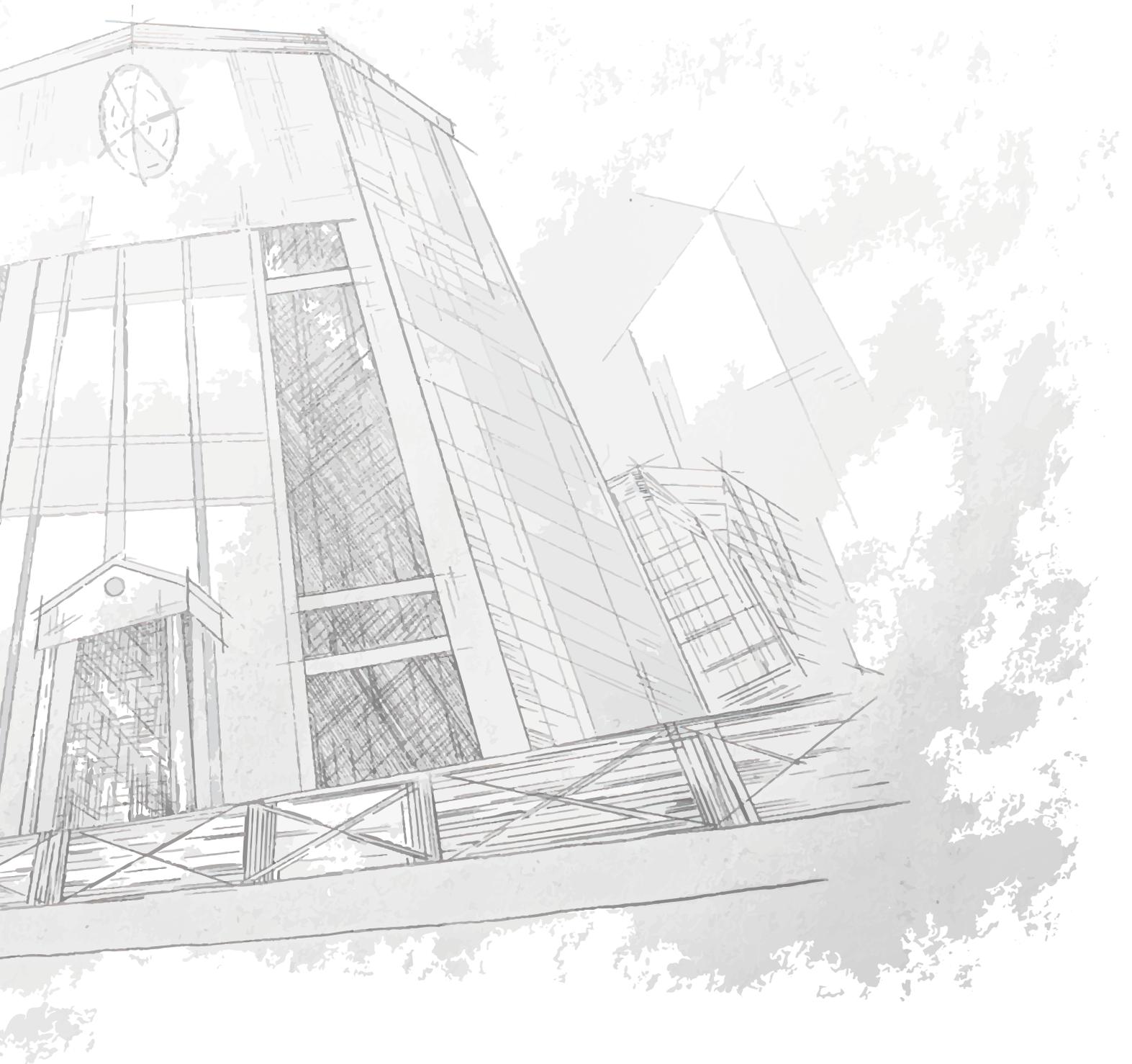
Respectfully Submitted,



Simone Huggins
Secretary – Board of Directors



REPORT OF
THE BOARD OF DIRECTORS



REPORT OF THE BOARD OF DIRECTORS

1. INTRODUCTION

- 1.1. The Board of Directors is pleased to present to the general membership, its Report on the affairs of RHAND Credit Union Co-operative Society Limited for the year ended December 31, 2022

2. COMPOSITION OF THE BOARD OF DIRECTORS

- 2.1. The following Members were elected to the Board of Directors at the 74th Annual General Meeting held on Saturday May 21st, 2022

Mr. Kristed Herbert
Mr. Martin Minguell
Mr. Sherwin Williams
Ms. Charlene Davidson
Mrs. Michele Rouff (one-year term)

- 2.2. The one-year term being served by Mrs. Rouff was based on the unexpired term of former Director Glenda Bruce. Mrs. Andrea Borneo-Ragoo was elected as the 1st Substitute Member while Ms. Linda Renaud-Medford was elected as the 2nd Substitute Member.

- 2.3. The full Board comprised the following Members (listed in alphabetical order):

Brian Caesar	Desmond Noel
Charmaine Cummings	Michele Rouff
Charlene Davidson	Dave Williams
Kristed Herbert	Sherwin Williams
Simone Huggins	
David Maynard	Substitute Members
Cheryl-Ann Bruce-Metivier	Andrea Borneo-Ragoo
Martin Minguell	Linda Renaud-Medford

- 2.4. The term of office of Directors – Dr. Charmaine Cummings, Ms. Cheryl-Ann Bruce-Metivier, Mr. Desmond Noel, and Michele Rouff comes to an end at this 75th Annual General Meeting.

3. EXECUTIVE COMMITTEE

- 3.1. As mandated by the Bye-laws, at the Inaugural Meeting, the Members of the Board elected an Executive Committee. The Executive Committee for the 2022/2023 Term comprised the following:

Desmond Noel	-	President
Brian Caesar	-	Vice President
Simone Huggins	-	Secretary
Dave Williams	-	Assistant Secretary (from September 29 th 2022)
Charmaine Cummings	-	Assistant Secretary (up to September 28 th 2022)
David Maynard	-	Treasurer (up to February 26 th 2023)
Charlene Davidson	-	Treasurer (from February 27 th 2023)

REPORT OF THE BOARD OF DIRECTORS

3.2. In order to discharge its responsibility during the period under review, the Executive Committee met weekly and whenever necessary for a total of fifty-nine (59) meetings.

4. MEETINGS OF THE BOARD OF DIRECTORS

4.1. The Board held Twelve (12) Regular and Seventeen (17) Extraordinary meetings during the period January 01, 2022 to December 31, 2022. Attendance of Members at Board Meetings are detailed at Table B1.

Table B1: Attendance At Board Meetings

	REGULAR			SPECIAL			REMARKS
	P	Ex	A	P	Ex	A	
Desmond Noel	12	-	-	17	-	-	
Brian Caesar	12	-	-	17	-	-	
Simone Huggins	12	-	-	17	-	-	
Dave Williams	12	-	-	12	4	1	
David Maynard	11	1	-	17	-	-	
Cheryl-Ann Bruce-Metivier	12	-	-	16	1	-	
Charmaine Cummings	12	-	-	15	1	1	
Kristed Herbert	11	1	-	16	1	-	Elected as Director at 2022 AGM
Charlene Davidson	11	1	-	16	1	-	Elected as Director at 2022 AGM
Martin Minguell	7	1	-	6	1	-	Elected as Director at 2022 AGM
Sherwin Williams	7	1	-	5	2	-	Elected as Director at 2022 AGM
Michele Rouff	6	2	-	6	1	-	Elected as Director for 1 year at 2022 AGM
Andrea Borneo-Ragoo	3	3	2	1	5	1	Elected as 1st Substitute at 2022 AGM
Linda Renaud-Medford	8	-	-	4	3	-	Elected as 2nd Substitute at 2022 AGM
Martin Gibbs	4	-	-	10	-	-	End of Term in Office
Joycelyn Hunte	3	-	1	7	3	-	End of Term in Office
Reynold Cooper	4	-	-	9	-	1	End of Term in Office
Glenda Bruce	4	-	-	9	1	-	End of Term in Office

5. MEMBERSHIP

5.1. During the year 2022, nine hundred and forty-three (943) Adults and twenty-eight (28) Youth Applicants were admitted to Membership. A total of two hundred and forty-two (242) members, excluding the one hundred and one (101) who passed away (Appendix 1), ceased membership in 2022. As at December 31, 2022, the total membership of RHAND Credit Union stood at 23,103.

5.2. The Members of the Board of Directors, Members of the Statutory Committees, Management and Staff of RHAND Credit Union, wish to extend condolences to the family and friends of the listed deceased members of the extended RHAND family.

5.3. The Board, Statutory Committees and staff of RHAND still feel that sense of loss at the passing of a service excellence exemplar who genuinely cared for the wellbeing of our members, Ms. Kendol Preddie

REPORT OF THE BOARD OF DIRECTORS

died on January 7, 2023. Kendol would have contributed 15 years towards RHAND's evolution come May 2023 and was last attached to our Credit Administration Department. Our heartfelt condolences go out to her surviving relatives and colleagues.

6. GLOBAL MACROECONOMIC ENVIRONMENT OVERVIEW

- 6.1 The global fight against inflation, Russia's war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023.
- 6.2 Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central banks' rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

The balance of risks remains tilted to the downside, but adverse risks have moderated since October. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia's war in Ukraine could escalate, and tighter global financing costs could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress. (<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>).

6.3 Russia's War Against Ukraine

The Organization for Economic Co-operation and Development (OECD), in their Economic Outlook report of November 2022 posited that the global economy is facing significant challenges. The reality is that most of these challenges are related to the war in Ukraine. In this regard we highlight their summary of that impact below.

- 6.3.1 Growth has lost momentum, high inflation has broadened out across countries and products, and is proving persistent. Risks are skewed to the downside. Energy supply shortages could push prices higher. Interest rates increases, necessary to curb inflation, heighten financial vulnerabilities. Russia's war in Ukraine is increasing the risks of debt distress in low-income countries and food insecurity.
- 6.3.2 Russia's war of aggression against Ukraine has provoked a massive energy price shock not seen since the 1970s. The increase in energy prices is taking a heavy toll on the world economy, which will worsen if

REPORT OF THE BOARD OF DIRECTORS

European gas storage runs short. This could force rationing in Europe, hurting countries worldwide as global gas prices are pushed higher. Growth would be lower and prices higher in Europe and worldwide.

6.3.3 Inflationary pressures have intensified, largely due to the war in Ukraine, which has pushed up energy and food commodity prices. The higher price of energy has helped trigger increasing prices across a broad basket of goods and services. Tighter monetary policy and decelerating growth will help to eventually moderate inflation. (<https://www.oecd.org/economic-outlook/november-2022/>)

6.4 Major stock markets have been reacting to these global economic indicators and as such very conservative performances are expected in 2023. RHAND's investment portfolio, with a significant equity component, benefited immensely from market sentiment in 2021 and was impacted harshly in 2022 accordingly. We will not be reactionary to the shocks but will engage in a strategic rebalancing of some elements of our portfolio while continuing to monitor the local and US markets.

7. DOMESTIC MACROECONOMIC ENVIRONMENT OVERVIEW

7.1 The reopening of the economy in late 2021 and resumption of regular activities had set the stage for the expansion in business output in 2022. Strong business lending and a recovery in consumer lending drove credit expansion, despite the slow growth in real estate mortgage lending. The local market for foreign currency has benefitted from increased energy sector receipts in 2022 but remains tight. Higher inflows stemmed from increased conversions by energy sector companies. Monetary policy in 2022 has centred on supporting the domestic recovery following the COVID-19 pandemic while managing risks posed by mostly externally generated inflation and higher interest rates abroad.

7.2 Domestic inflation will continue to be impacted by the external environment, the fallout from adverse weather and from a few measures announced in the National Budget for fiscal year 2023. The most significant impact on core inflation is anticipated to come from the pass-through of higher fuel prices to the transport sub-index. The capping of the fuel subsidy is expected to have a notable impact on headline inflation should higher fuel prices result in broad-based increases in maxi and taxi fares. Inflationary pressures are anticipated to persist into 2023 but remain relatively contained.

7.3 Domestic economic activity is expected to improve in the short to medium-term. Growth will likely be driven by energy production, which is anticipated to benefit from the commencement of several upstream projects. Activity in the non-energy sector is expected to gain from heightened business activity and ongoing recovery of consumer demand. Sustaining a durable expansion domestically over the medium-term, in a post-pandemic world that is expected to be much more competitive, will require continued efforts to reduce the barriers to doing business. Through its policy instruments, the Central Bank will manage liquidity levels to facilitate funding conditions supportive of business lending and the emergent recovery. At the same time, the situation remains very dynamic, and the Central Bank will be guided by the evolution of data and market intelligence in determining its monetary policy response.

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- 7.4 Several taxi associations have announced increases to fares subsequent to the removal of the fuel subsidies in the last National Budget Statement. However, according to CBTT, the full effect of this expected volatility in transport prices may not be entirely realised as yet. Meanwhile, the food and non-alcoholic beverages price indices can be impacted indirectly, as a result of higher transportation costs.
- 7.5 Domestic economic activity continued its positive trajectory during the third quarter of 2022. Preliminary Central Bank estimates suggest a boost in real economic activity premised on expansion in both the energy sector activity (6.9 per cent) and non-energy sector activity (1.3 per cent). (CBTT Monetary Policy Report – November 2022)
- 7.6 RHAND will continue to be guided by the domestic macroeconomic indicators as these impact all our stakeholders directly. The Credit Union shall monitor the local economic climate and accordingly adjust our strategies geared toward educating our membership, continuing to attract new quality members, expanding new loan business and delinquency management.

8. DOMESTIC FINANCIAL SYSTEM OVERVIEW

- 8.1 The CBTT's monetary policy was positioned to continue facilitating ample system liquidity with the aim of ensuring an uninterrupted supply of credit to the economy.
- 8.2 Excess liquidity declined to a daily average of \$5.2 billion in FY 2021/22 from \$9.7 billion in FY 2020/21. This reflects the unwinding of extraordinary liquidity positions adopted in response to the pandemic, coupled with a buoyant consolidated system credit market thus far for 2022.
- 8.3 Liquidity is further impacted by Open Market Operations (the purchase and sale of securities in the open market by a Central Bank) as well as Central Bank intervention in the foreign exchange (forex) market. In terms of the former, over the last decade the Bank has generally held an accommodative monetary policy stance as evidenced by declining OMOs and a relatively low and stable repo rate (3.5% since March 2020). Regarding the latter, the Bank's sustained intervention in the foreign exchange market is expected to continue over the short to medium-term, which will indirectly remove liquidity from the system.
- 8.4 It is expected that the excess liquidity, in keeping with monetary policy, will remain over 2022 and into 2023. Commercial bank lending rates are still expected to remain stable throughout 2022 and into 2023 given general expectations about liquidity conditions.
- 8.5 The reopening of the economy in late 2021 and resumption of regular activities set the stage for the expansion in business lending. On a year-on-year basis, lending to firms grew considerably, 13.2 per cent in September 2022 compared to a 1.8 per cent fall in September 2021. Expansions occurred in all sectors, with most recording double-digit growth.

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8.6 After nineteen months of decline, consumer lending rebounded in May 2022. Based on CBTT reporting, consumer loans recorded 4.2 per cent growth (year-on-year) in September 2022, up from a 3.2 percent contraction in September 2021. Commercial banks drove the recovery, with non-bank consumer lending remaining in negative territory. Lending for the purpose of Bridging Finance, Refinancing, Home Improvement/ Renovation, Land and Real Estate purchase and Credit Cards increased by 22.1 per cent, 9.7 per cent, 9.4 per cent, 4.5 per cent and 7.5 per cent, respectively, in September 2022. Following five quarters of decline, lending for debt consolidation rebounded in September 2022 expanding by 2.7 per cent year-on-year.

Nonetheless, declines in other categories persisted. In particular, the downtrend in Motor Vehicle loans, a major line of consumer credit, continued (5.1 per cent year-on-year decline in September 2022). Additionally, lending for Purchase of Financial Assets, Travel and Insurance purchases all declined.

The growth in real estate mortgage lending was tempered by weak non-bank lending. Although commercial bank real estate mortgage lending improved, overall real estate mortgage lending was subdued. (CBTT Monetary Policy Report – November 2022)

8.7 The policy positioning on liquidity, together with the uptick in commercial bank lending, deteriorated the Credit Union's new lending gains. Although targeted loans to members were surpassed, the volume of loans lost to competitors raced past our assumptions. Since RHAND caters for the full breadth of lending needs of its members, our competitors remain trained on infiltrating and deteriorating our market/wallet share.

8.8 Improving our service delivery, member education and overall member experience remain key to our sustainability and that of the wider Credit Union movement. In this regard RHAND remains committed to an income growth strategy that does not rely on nuisance charges and fees and will continue the review of its lending infrastructure to enhance the borrowing experience.

9. REGULATORY DEVELOPMENTS

9.1. In December 2020 an Implementation Committee established by Cabinet began work on the recommendations of the Cabinet-Appointed Committee For The Future Of The Credit Union Sector. The establishment of a new regulator, more robust performance monitoring and the tightening of financial requirements, remain among the key objectives of the Committee and it is expected, barring any new political disruptions, that major change will be coming to the Sector within the next 2-5 years.

That Committee, in conjunction with the Cooperative Development Division and the Co-operative Credit Union League of Trinidad and Tobago, has held meetings with the Credit Union Movement to present:

- the approved Policy Proposal Document (PPD) for compulsory Deposit Insurance for Credit Unions
- the Findings of the Credit Union Diagnostic Tool, used to assess the financial health of all Credit Unions.

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10. ASSET BASE GROWTH FOR 2022 AND PROJECTED GROWTH FOR 2023

- 10.1. It is against the economic assessments in Sections 6 through 9 above that RHAND experienced negative growth, recording a decrease in its asset base of \$8,043,837 or -1.02% (against targeted growth of 7.0%) for the year ended December 31, 2022 (Table B2). Through its strategic initiatives, Credit Union is targeting more modest asset base growth for 2023 of \$23,341,601 (3.00%).

Table B2: Total Assets – 2018 - 2022

Year	Total Assets		Increase/(Decrease)	
	(\$)	(\$)		(%)
2018	645,507,360	24,198,165		3.89
2019	684,780,180	39,272,814		6.08
2020	721,897,994	37,117,817		5.42
2021	786,097,214	64,199,220		8.89
2022	778,053,377	(8,043,837)		(1.02)

11. LOANS PORTFOLIO

- 11.1 The consumer credit and residential mortgage lending comprises over 140 institutions. Directly benefiting from the CBT's aforementioned liquidity policy, commercial banks reported an increase in consumer lending activity. Households continued to experience limited (if any) improvement in their cash flows, primarily affected this time by the rising cost of living.

It is against the above combination of factors that the lending market remained highly aggressive, with RHAND focused on increasing the volume of quality loans on its books while minimising the volume of existing loans lost to other lending institutions (including fellow Credit Unions).

- 11.2 RHAND has been able to take advantage of its positive momentum gained over the previous 2 years to record its highest value of new loans booked at \$187M (4% over target). This however, was significantly diluted by a higher than projected rate of principal repayments (\$39M above projections). The net result being portfolio growth of \$15.1M or 3.28% (against targeted growth of 7.00%). Refer to Table B3.

The necessary infrastructure and strategies have been put in place to ensure 2023 sees a continuation of the positive trending in the portfolio's performance.

Table B3: Gross Loan Principal Balances Outstanding 2018 – 2022

Year	Balances Outstanding		Increase/(Decrease)	
	(\$)	(\$)		(%)
2018	400,666,277	(9,286,349)		(2.27)
2019	399,781,916	(884,361)		(0.22)
2020	413,615,936	13,834,019		3.46
2021	459,354,554	45,738,618		11.06
2022	474,424,720	15,070,166		3.28

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11.3. LOAN DELINQUENCY

As at December 31, 2022, the gross delinquency ratio (all loans in arrears) improved from 8.92% in 2021 to 8.16% (Table B4). This amounted to 586 loans in arrears with a value of \$38,719,345 (a 5.47% reduction in value). Of these, 464 loans were 90 days or more in arrears and classified as non-performing (WOCCU Standard). Thus, the delinquency ratio according to the WOCCU Standard was 6.27% compared to 6.41% in 2021. In both instances, the number of delinquent loans increased while the overall value decreased, a result of loans with smaller balances becoming delinquent and more larger balances becoming current.

Additionally, based on the audit assessment of the Expected Credit Loss (ECL) model, the loan loss provision (expense) for 2022 remained just inside the budgeted \$2M at \$1.98M.

- 11.3.1 The positive movement in our delinquency statistics were significantly attributable to the implemented use of Collectors to support the recovery effort. One of the main successes from this tactic was that it allowed the Credit Union to reschedule 76 non-performing loans of those members who complied with the requirements of payment plan reviews.

The Board will continue its direct oversight of our delinquent loans and pandemic-affected members. It is expected that our continued policy support and collaboration with the Credit Committee and Credit Administration Department will continue to yield positive results.

Table B4: Delinquency Statistics (RHAND and WOCCU Standards)

Year	Number of Delinquent Loans	Total of Delinquent Loan Balances (\$)	Delinquency Ratios Total WOCCU (%)	
2018	408	28,476,864	7.11	5.63
2019	509	27,926,494	6.99	4.99
2020	580	39,714,235	9.60	6.93
2021	574	40,961,189	8.92	6.41
2022	586	38,719,385	8.16	6.27

12. SHARE CAPITAL PORTFOLIO

- 12.1. The total share capital of the Credit Union stood at \$467,983,415 as at December 31, 2022, representing an increase of \$12,005,505 or 2.63% (against targeted growth of 4.39%), over the previous year (Table B5).

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Table B5: Share Savings 2018 – 2022

Year	Share Savings (\$)	(\$)	Increase/(Decrease) (%)
2018	395,379,647	11,825,714	3.08
2019	411,696,995	16,317,348	4.13
2020	428,028,705	16,331,710	3.97
2021	455,977,910	27,949,205	6.53
2022	467,983,415	12,005,505	2.63

13. EARNINGS PERFORMANCE AND OPERATING EFFICIENCY PROFILE

13.1. For the financial year ended December 31, 2022, RHAND Credit Union realised an operating surplus of \$13,230,528 (Table B6), which represents a Net Profit Margin of 24.42% for the financial year, compared to a Net Profit Margin of 38.72% for the year 2021 financial year. This significant drop in reported performance was almost exclusively attributable to the performance of our investment portfolios as actual unrealized investment losses settled at \$4.7M against 2021 unrealized investment gains of \$2.7M (an aggregate negative movement of \$7.4M).

Table B6: Operating Surplus And Net Profit Margin 2018 – 2022

Income/Expenses Captions	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)
Interest on loans	43,432,734	41,177,963	40,447,069	41,492,313	45,304,356
Investment securities	5,903,511	9,221,595	11,132,044	10,488,764	6,955,783
Other income	2,127,062	2,124,358	1,655,813	1,518,346	1,918,294
Total Income	51,463,307	52,523,916	53,234,926	53,499,423	54,178,433
Total Expenses	30,329,483	30,034,392	31,786,475	32,785,422	40,947,905
Operating Surplus	21,133,824	22,489,524	21,448,451	20,714,001	13,230,528
Net Profit Margin	41.07%	42.82%	40.29%	38.72%	24.42%
Expenses to Income Ratio	58.93%	57.18%	59.71%	61.28%	75.58%

Table B7: Comprehensive Income And Return On Assets 2018 - 2022

Income /Assets /Return Captions	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)
Operating Surplus	21,133,824	22,489,524	21,448,451	20,714,001	13,230,528
Unrealized/Actuarial Gain(Loss)	(4,416,137)	7,293,325	(1,809,520)	18,568,081	(10,284,536)
Comprehensive Income	16,717,687	29,782,849	19,638,931	39,282,082	2,945,992
Average Assets	633,408,278	665,143,770	703,339,087	753,997,604	782,075,296
Return On Assets	2.64%	4.48%	2.79%	5.21%	0.38%

13.2 The more significant cost variances incurred for the year 2022 were under the expense items of Loan Protection expenses and Unrealized Losses on investments categorised as Fair Value Through Profit & Loss (FVTPL) which collectively totaled \$7,209,802 compared with a budgeted \$1,500,000 (an increase of 260.5%). We have been exploring a return to having a third party loan protection coverage and we are

REPORT OF THE BOARD OF DIRECTORS

well positioned to conclude this in 2023 transferring the financial risk associated with continued self-insurance of our loan portfolio.

- 13.3 Additionally, the following should be noted regarding other noticeable movements in expenditure from 2021 to 2022:
- the approximate 128% increase in Education Committee expenses was attributable to the hosting of full in-person Childrens' Christmas Parties in Trinidad and Tobago which was not budgeted for in 2022.
 - the approximate 43% increase in Stationery, computer supplies, printing and postage expenses was attributable to return of in-office work and to general price increases
 - the approximate 22.3% increase in Repairs, maintenance and cleaning expenses was due to general price increases and increased maintenance cost with the acquisition of the various (former TSTT) properties
 - the approximate 22.2% increase in advertising and promotion, was within budget and was necessary in our efforts to increase brand awareness and book quality new loans.

Table B8 details these and other major cost items.

Table B8: Expenses Highlighting Major Cost Items 2018 – 2022

Expense Line Items	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)
Personnel costs	11,475,555	12,464,320	15,171,557	13,693,917	14,098,396
Unrealised loss on investment securities at FVTPL	1,629,383	0.00	0.00	0.00	4,668,265
Loss on disposal of property and equipment	80,703	22,488	6,619	2,034	2,593,876
Interest on Savings and Time Deposits	2,225,231	2,107,835	2,162,017	2,269,756	2,226,743
Repairs, maintenance and cleaning	1,182,984	2,130,195	1,740,868	1,799,761	2,201,060
Loan protection expense	2,200,621	1,800,946	1,516,324	1,791,615	2,541,537
Advertising and Promotions	671,759	527,363	923,838	1,079,928	1,320,129
Education Committee expenses	1,048,243	1,005,005	147,660	402,740	918,797
Expected Credit Loss	346,116	1,225,595	1,939,900	3,166,471	1,984,774
Stationery, computer supplies, printing and postage expenses	1,232,248	527,363	923,838	650,075	930,186
Other expenses	13,144,571	12,804,679	11,788,195	13,940,026	7,464,142
Total Expenses	30,329,483	30,034,392	31,786,475	32,785,422	40,947,905

14. EFFICIENCY, PROFITABILITY AND FINANCIAL STRENGTH AND SOUNDNESS REVIEW

- 14.1. As a guide for assessing the strength of the Credit Union's balance sheet, the safety and soundness of the Credit Union's financial structure and the efficiency and profitability of the Credit Union's operations, the following ratios are presented in Table B9.

REPORT OF THE BOARD OF DIRECTORS

Table B9: PEARLS and EFFICIENCY RATIOS

Financial Ratio Equation	RHAND Value		Standard of Excellence	COMMENT
	2022	2021		
1) Net Institutional Capital Ratio				
$\frac{\text{Fund}^* + \text{Undivided Balances} + \text{Earnings}}{\text{Total Assets}} = \frac{\$ 99,110,732}{\$778,053,377}$ <p><i>*Reserve, Education & Building Funds</i></p>	12.74%	12.65%	Minimum of 8.00%	RHAND value more favourable than standard
2) Liquidity Adequacy Ratio				
$\frac{\text{Cash and Cash Equivalents} + \text{Inv. Securities} < 2 \text{ yrs}}{\text{Total Assets}} = \frac{\$ 91,253,763}{\$778,053,377}$	11.73%	12.24%	Maximum of 20.00%	RHAND value more favourable than standard
3) Asset Quality Ratio				
$\frac{\text{Total Delinquent Loans}}{\text{Gross Loans}} = \frac{\$ 38,719,345}{\$474,424,719}$	8.16%	8.92%	Maximum of 5.00%	RHAND value less favourable than standard
4) Total Operating Expenses To Average Asset Ratio				
$\frac{\text{Total Operating Expenses}}{\text{Average Assets}} = \frac{\$ 40,947,905}{\$782,075,296}$	5.24%	4.35%	Maximum of 5.00%	RHAND value less favourable than standard
5) Efficiency Ratio				
$\frac{\text{Non-Interest Expenses} - \text{IFRS9 Expenses}}{\text{Total Income} - \text{Interest Expenses}} = \frac{\$ 38,721,162 - \$ 1,984,774}{\$ 54,178,433 - \$ 2,226,743}$	70.71%	53.39%	Maximum of 55.00%	RHAND value less favourable than standard
6) Return On Average Members' Equity				
$\frac{\text{Comprehensive Income}}{\text{Ave. Institutional Capital} + \text{Ave Share Savings}} = \frac{\$2,945,992}{\$ 133,528,555 + \$ 461,980,662}$	0.49%	6.91%	Minimum of 5.00%	RHAND value less favourable than standard

REPORT OF THE BOARD OF DIRECTORS

15. ACTIVITIES AND SIGNIFICANT ACCOMPLISHMENTS

15.1 In spite of the performance challenges with managing the impact of the global and domestic economic issues, your Board, apart from our continuous review of governance infrastructure, was able to pursue and achieve the following for the year ended December 31, 2022:

- We moved into our new Arima Branch office at Corner Pro Queen and Green Streets
- We have been able to fully phase out our Covid restrictions for our members
- We completed the dual period Collective Bargaining negotiations (2015-2017 and 2018-2020) for our Security staff
- We resumed our membership with the Co-operative Credit Union League of Trinidad and Tobago
- We hosted in-person Children's Christmas Parties in Trinidad and Tobago – Our Trinidad instalment was disrupted at the last minute with a bad weather orange alert, but our Tobago instalment ran smoothly. Collectively, the number of children registered was an unprecedented 3,000!
- We were able to exceed our targeted number of new loans booked. This was subdued by the volume of existing loans lost to competitors. Nonetheless the efforts allowed us modest growth of the loan portfolio.

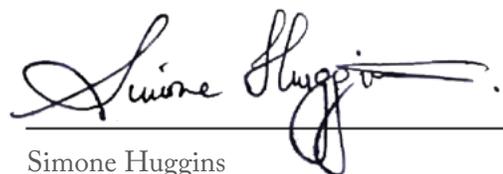
16. RECOGNITION AND BEST WISHES

16.1 The Board of Directors wishes to recognize all the individuals who have contributed to the many successes achieved by RHAND Credit Union in the Year 2022– Members of the Joint Management Team (Board of Directors and Statutory Committees), Members of Staff and most importantly you, our members.

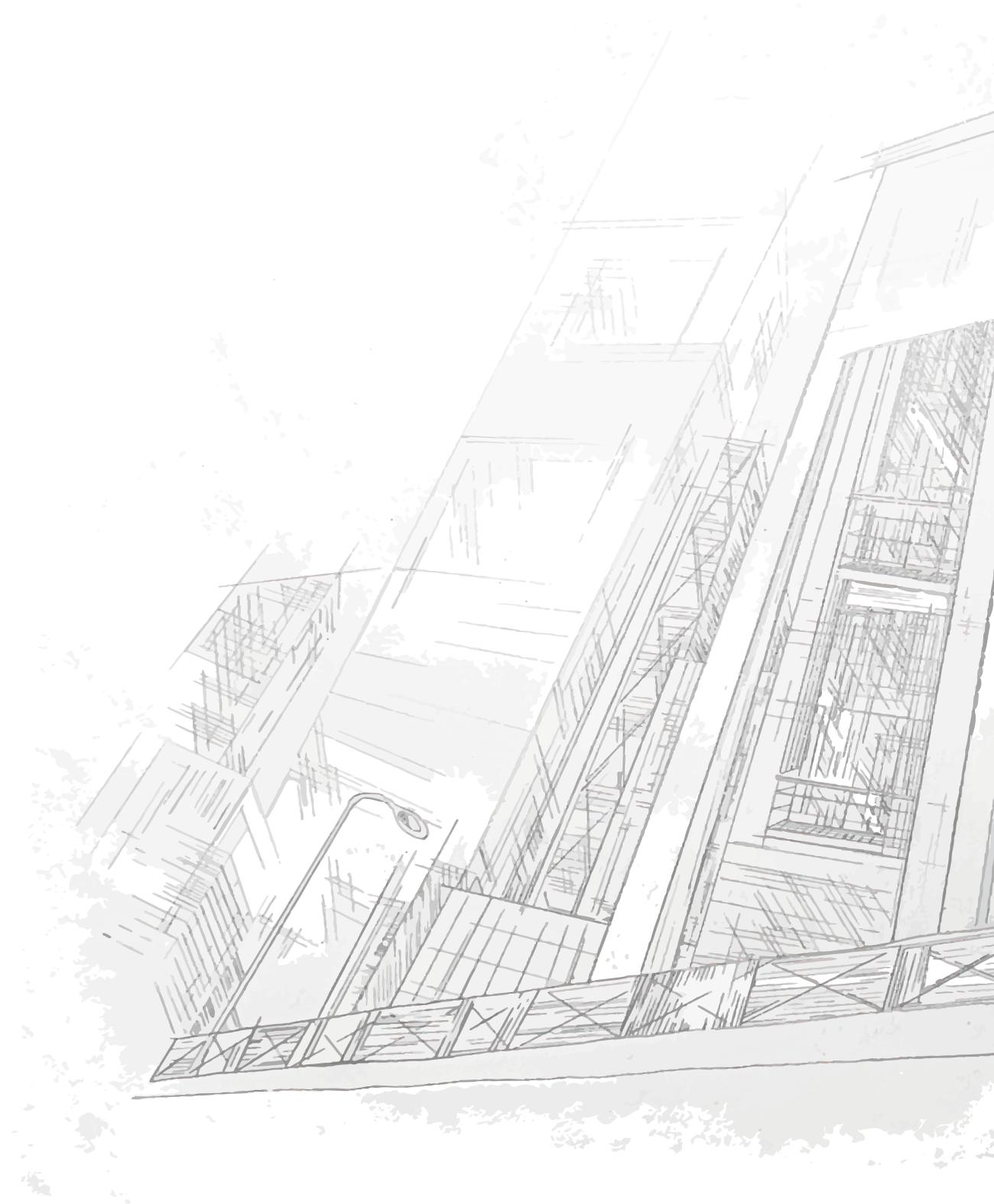
Best wishes and God's blessings to everyone for the 2023-2024 term and continue to keep yourselves and loved ones safe as the nation, our Credit Union and we as citizens navigate this time of unsettling economic challenges.



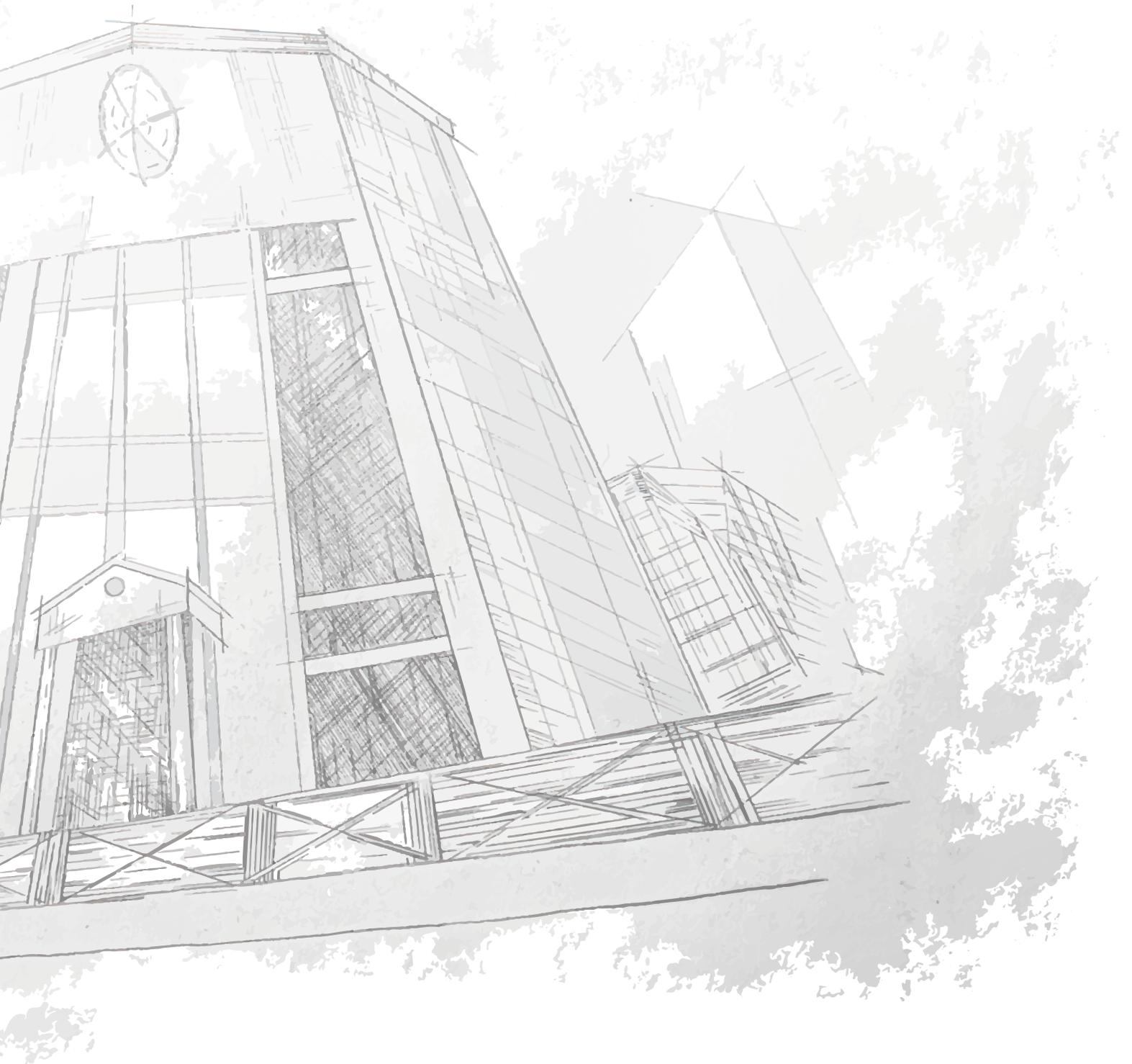
Desmond Noel
President – Board of Directors



Simone Huggins
Secretary – Board of Directors



REPORT OF
THE EDUCATION COMMITTEE



REPORT OF THE EDUCATION COMMITTEE

1. INTRODUCTION

The Education Committee is pleased to report to the Membership on the various activities in which it was engaged for the period January to December 2022.

2. OBJECTIVE OF THE COMMITTEE

The Education Committee is a feature of all organisations operating under the business model of the Co-operative Society. The Committee enables the Co-operative Principles through Education, Training and Information to its members, members' children, employees and the general public, promoting self-development, development of the Credit Union and the values and benefits of co-operation.

The Education Committee is a Board-Appointed Committee as stipulated in RHAND Credit Union's Bye-Law 21(a); which states, "This Committee shall be in charge of publicity and education and shall supply strategic support to the Board of Directors in achieving the objectives of the Society;" consequently, its strategic role is inextricably linked to the Mission, Vision and Strategic Direction of RHAND Credit Union.

3. FORMATION DETAILS

The following members were appointed by the Board of Directors to the Education Committee 2022:

- Brian Caesar - Chairperson
- Emmanuel Walker - Secretary
- Simone Huggins - Board Member
- Charlene Davidson - Board Member
- Linda Renaud-Medford - Board Member
- Gerard Sampson - Manager-Marketing

The Education Committee performs its function through the establishment of a number of Sub-Committees namely: the Social Affairs Sub-Committee, the Education Assistance Sub-Committee, and the Membership Skills Development Programme (MSDP) Sub-Committee and the Youth Sub-Committee. All work to achieve the mandate of the overarching Committee- the Education Committee through the development and approval by the Board of an Action Plan. The projects and activities of all the Sub-Committees are guided by the Action Plan. Detailed below are the activities in which the respective Sub-Committees were engaged:

Social Affairs Sub-Committee

This Sub-Committee comprised Ms. Linda Renaud-Medford (Convenor), Mr. Gerard Sampson (Manager-Marketing), Mrs. Heather Bobb-Wallace (Operations Officer), Ms. Carlene Green, Ms. Esther Inniss and Corporal Anthony Wallace.

REPORT OF THE EDUCATION COMMITTEE

The signature events, namely, the Children's Christmas parties held in Trinidad and in Tobago were planned by the Social Affairs Sub-Committee and executed by the Marketing Department. Two thousand and seventy (2070) children were registered in Trinidad and nine hundred (900) in Tobago. The Trinidad Christmas party was cancelled because of very inclement weather with associated reports of severe and widespread flooding; however, arrangements were put in place for the smooth distribution of gifts and snack bags commencing two days after the cancelled party.

Education Assistance Sub-Committee

Ms. Simone Huggins (Convenor) led this committee. Other members of the committee were Mr. Emmanuel Walker (Secretary), Ms. Shelly Slater, Ms. Sharon Jack, Ms. Judy Joseph and Mr. Gerard Sampson. Projects undertaken by this Committee were the SEA Award Programmes. Eighteen (18) children received SEA Awards, thirteen (13) from Trinidad and five (5) from Tobago.

Membership Skills Development Programme Sub-Committee

Mr. Emmanuel Walker (Convenor) led this Sub-Committee and was ably assisted by the Members of the Marketing Department.

During the period under review the projects undertaken were initiated and executed by the Marketing Department, namely, (1) the Estate Planning and Will Preparation and (2) Mental Health and Wellness Programme. These were delivered online for the development of the Membership.

Youth Sub-Committee

Ms. Linda Renaud- Medford (Convenor) led this Sub-Committee. Ms. Nefertari Thomas was elected Secretary. The other Members who constituted the Committee were: Mr. Reuben Cruickshank, Ms. Ayoka Gill, Ms. Petal Huggins, Mr. Shae Jack, Ms. Mumtaz Maharaj, Ms. Christelle Noel, Ms. Korena Peters, Ms. Tamika Serrette and Ms. Ornella Simmons.

The Youth Sub-Committee participated in four (4) activities for 2022. They were (1) The Recycling Initiative, which addressed the proper disposal of plastics in specific bins, (2) The International Coastal Clean-up Campaign, (3) The Telephone Workers Credit Union (TWCU) Co-operative Society Limited 2nd Annual Youth Debate Competition and (4) Christmas Cheer initiative through the donation of a grocery voucher of fifteen hundred dollars (\$1500.00) at Christmas time to the Society of St. Vincent De Paul (SVDP).

It is with profound sadness that the Education Committee reports the tragic loss of one of its beloved Youth Members, Ms. Christelle Noel, who departed this life on January 14th, 2023. May her soul rest in peace.

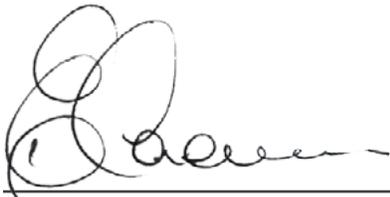
4. OTHER ACTIVITIES OF THE EDUCATION COMMITTEE

The Committee was also engaged in the planning of the Credit Union Month activities.

REPORT OF THE EDUCATION COMMITTEE

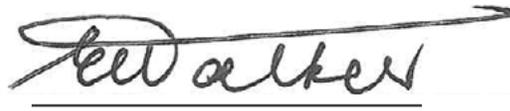
5. CONCLUSION

The Committee expresses its gratitude to: (1) The Manager and Staff of the Marketing Department for the diligence and efficiency with which all the planned projects were executed and (2) The Members who participated in the programmes. The Committee also congratulates all Awardees. May the Almighty God continue to shower his blessings on our Credit Union.



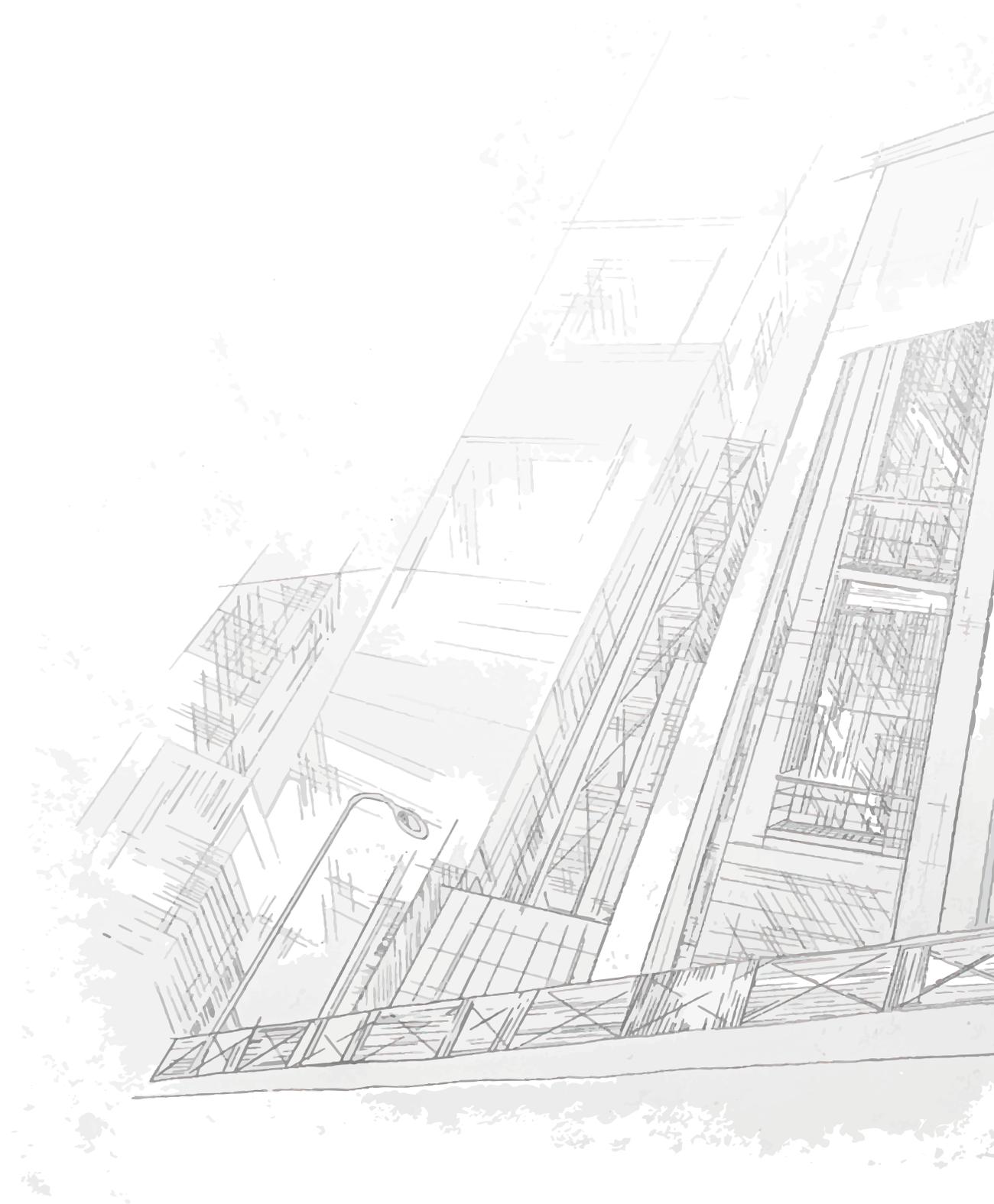
Brian Caesar

Chairperson - Education Committee



Emmanuel Walker

Secretary - Education Committee



REPORT OF
THE CREDIT COMMITTEE



REPORT OF THE CREDIT COMMITTEE

1. INTRODUCTION

1.1 For the financial year ended December 31, 2022, the Credit Committee is pleased to report on its statutory role as outlined in Regulation 34 of the Co-operative Societies Act and Section 23 (a) of the Bye-laws of the Society, that is, the Supervision of Credit.

2. COMPOSITION OF THE CREDIT COMMITTEE

2.1 At the 74th Annual General Meeting held virtually on Saturday 21st May, 2022 the following members were elected to serve on the Credit Committee.

Mr. Don Finley	-	Member
Ms. Krystal Alexander	-	Member
Ms. Carolyn Byer	-	Member
Ms. Inesha Clauzel	-	1 st Substitute
Mrs. Stacy Monroe-Frank	-	2 nd Substitute

2.2 At the first meeting of the Credit Committee, Mr. Don Finley and Ms. Patricia E. Harry were elected as Chairperson and Secretary respectively. Mr. Don Finley resigned on September 1st 2022 and Ms. Carolyn Byer was elected as chairperson on September 6th, 2022.

2.3 The full Committee for the 2022/2023 Term comprised the following members:

Ms. Carolyn Byer	-	Chairperson
Ms. Patricia E Harry	-	Secretary
Mrs. Susan Hinds Morgan	-	Member
Ms. Krystal Alexander	-	Member
Ms. Inesha Clauzel	-	Member

2.4 The term of office of the following three (3) members of the Credit Committee comes to an end at this 75th Annual General Meeting:

Ms. Patricia E. Harry
Mrs. Susan Hinds Morgan
Ms. Inesha Clauzel

3. ATTENDANCE AT MEETINGS

3.1 The members of the Credit Committee attended one hundred and three (103) Regular Meetings and six (6) Joint Management Committee Meetings. The attendance of members of the Credit Committee at Meetings is detailed at Table C1.

REPORT OF THE CREDIT COMMITTEE

TABLE C1: Attendance at Credit Committee Meetings

MEMBERS	Regular			Special			Remarks
	P	Ex.	A	P	Ex	A	
Susan Hinds Morgan	97	6	-	5	1	-	
Patricia E. Harry	97	6	-	4	2	-	
Don Finley	69	3	-	3	1	1	Replaced on September 1 st 2022
Krystal Alexander	70	2	-	4	-	-	Elected full member on May 21 st 2022(AGM)
Carolyn Byer	60	1	-	2	-	-	Elected full member on May 21 st 2022(AGM)
Inesha Clauzel	35	-	-	2	-	-	Elected 1 st Substitute on May 21 st 2022(AGM)

4. CREDIT SUPERVISION

- 4.1 One hundred and eighty-two (182) loan applications were processed by the Credit Committee. Two (02) members were interviewed to conclude the processing of their applications.
- 4.2 Of the one hundred and eight-two (182) loan applications, five (5) required sanctioning by the Board of Directors as the loans had exposures outside the lending policy.
- 4.3 Thirty-Seven (37) of the said loans recommended by the Internal Risk Review Committee (IRRC) were approved by the Credit Committee.
- 4.4 For the financial year, four thousand and twelve (4,012) loan applications were approved by the other approving authorities namely: General Manager; Credit Manager; Arima Branch Manager; Tobago Branch Manager; Senior Clerk-Lending; Senior Supervisor; Credit Officer – Tobago and Supervisor I and Clerk Lending.

When added to the loan applications approved by the Credit Committee and disbursed, the total loans granted in 2022 were four thousand, one hundred and ninety-four (4194).

- 4.5 Table C2 captures the levels at which loan approvals were granted, while Tables C3, C4a and C4b profile the classification of loans approved and disbursed.

REPORT OF THE CREDIT COMMITTEE

Table C2: Approving Authority for Loans Granted

AUTHORITY	NUMBER OF LOANS	(%) OF LOANS	APPROVAL LIMIT (\$)
Credit Committee	182	4.3	1,000,000
General Manager	141	3.4	500,000
Credit Manager	1233	29.4	500,000
Branch Manager - Tobago	330	7.9	200,000
Branch Manager - Arima	489	11.6	200,000
Senior Supervisor	272	6.5	200,000
Senior Clerk - Tobago	50	1.2	75,000
Supervisor I	236	5.6	100,000
Senior Clerk - Lending	1261	30.1	75,000
Clerk - Lending	0	0	50,000
Total	4194	100	

Table C3 Particulars of Loans Disbursed by the Credit Union

Class of Loan	2022		2021	
	Number of Loans	\$ Value	Number of Loans	\$ Value
Consumer Expenses	3,006	107,172,196	2,097	66,124,297
Debt Consolidation	238	19,575,669	424	44,267,911
Education & Training Financing	52	1,675,668	71	2,858,567
Home Improvement	701	29,664,542	756	41,651,395
Investment Financing	13	355,758	13	654,900
Medical Expenses Financing	89	1,931,879	123	2,594,727
Motor Vehicle Financing	40	5,976,022	60	7,453,923
Real Estate Financing	46	20,281,454	36	18,283,592
SME & Other Entrepreneurial Venture	9	365,773	22	1,411,418
Total	4,194	186,998,961	3,602	185,300,730

Table C4a: Particulars of Loans Disbursed by the Tobago Branch Office

Class of Loan	2022		2021	
	Number of Loans	\$ Value	Number of Loans	\$ Value
Consumer Expenses	302	10,896,907	162	4,216,749
Debt Consolidation	176	21,574,884	227	25,319,583
Education and Training Financing	83	3,055,423	41	1,148,892
Home Improvement	265	20,631,177	233	16,781,451
Investment in Financial Assets	26	1,789,815	28	1,652,160
Medical Expenses Financing	27	1,460,949	31	867,715
Motor Vehicle Financing	66	3,742,453	77	4,951,799
Real Estate Financing	4	1,150,072	8	3,152,810
SME & Other Entrepreneurial Venture	0	0	4	254,359
Total	949	64,301,680	811	58,345,518

REPORT OF THE CREDIT COMMITTEE

Table C4b: Particulars of Loans Disbursed by Arima Branch Office

Class of Loan	2022		2021	
	Number of Loans	\$ Value	Number of Loans	\$ Value
Consumer Expenses	562	8,026,284	406	6,229,640
Debt Consolidation	169	13,418,423	173	15,498,557
Education and Training Financing	85	2,338,073	54	1,480,552
Home Improvement	322	13,135,550	308	15,543,465
Investment Financial Assets Financing	8	66,110	4	88,000
Medical Expenses Financing	78	1,021,078	80	1,261,285
Motor Vehicle Financing	40	3,769,356	33	3,561,919
Real Estate Financing	4	934,746	8	2,411,000
SME & Other Entrepreneurial Venture	17	1,186,359	6	455,900
Total	1,285	43,895,979	1,072	46,530,318

5. LOAN PAYMENT DEFERRALS

5.1 The Credit Committee processed two applications on a case-by-case basis for three (3) months' deferral of payments. Both cases were recommended for approval and submitted to the Board of Directors for final consideration.

6. NON-PERFORMING LOANS

6.1 As at December 31, 2022, there were five hundred and eighty-six (586) loans in arrears with a value of \$38,719,345 on the books of the Society, resulting in a delinquency ratio of 8.16%. However, using World Council of Credit Union's (WOCCU) Standard the delinquency ratio is 6.27%.

7. ADMINISTRATION OF LOAN PROTECTION BENEFITS

7.1 The Credit Committee advised the Board of Directors on the settlement of forty (40) Death Claims/Benefits with a dollar value of one million, nine hundred and thirty-eight thousand, seven hundred and twenty-nine dollars and seventy-seven cents (\$1,938,729.77).

7.2 There was one (1) Disability Claim/Benefit for the year with a dollar value of one hundred thousand dollars (\$100,000.00).

8. SHARE SAVINGS WITHDRAWAL APPLICATIONS

8.1 The Credit Committee processed four hundred and ninety-six (496) share savings withdrawal applications. Of this figure, two hundred and ninety-six (296) applications were approved with a

REPORT OF THE CREDIT COMMITTEE

dollar value of one million, four hundred and thirty-one thousand, five hundred and eighty-five dollars and twenty-eight cents (\$1,431,585.28). Two hundred (200) of said applications with a dollar value of one million, forty-seven thousand, seven hundred and thirty-one dollars and seventy-four cents (\$1,047,731.74) were denied. In comparison to last year, 2021, the number of share withdrawal applications increased by 19.5% which were attributed to setbacks due to the COVID19 Pandemic.

9. MONITORING OF FILES

9.1 The Credit Committee monitored seventy-three (73) files in keeping with the loan policies set out by the Board of Directors.

10. PARTICIPATION ON BOARD APPOINTED COMMITTEES

10.1 During the period under review, one member of the Credit Committee served on the Annual General Meeting Planning Committee.

11. TRAINING

11.1 During the period under review, members of the Credit Committee participated in workshops as follows:

- Anti-Money Laundering (AML) Training (mandatory)
- Credit Management Training

12. CONCLUDING REMARKS

12.1 RHAND Credit Union continues to be the ideal financial institution where its members are afforded ample opportunities to invest, grow and achieve sustainable development goals in this dynamic economy.

The Credit Committee is dedicated to serving you, our loyal members, to succeed in your endeavours during these unpredictable and challenging times.

We will continue to improve communication and collaboration with all stakeholders in the Society. This co-operative approach will undoubtedly foster increased strength within the organisation as we operate using the Soundness and Safety Principles, to ensure our members' financial safety and stability.

Once again, we implore you, our members, to try to remain consistent with building your shares and increase your savings in your deposit accounts to assist with contingencies, as these options will empower you to avail yourselves in conducting your financial affairs.

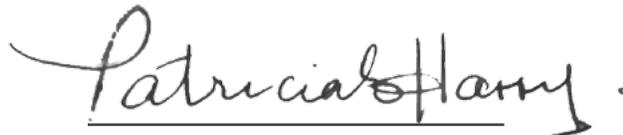
REPORT OF THE CREDIT COMMITTEE

12.2 In this regard, we would like to thank you, our members, for giving us the opportunity to render our services to you, especially during this unstable economic climate. In addition, we would like to thank the Board of Directors, the Statutory and Board Appointed Committees, the General Manager and his staff for their trust, co-operation and support as we execute our duties in keeping the organisation moving forward for future viability.

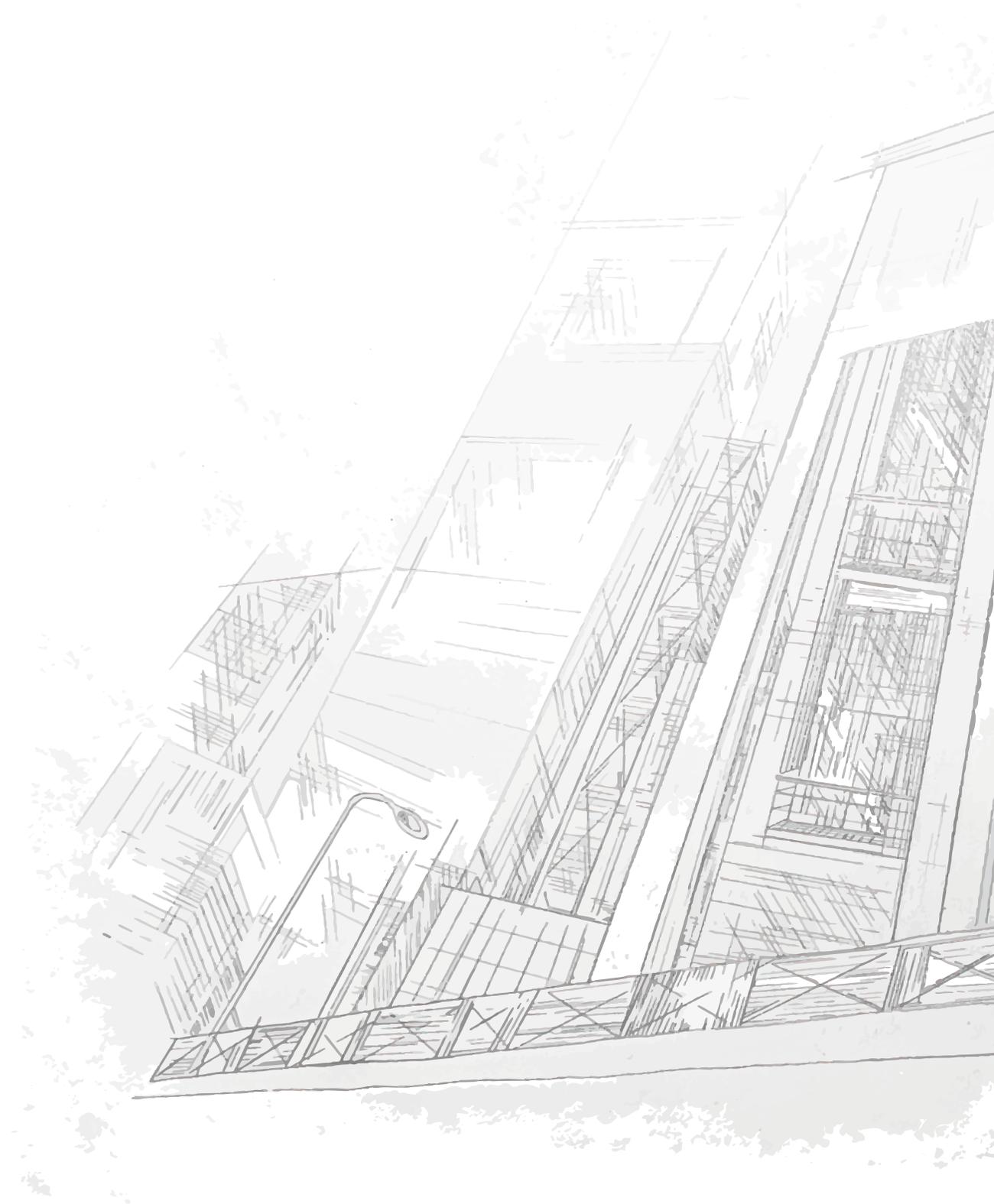
May God bless you all,



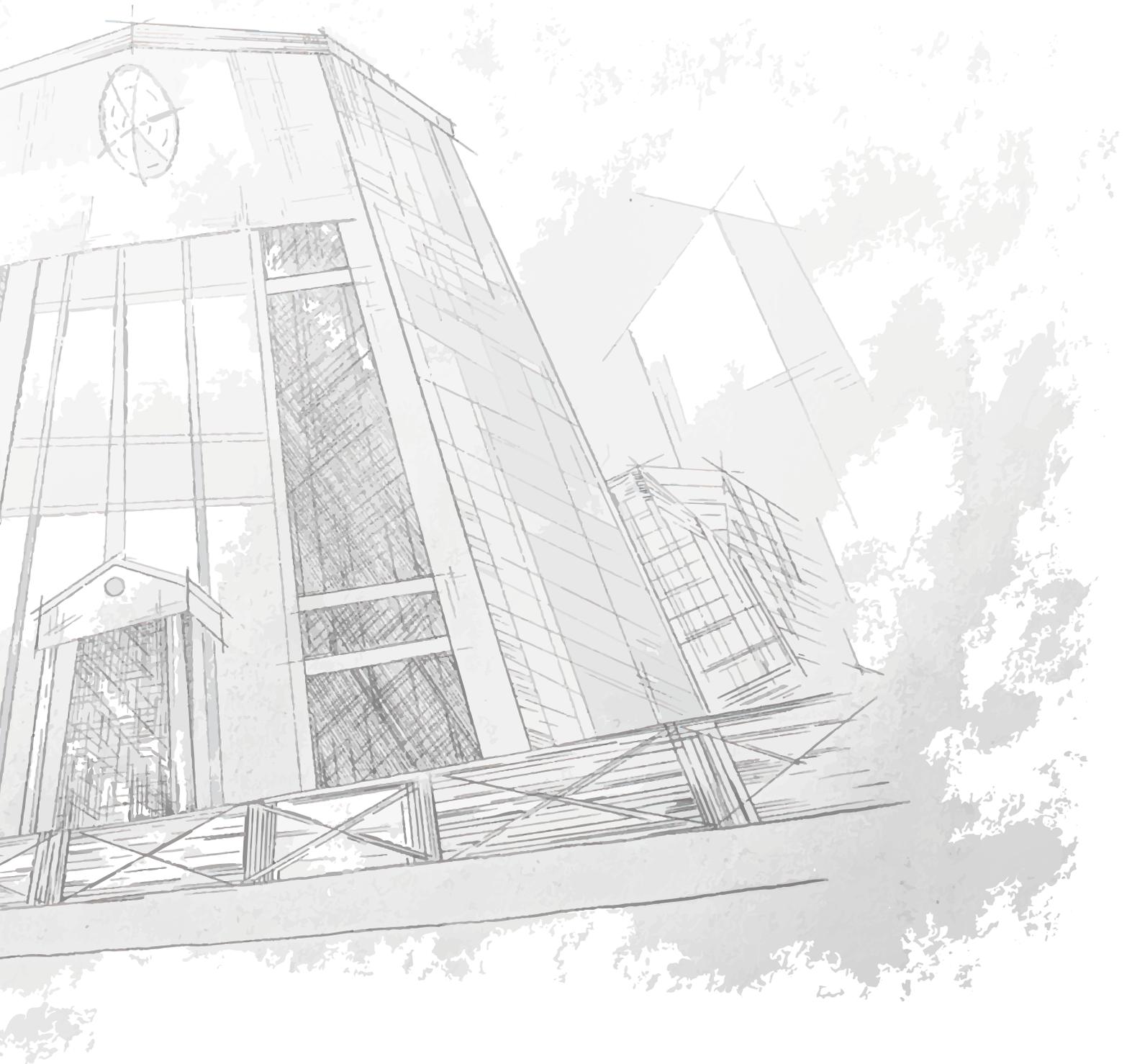
Carolyn Byer
Chairperson



Patricia E. Harry
Secretary



REPORT OF
THE SUPERVISORY COMMITTEE



REPORT OF THE SUPERVISORY COMMITTEE

1. INTRODUCTION

The Supervisory Committee extends best wishes to all RHAND members. The Committee, in accordance with the Bye-Laws of RHAND Credit Union Co-operative Society Limited, submits to the members its report for the Administrative year and Financial year of 1st January, 2022 to 31st December, 2022.

The activities conducted by the Committee during the audited period were to ensure the Credit Union complied with the various authorities that govern this institution.

2. COMPOSITION OF THE SUPERVISORY COMMITTEE

At the 74th Annual General Meeting (AGM) held on 21st May, 2022, the following members were elected to serve on the Supervisory Committee:

- Ms. Nadine Ellis
- Ms. Marisha Alexander
- Mrs. Marilyn Mora-Francis
- Ms. Chenice Peniston-Williams and Mrs. Jennifer Harvey-Bethel were elected as 1st and 2nd Substitutes, respectively.

In accordance with Bye-Law 24(c)(iii), the Inaugural meeting of the Committee was held on 25th May, 2022. Ms. Erica Charles and Ms. Nadine Ellis were elected in the positions of Chairperson and Secretary, respectively.

Further, in accordance with Bye-Law 24(c)(i), the five (5) members who comprise the Supervisory Committee for the 2022/2023 term were as follows:

- Ms. Erica Charles - Chairperson
- Ms. Nadine Ellis - Secretary
- Mrs. Patricia Williams - Member
- Ms. Marisha Alexander - Member
- Mrs. Marilyn Mora-Francis - Member

At this 75th Annual General Meeting of 2023, the term of office for the following members comes to an end:

- Ms. Erica Charles
- Mrs. Patricia Williams

REPORT OF THE SUPERVISORY COMMITTEE

3. THE AUTHORITY OF THE SUPERVISORY COMMITTEE

Bye-Law 24(a) states that the Supervisory Committee is the Statutory Internal Auditors of the Credit Union and as such, have the following powers and duties:

- Make an examination of the affairs of the Society, including an examination of its books, at least semi-annually and, if the Committee thinks it necessary, make a report of its findings to the Commissioner for Co-operative Development.
- Make an annual report of its audit and submit same to the Annual General Meeting of the members.
- Attest (at least one (1) member) the monthly statement prepared by the General Manager of the Society.

4. MEETINGS AND ATTENDANCES

4.1 Regular and Special Meetings

The Supervisory Committee held 8 Statutory Meetings and 7 Special Meetings up to the time of reporting.

A record of attendance is for the period 25th May, 2022 to 31st January, 2023 as follows:

Table S1: Attendance at Meetings

Name of Member	Statutory				Special				Remarks
	P	V	Ex	Ab	P	V	Ex	Ab	
Erica Charles	8	0	0	0	7	0	0	0	End of Term of office as a full member
Nadine Ellis	8	0	0	0	7	0	0	0	Elected as Member at the 2022 AGM
Patricia Williams	8	0	0	0	6	0	1	0	End of Term of office as a full member
Marisha Alexander	6	0	2	0	7	0	0	0	Elected as Member at the 2022 AGM
Marilyn Mora-Francis	7	0	0	1	6	0	1	0	Elected as Member at the 2022 AGM
Chenice Peniston-Williams	7	0	0	1	2	0	3	2	End of Term of office as 1st Substitute
Jennifer Harvey-Bethel	7	0	1	0	5	0	1	1	End of Term of office as 2nd Substitute

KEY: Present (P); Vacation (V); Excused (Ex); Absent (Ab)

4.2 Macro Committee Meetings

The Supervisory Committee was invited to Macro Committee Meetings called by the Board of Directors to discuss the following:

REPORT OF THE SUPERVISORY COMMITTEE

Consideration of the 2022 Budget Proposal and Implementation Plan.
Education Committee Action Plan and Budget Presentation.
The granting and approval of loans to members of the Board and Statutory Committees.

4.3 Other Meetings

Members of the Supervisory Committee participated in the work of the Board Appointed AGM Planning and AGM Brochure Committees. These meetings were for information sharing and interactions which rebounded to the benefit of RHAND.

5. WORK PROGRAMME OF THE COMMITTEE FOR JANUARY, 2022 TO DECEMBER, 2022.

For the period under review the following key areas of the operations of the Credit Union were examined and reports and recommendations were submitted to the Board of Directors:

- Attestation of the monthly Financial Statements
- Credit Administration Review
- Review of the Delinquency Portfolio
- Review of Minutes of Meetings of the Board of Directors
- Conduct of Cash Counts
- Review of Branch Operations
- Review of the Education Committee Activities
- Review of Human Resources
- Review of Anti-Money Laundering, Counter Financing of Terrorism and Proliferation Financing (AML/CFT/PF) Compliance

6. OBSERVATIONS ON AREAS OF EXAMINATION

6.1 Examination of the Financial Records and Attestation of the Monthly Statements

The monthly records and supporting documents were examined by the Committee to ensure that a reliable basis existed for the preparation of the Financial Statements.

In this regard, the Committee looked at the recommendations of the Internal Auditor Reports and the External Auditor's Management Letter and sought consultations with the General Manager and Manager of Finance.

Considering the above the Committee is of the opinion that the books and records form a reliable basis for the preparation of the Financial Statements.

REPORT OF THE SUPERVISORY COMMITTEE

6.2 Credit Administration Review

A review of loans conducted during the audited period ensured that:

- There was adherence to the Co-operative Societies Act and its supporting Regulations, RHAND's Bye-Laws and the Credit Administration Policy Manual.
- Securities held for Mortgage Loans were valid and adequate.

Methodology:

A random sample of approved loans was selected for auditing in accordance with the provisions of Bye-Law 24(b) and the Programme of Work of the Supervisory Committee.

Observation:

Loans audited were approved and granted in keeping with the provision of the Co-operative Societies Act and Regulations, RHAND'S Bye Laws, and the Credit Administration Policy Manual. The audits conducted were satisfactory and all recommendations made were brought to management's attention as it relates to the granting and disbursement of loans.

6.3 Review of the Delinquency Portfolio

Audits conducted on the delinquency portfolio were done to determine the success of implemented measures in reducing the number of non-performing loans.

As of 31st December, 2022 there were 586 non-performing loans with a value of \$38,719,345 on the books of RHAND Credit Union. This represents a Delinquency Ratio of 8.16% and a World Council of Credit Unions (WOCCU) Standard Ratio of 6.27%. The corresponding period of 2021 showed a figure of 574 non-performing loans with a value of \$40,961,189 and a delinquency ratio of 8.92% and a WOCCU Std. Ratio of 6.41%. This percentage is a further decrease from previous years, even though the number of delinquent accounts has increased. The Committee will continue to closely monitor this portfolio.

Recommendations:

Members are once again encouraged to approach RHAND in difficult times so that mutual arrangements can be made to avoid delinquency when unable to meet monthly loan commitments. In the spirit of true co-operation, let us be our brothers' keeper.

REPORT OF THE SUPERVISORY COMMITTEE

6.4 Review of Minutes of the Meetings of the Board of Directors

A review of the minutes received from the Meetings of the Board of Directors was conducted by the Committee. The main objective of the review was to monitor that decisions implemented were in accordance with the Co-operative Societies Act, the Bye-Laws of RHAND Credit Union and other regulatory requirements and to also follow-up on matters that are in progress.

In our opinion, based on the review conducted, the Board continues to make efforts to comply with the above requirements.

6.5 Conduct of Cash Counts

Statutory and mid-year Cash counts were conducted at Head Office and Arima Branch Offices on 30th June and 30th December, 2022. Due to unforeseen circumstances, the Statutory and mid-year Cash counts for Tobago were conducted prior to the start of business on the next day that RHAND was opened. These exercises did not reveal any excesses or shortages of cash. No Surprise Cash Counts were conducted during the period under review.

6.6 Audit of Branch Operations

An Audit Examination was undertaken of the Loan Portfolio at the Arima Branch Office and the Tobago Branch for the financial year ended 31st December 2022.

The objective was to ensure adherence to the Credit Policy, the Bye-Laws and the Co-operative Societies Act in the administration of Loans.

The Committee reports that loans granted were in accordance with the law, the Credit Policy and the Bye-laws. The Committee wishes to thank the Managers of these branches for the cooperation received during the audit.

6.7 Review of the Education Committee Activities

Section 21 (a) of the Bye Laws of RHAND Credit Union states the role of the Education Committee is as follows:

“This Committee shall be in charge of publicity and education and shall supply strategic support to the Board of Directors in achieving the objectives of the Society...”.

During 2022, the Committee would have held virtual meetings to meet the urgent and social needs of the membership by facilitating the following:

REPORT OF THE SUPERVISORY COMMITTEE

- Member Outreach and initiatives: Physical and Wellness programmes such as Yoga sessions, education in management practices, IT training and agricultural event;
- Children’s Christmas Party;
- Secondary Entrance Assessment Scholarship Programme;
- Credit Union Month Celebrations;
- Continuation of the recycling project spearheaded by members of the Youth Arm of the Education Committee of the Credit Union;
- Youth Beach clean-up exercise in Chaguaramas in conjunction with the International Coastal Clean-up Initiative.

Opinion

It was observed through the Education Committee’s meeting minutes, that the initiatives mentioned above were implemented while others are ongoing projects. The Education Committee’s initiatives for 2022 appeared to be successful.

6.8 Review of the Verbatim Notes of AGM 2022

A review of the Verbatim Notes of the 74th Annual General Meeting was conducted to ensure that the proceedings were duly managed, properly recorded and enquiries made by the membership were addressed. Concerns raised were noted as they pertained to feedback and promised follow up actions to be undertaken by Management.

6.9 Review of Human Resources

A Human Resources audit was conducted on RHAND Staff members. Areas identified as needing explanations or requiring corrective action, in adherence with the requisite criteria, were sent to the respective authorities for addressing. Follow-up exercises are being conducted in this area to ensure continued compliance with all the relevant requirements.

6.10 Review of AML Portfolio

The internal audit of the “Anti-Money Laundering (AML)/Counter Financing of Terrorism (CFT)/Counter Proliferation Financing (CPF)” Compliance Audit for the period January 2021 to December 2021 focused on the Credit Union’s Risk Rating Methodology and Source of Funds Declaration (SOFD) Direct Deposits. The report was reviewed to assess the Credit Union’s adherence to the Financial Intelligence Unit of Trinidad and Tobago (FIUTT), RHAND’s AML/CFT/CPF Compliance Manual and compliance to the Financial Obligations Regulations (FOR) 2010, Regulation 7 (1) and (2).

REPORT OF THE SUPERVISORY COMMITTEE

Based on the information provided in the report, the Supervisory Committee is aware of the recommendations made by the Internal Auditor. In anticipation that the recommendations will be accepted and implemented by management, the Committee intends to closely monitor these developments.

7. RELATIONSHIP WITH THE AUDIT COMMITTEE AND THE INTERNAL AUDITOR

As part of the Committee's responsibilities, joint-meetings were held with the Audit Committee and the Internal Auditor to facilitate information sharing. These discussions, along with relevant Internal Audit reports received from the Audit Committee, were utilised in an effort to assist in ascertaining whether the internal controls of the Credit Union were operating effectively in accordance with the relevant policies and procedures.

We hope to continue this cordial working relationship.

8. TRAINING

In order to remain fully informed of their obligations under the law and to keep abreast of what is happening in the Financial Services Sector, members of the Committee attended the following:

- 1) RHAND ICT Department – Training in JUICE software;
- 2) Workshop on Conduct of Meetings hosted by the Credit Union League of Trinidad and Tobago;
- 3) The Annual Anti-Money Laundering Training facilitated by NEM Consulting Limited;
- 4) RHAND Education Committee Orientation Programme for Officers on the Board of Directors and Committees;
- 5) Understanding Financial Statements hosted by the Co-operative Credit Union League of Trinidad and Tobago;
- 6) The Credit Union Leadership Conference hosted by the Central Finance Facility;
- 7) Webinar on Cyber Security for Cyber Security Awareness month, October 2022;
- 8) A webinar entitled “Empower Your Financial Future with a Credit Union “ hosted by the Trinidad and Tobago Sister Society; and
- 9) A workshop entitled “Surviving beyond Retrenchment” hosted by Telephone Workers Credit Union.

These events have resulted in the further development of the members of the Committee which will rebound to the benefit of RHAND.

8. APPRECIATION

We, the members of the Supervisory Committee, wish to express our sincerest gratitude to you, our cherished and esteemed members for trusting us to diligently serve you over the past year. Thank you

REPORT OF THE SUPERVISORY COMMITTEE

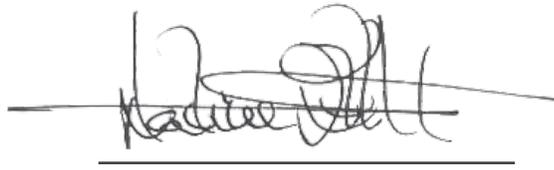
for allowing us to keenly oversee the affairs of the Credit Union to achieve transparency and optimal operations in all that was accomplished. Additionally, we thank our Heavenly Father for His continued grace and mercy amidst the challenges faced. We thank the Board of Directors, other RHAND Committees as well as the Managers and Staff for their collaborative efforts and commitment in delivering consistent and excellent service. This will ensure that RHAND Credit Union remains as a leading provider of financial products and services. May we continue to experience God's grace as we continue to strive and thrive in all that we do on our prospects in 2023 and beyond.

Respectfully submitted,

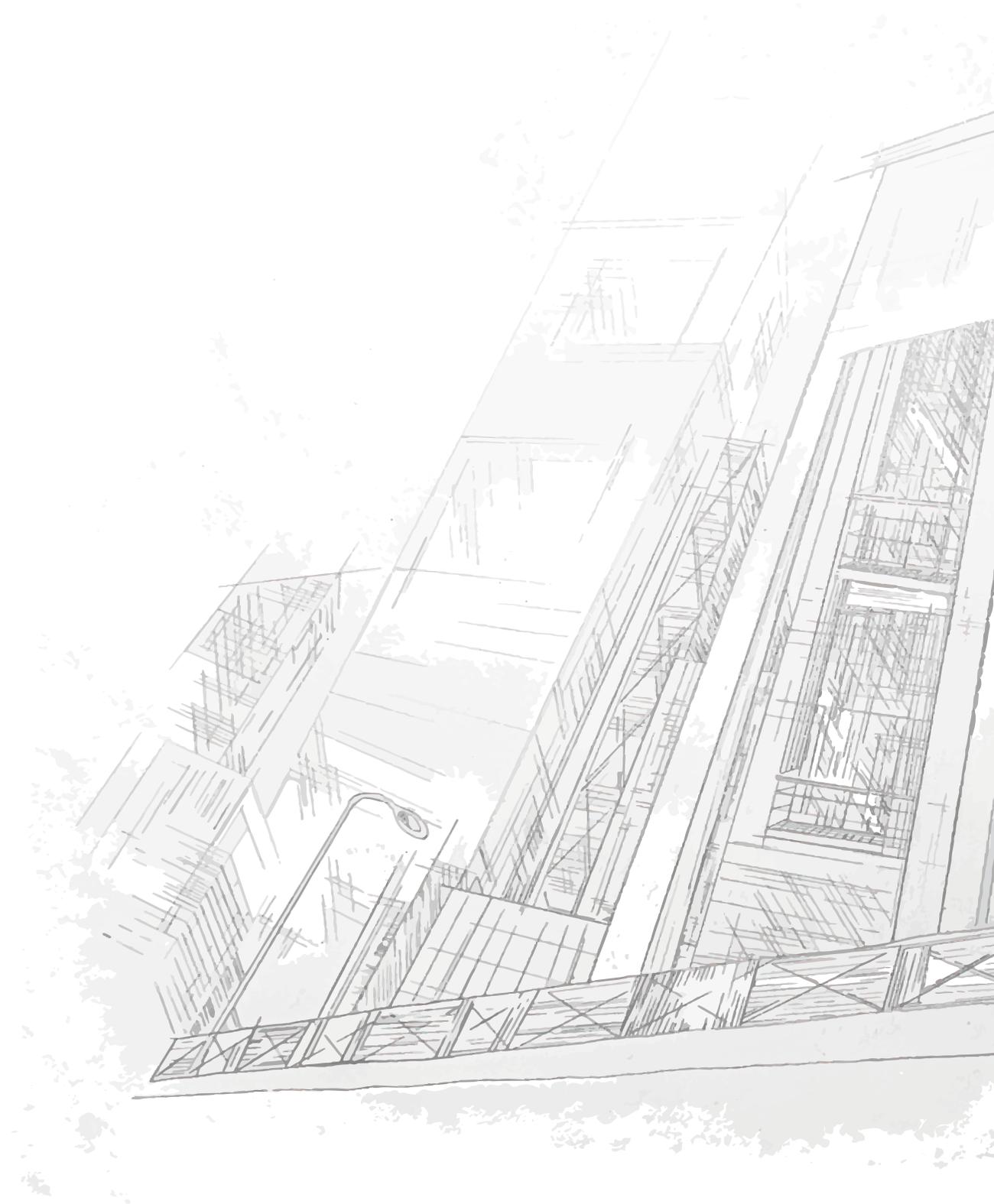
Erica Charles - Chairperson
Nadine Ellis - Secretary
Patricia Williams
Marisha Alexander
Marilyn Mora-Francis



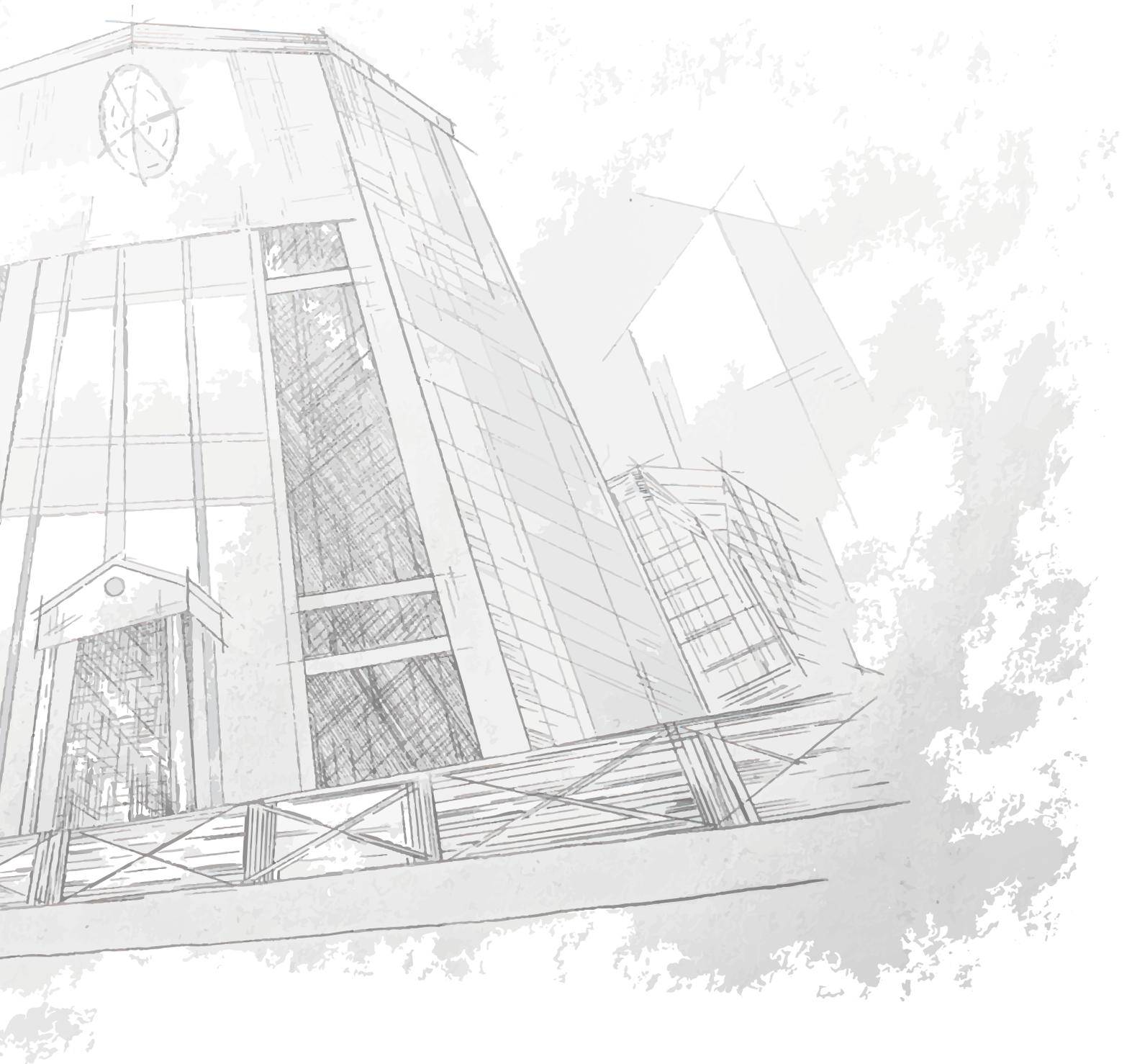
Erica Charles
Chairperson



Nadine Ellis
Secretary



REPORT OF
THE NOMINATING COMMITTEE



REPORT OF THE NOMINATING COMMITTEE

1. Composition

The Nominations Committee 2022/2023 was appointed by the Board of Directors at its 2nd Statutory Meeting held on Wednesday 29 June 2022 in accordance with Bye Law 17, to comprise:

- | | | |
|--------------------------------------|---|-------------|
| • Ms. Debra D'Abreau | - | Chairperson |
| • Ms. Beverly Trim Frank | - | Secretary |
| • Ms. Desdra Bascombe | - | Member |
| • Mrs. Michelle Superville-Craigwell | - | Member |
| • Mr. Koreen London | - | Member |

The constitution of the Committee was witnessed by Ms. Marisha Alexander, Member, Supervisory Committee at its Inaugural Virtual Meeting held on Thursday 14, July 2022.

2. Terms of Reference

The mandate of the Nominations Committee is guided by Bye Law 17 (a) which states “the selection of suitably qualified members who are willing to be considered for election to the Board and other Committees by the General Meeting.” This mandate is met through the implementation of the various phases of the Nomination Evaluation Exercises (NEE) for the determination of eligibility of persons who have willingly applied to be nominated.

3. Nominations for Annual General Meeting 2023

i. Eligibility Status

For the Term 2022/2023 the Committee assessed eligibility of Outgoing Serving Members in adherence to Bye Law 25, General Rules for Boards and Committees, Bye Laws 18, 23 and 24 for the Board of Directors, Credit and Supervisory Committees Respectively. In the exercise of due diligence consideration was also given the following:

- The findings of the Auditor’s Report Reference: IA 23 2022 and AR 07 2022 dated August 26, 2022 “Verification of Term Limit for Outgoing Board and Statutory Committee Members at the 2023 Annual General Meeting (AGM)” as accepted by the Board of Directors at its 4th Statutory Meeting held on Tuesday 30th August 2022.
- Changes which occurred during the 2022/2023 Term as informed by Board. These changes were effected due to the resignation of Mr. Don Findley as of September 1, 2022. Mr. Finley was elected as a full Member at AGM 2022 and was subsequently elected as Chair, CC. The vacancy so created was filled by Ms. Inesha Clauzel who was elected at AGM 2022 as the 1st Substitute (Bye Law 15 h iii & 25 i refers).

REPORT OF THE NOMINATING COMMITTEE

ii. Vacancies

The Secretary of the Board of Directors advised the Nominations Committee on August 26, 2022 of the vacancies to be filled for AGM 2023. The Outgoing Serving Members are:

- **Board of Directors:** In accordance with Bye Law 18 b. – 4 Serving Members and in accordance with Bye Law 15 h. iii, 2 Substitutes are to demit office are:
 - Mr. Desmond Noel,
 - Dr. Charmaine Isabelle Cummings,
 - Ms. Michele Rouff, and
 - Ms. Cheryl Ann Bruce Metivier.

In consideration of Bye Law 18 c. (Term Limits) these Outgoing Serving Members have each served one (1) 3-year Term and are therefore eligible for re-election. Ms. Rouff was elected at the AGM 2022 to serve the remaining period of one (1) year consequent to the resignation of Mrs. Glenda Bruce whose 3-year term had not expired, is eligible for re-election.

The Substitutes on the Board of Directors are: 1st Substitute Mrs. Andrea Borneo-Ragoo and 2nd Substitute Mrs. Linda Renaud-Medford (Bye Law 15 h iii refers). A minimum of six (6) persons (4 full members and 2 Substitutes) are to be identified for the BOD to fully satisfy the requirements for the constitution of the Board of Directors.

- **Credit Committee:** In accordance with Bye Law 23 b ii and Bye Law 15 h. iii, – two (2) Serving Members and 2 Substitutes are to demit office. In consideration of Bye Law 23 c. vii (Term Limits) the Outgoing Members, Ms. Patricia Harry and Ms. Susan Hinds-Morgan are in-eligible for re-election for this Term. They have to wait for one (1) year to be eligible for re-election.

An additional vacancy was created with the resignation of Mr. Don Finley who was elected at AGM 2022 as a full Member.

The Substitutes on the Credit Committee are: 1st Substitute Ms. Inesha Clauzel was elevated to serving as a full Member consequent to the resignation of Mr. Don Finley, for one (1) year. 2nd Substitute Stacy Monroe-Frank. These Members are eligible for election. A minimum of five (5) persons are to be identified for the CC – 3 full Members and two (2) substitutes, to fully satisfy the requirements for the constitution of the Credit Committee.

- **Supervisory Committee:** In accordance with Bye Law 24 c and Bye Law 15 h. iii, – two (2) Serving Members and 2 Substitutes are to demit office. In consideration of Bye Law Bye Law 24 d. vii (Term Limits) the Outgoing Members, Ms. Erica Charles and Ms. Patricia Williams are not eligible for nomination and will be required to wait one (1) year before being eligible for election.

REPORT OF THE NOMINATING COMMITTEE

The Substitutes on the Supervisory Committee are: 1st Ms. Chenice Peniston-Williams and 2nd Ms. Jennifer Harvey-Bethel. These Members are eligible for election. (Bye Law 15 h iii & 25 i refers). A minimum of four (4) persons are to be identified for the SC to fully satisfy the requirements for the constitution of the Supervisory Committee (2 full Members and 2 Substitutes).

iii. Nominees for AGM 2023

For this Term two (2) Nomination Advertising (Ad) Campaigns were conducted. The first commenced on December 14, 2022 and closed on January 09, 2023 at 4:00 pm. The second ran from February 01, 2023 and closed on February 09, 2023 at 4:00 pm as approved by the Board of Directors at the 9th Statutory Meeting held on January 25, 2023.

The First Campaign: December 14, 2022 to January 09, 2023

The receipt and opening of Nominations was undertaken at the 14th NC Meeting held on January 12 2023. The exercise was duly witnessed by representatives from the Internal Audit, RHAND and the Chairperson, Supervisory Committee. A total of fifteen (15) nominations were received and opened, of which, nine (9) were for the Board of Directors (BOD), two (2) for the Supervisory Committee (SC) and four (4) for the Credit Committee (CC). The distribution revealed that the nominations for the Board of Directors was oversubscribed and those for the Credit and Supervisory Committees was below expectation. At the 9th Statutory Meeting held on January 25, 2023 the Board approved the Nominations AD Campaign to be re-opened for the Board of Directors and Statutory Committees from February 01 to be closed on February 09, 2023 at 4:00pm.

The Second Campaign: February 01, 2023 to February 09, 2023.

The opening and receipt of Nominations was conducted at the 19th NC Meeting held on February 10, 2023. The exercise was duly witnessed by a representative from Audit, RHAND. These nominations were reviewed by the Chairperson Supervisory Committee at a later date. A total of eleven (11) nominations were received and opened, of which three (3) were for the Board of Directors, three (3) for the Supervisory Committee and five (5) for the Credit Committee.

iv. Assessment of Nominations

A Total of twenty-six (26) nominations were received from both Campaigns. These candidates were assessed for eligibility criteria and it was determined that six (6) nominations could not progress in the Nomination Process as :

- One (1) candidate for the Board of Directors withdrew from Nomination - AGM2023.
- One (1) candidate submitted a duplication of Nomination Form for the Supervisory Committee, one by email and one delivered by hard copy to the Drop Box. This was treated as one (1) nomination.

REPORT OF THE NOMINATING COMMITTEE

- Three (3) candidates, one (1) for the Credit Committee and two (2) for the Board of Directors did not complete Section 3 Declaration of the Nomination Form. One (1) candidate for the Board also did not sign the Nomination Form.
- One (1) candidate, an Outgoing Serving Member, did not meet the eligibility criteria of Bye law 25 (b).

As such, twenty (20) nominations met all eligibility criteria, in accordance with the Bye Laws, and found to be in Good Financial Standing.

v. Nomination Interviews

For the first time, an accommodation was made for the candidates from Tobago to attend their virtual interviews at RHAND, Tobago Branch Office. Thanks to the collaboration between Ms. Brenelle Plante Manager, Tobago Branch Office and Mr. Koreen London, Member, Nominations Committee, in Tobago, the initiative undertaken to ensure that the virtual interviews of candidates in Tobago were efficiently conducted, proved highly successful.

The twenty (20) candidates were scheduled to be interviewed from Friday March 3 to Monday March 6, 2023. Nineteen (19) were interviewed as one (1) candidate for the Credit Committee did not attend the scheduled interview and was automatically disqualified.

Candidates were interviewed by a Panel of six (6) comprising an Independent Interviewer and the five (5) Members of the Nominations Committee. Nominees were assessed on the subject matter issues related to the Credit Union environment and were scored on a scale of 1 to 5, with 1 being unsatisfactory; 2 need improvement; 3 meets expectations, 4 exceeds expectations and 5 Outstanding.

vi. Recommendation

Based on the results of the rigorous Nominations Evaluations Exercise a recommendation is made that the nineteen (19) Nominees selected have been deemed to be suitably qualified for election at the Annual General Meeting 2023. These Nominees are:

REPORT OF
THE NOMINATING COMMITTEE

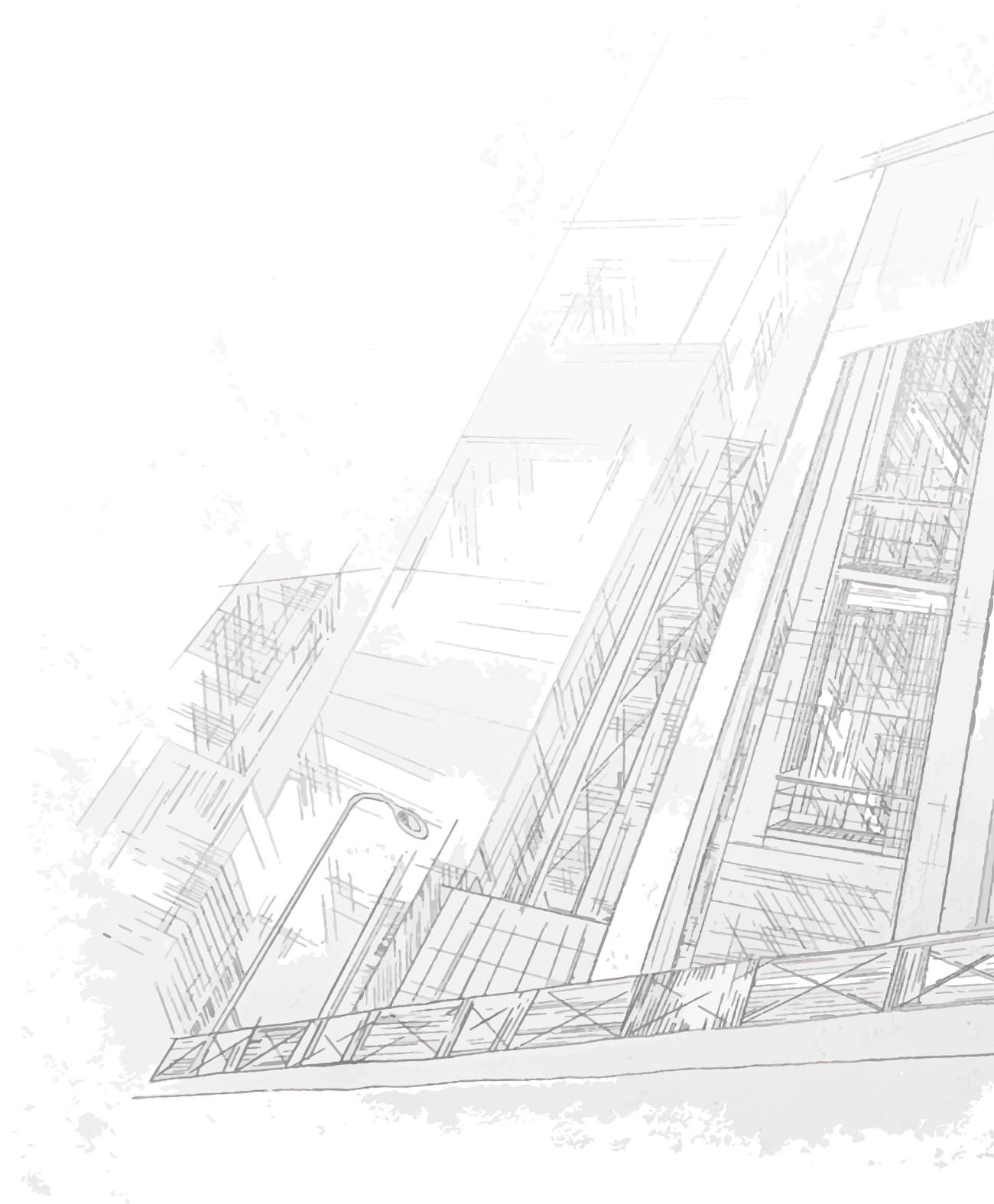
Board of Directors (7)	Credit Committee (5)	Supervisory Committee (7)
Charlene Glenna Roberts	Inesha Clauzel	Carlene Greene
Desmond Benedict Noel	Nathifa Lewis	Claudette Allison Browne
Ivor Superville	Sandra Price	Fanta Pierre-Sandy
Linda Renaud Medford	Stacy Munroe-Frank	Mary Lou Edmund Marcano
Martin Gibbs	Tesfa Watson	Michelle Burris
Pamela Ogiste		Renee Sampson Phillips
Tracy-Ann Riley McLeod		Sparkle Anicia Innis



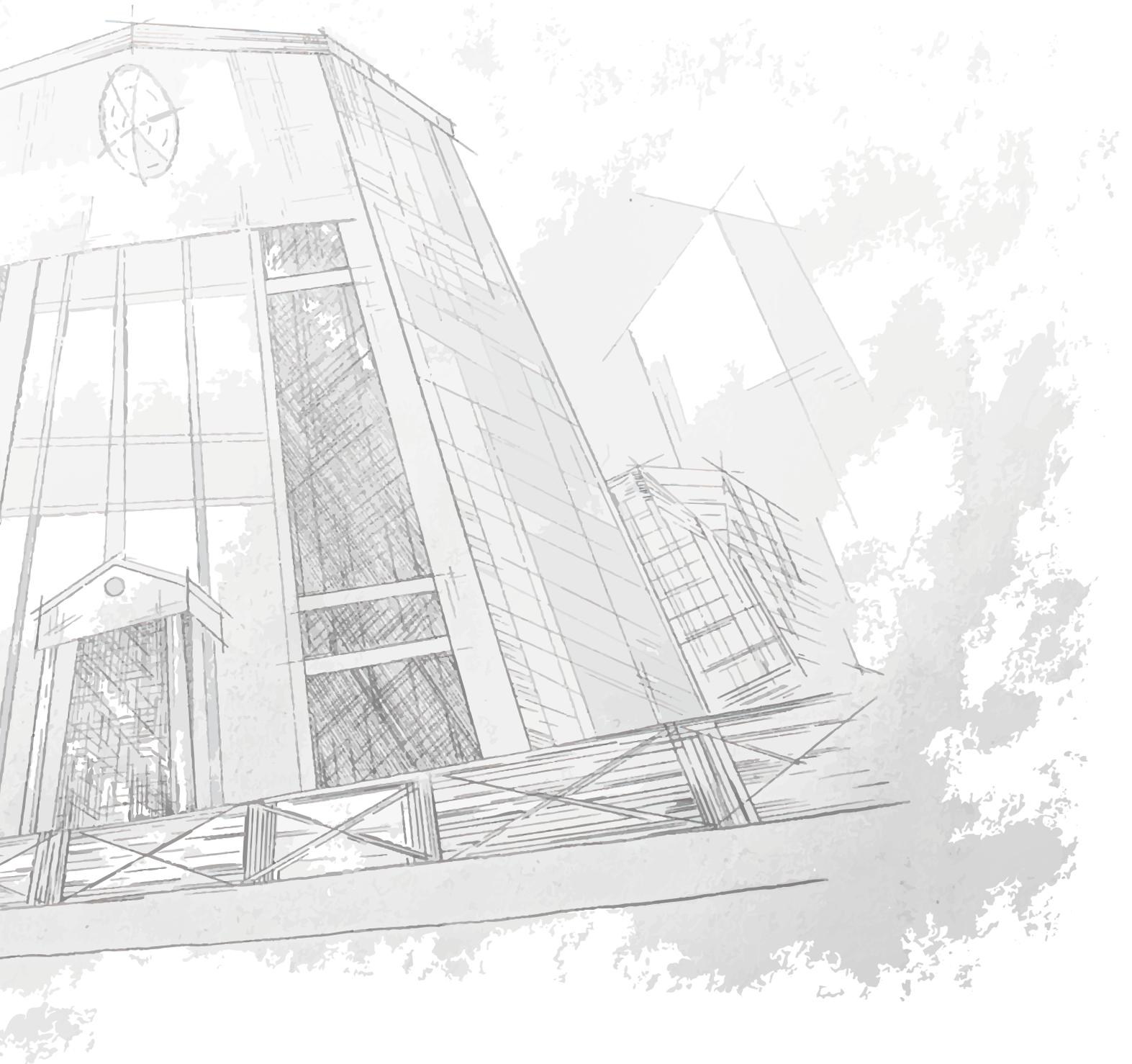
Debra D'Abreau
 Chairperson



Beverly Trim Frank
 Secretary



FINANCIAL STATEMENTS



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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of RHAND Credit Union Co-operative Society Limited (the "Credit Union") which comprise the statement of financial position as at December 31, 2022, the statement of comprehensive income, statement of changes in institutional capital, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- Ensuring that the Credit Union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures the security of the Credit Union's assets, detection/prevention of fraud, and the achievement of the Credit Union's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



Ainsley Andrews
General Manager



Lister Puckerin
Manager, Finance

Date: March 29th, 2023

Date: March 29th, 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of RHAND Credit Union Co-operative Society Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in institutional capital, 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, 2022, and of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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

Auditor's 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 auditor's report that includes our opinion.

INDEPENDENT AUDITOR'S REPORT

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 scepticism 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.
- 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.

The logo for BDO, consisting of the letters 'BDO' in a stylized, blue, handwritten font.

March 29th, 2023
Port of Spain,
Trinidad, West Indies

STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

As at December 31, 2022	Notes	2022	2021
ASSETS			
Cash and cash equivalents	7	32,287,954	31,603,458
Investment securities	8	219,494,235	240,846,263
Accounts receivable and prepayments	9	6,577,314	7,846,074
Net loans to members	10	459,466,000	446,380,744
Property and equipment	11	60,227,874	59,420,675
TOTAL ASSETS		\$778,053,377	\$786,097,214
MEMBERS' EQUITY AND LIABILITIES			
MEMBERS' EQUITY			
Reserve fund		38,340,179	36,888,461
Education fund		4,147,256	4,399,467
Loan protection fund	15	2,507,663	3,716,027
Building fund		17,500,000	17,500,000
Investment re-measurement reserve		25,936,491	36,322,227
Undivided earnings		39,123,297	40,676,021
TOTAL MEMBERS' EQUITY		127,554,886	139,502,203
LIABILITIES			
Accounts payable and accruals	12	15,622,753	15,071,196
Members' deposit savings		86,538,169	86,999,876
Members' time deposits		80,354,154	88,444,829
Retirement benefit obligation	13	-	101,200
Members' share savings	14	467,983,415	455,977,910
TOTAL LIABILITIES		650,498,491	646,595,011
TOTAL MEMBERS' EQUITY AND LIABILITIES		\$778,053,377	\$786,097,214

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

On March 29th, 2023, the Board of Directors of RHAND Credit Union Co-operative Society Limited authorised these financial statements for issue.

Desmond B. Noel. Davidson

President

Davidson

Treasurer

Charles

Member, Supervisory Committee

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

For the year ended December 31, 2022	Notes	2022	2021
Income			
<i>Interest income</i>			
<i>calculated using the effective interest rate method:</i>			
- Loans		45,304,356	41,492,313
- Investment securities		6,907,088	7,776,906
Unrealised gain on investment securities at FVTPL		-	2,711,858
Realized gain on foreign investment securities		48,695	-
Other income	19	1,918,294	1,518,346
Total income		54,178,433	53,499,423
Expenditure			
Administrative expenses	20	(12,465,015)	(9,165,610)
Board and committees' expenses	21	(1,142,320)	(848,247)
Life savings insurance expense		(743,412)	(932,007)
Loan protection expense	15	(2,541,537)	(1,791,615)
Expected credit loss expense - loans to members	10	(1,961,213)	(2,957,737)
Expected credit loss expense - investment securities		(23,561)	(208,734)
Interest on members' deposits		(2,226,743)	(2,269,756)
Member education, training and development expenses		(918,797)	(402,740)
Salaries and staff benefits	22	(14,098,396)	(13,693,917)
Green fund levy		(158,646)	(157,720)
Realized loss on foreign investment securities		-	(357,339)
Unrealised loss on investment securities at FVTPL		(4,668,265)	-
Total expenditure		(40,947,905)	(32,785,422)
Net surplus for the year		13,230,528	20,714,001
Other comprehensive income			
Unrealised (loss)/gain on investment securities at FVOCI	23	(10,385,736)	17,926,481
Net actuarial gain on retirement benefit obligation	13	101,200	641,600
Total other comprehensive (loss)/income		(10,284,536)	18,568,081
Total comprehensive income for the year		\$2,945,992	\$39,282,082

STATEMENT OF CHANGES IN MEMBERS' EQUITY

(Expressed in Trinidad and Tobago Dollars)

For the year ended December 31, 2022

	Reserve Fund	Education Fund	Loan Protection Fund	Building Fund	Investment Re- measurement Reserve	Undivided Earnings	Total
Year ended December 31, 2022							
Balance as at January 1, 2022	36,888,461	4,399,467	3,716,027	17,500,000	36,322,227	40,676,021	139,502,203
Total comprehensive income for the year	-	-	-	-	(10,385,736)	13,331,728	2,945,992
Appropriation for the year:							
- 10% to the Reserve Fund	1,333,173	-	-	-	-	(1,333,173)	-
- 5% to the Education Fund	-	666,586	-	-	-	(666,586)	-
- 10% to the Loan Protection Fund	-	-	1,333,173	-	-	(1,333,173)	-
- Transfer to Building Fund	-	-	-	-	-	-	-
	38,221,634	5,066,053	5,049,200	17,500,000	25,936,491	50,674,817	142,448,195
Dividends	-	-	-	-	-	(14,893,309)	(14,893,309)
Entrance fees	118,545	-	-	-	-	(118,545)	-
Member education, training and development expenses	-	(918,797)	-	-	-	918,797	-
Loan protection expense	-	-	(2,541,537)	-	-	2,541,537	-
Balance as at December 31, 2022	\$38,340,179	\$4,147,256	\$2,507,663	\$17,500,000	\$25,936,491	\$39,123,297	\$127,554,886

Year ended December 31, 2021

Balance as at January 1, 2021	34,601,831	3,734,427	3,372,082	16,750,000	18,395,746	36,614,626	113,468,712
Total comprehensive income for the year	-	-	-	-	17,926,481	21,355,601	39,282,082
Appropriation for the year:							
- 10% to the Reserve Fund	2,135,560	-	-	-	-	(2,135,560)	-
- 5% to the Education Fund	-	1,067,780	-	-	-	(1,067,780)	-
- 10% to the Loan Protection Fund	-	-	2,135,560	-	-	(2,135,560)	-
- Transfer to Building Fund	-	-	-	750,000	-	(750,000)	-
	36,737,391	4,802,207	5,507,642	17,500,000	36,322,227	51,881,327	152,750,794
Dividends	-	-	-	-	-	(13,248,591)	(13,248,591)
Entrance fees	151,070	-	-	-	-	(151,070)	-
Member education, training and development expenses	-	(402,740)	-	-	-	402,740	-
Loan protection expense	-	-	(1,791,615)	-	-	1,791,615	-
Balance as at December 31, 2021	\$36,888,461	\$4,399,467	\$3,716,027	\$17,500,000	\$36,322,227	\$40,676,021	\$139,502,203

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

STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

For the year ended December 31, 2022	2022	2021
Cash flows from operating activities		
Net surplus for the year	13,230,528	20,714,001
Adjustments for non-cash items:		
Depreciation	824,132	1,028,554
Expected credit loss on loans to members	1,961,213	2,957,737
Expected credit loss on investment securities	23,561	208,734
Loss on disposal/write-off of property and equipment	2,593,876	2,034
Unrealised (loss)/gain on investment securities at FVTPL	4,668,265	(2,711,858)
Retirement benefit asset – IAS 19 adjustment	-	(183,900)
Operating cash flow before changes in operating assets and liabilities	23,301,575	22,015,302
Decrease/(increase) in accounts receivable and prepayments	1,268,760	(1,645,953)
Increase in net loans to members	(15,046,469)	(45,698,298)
Increase in accounts payable and accruals	551,557	1,525,171
(Decrease)/increase in members' deposit savings	(461,707)	10,628,479
Decrease in members' time deposits	(8,090,675)	(1,111,626)
Increase in members' share savings	12,005,505	27,949,205
Net cash generated from operating activities	13,528,546	13,662,280
Cash flows from investing activities		
Proceeds from disposal of property and equipment	9,760	-
Purchase of property and equipment	(4,234,967)	(21,573,740)
Proceeds from sale or maturity of investments net of purchases of investments	6,274,466	17,721,948
Net cash provided by/(used in) investing activities	2,049,259	(3,851,792)
Cash flows from financing activities		
Dividends distribution	(14,893,309)	(13,248,591)
Net cash used in financing activities	(14,893,309)	(13,248,591)
Increase/(decrease) in cash and cash equivalents	684,496	(3,438,103)
Cash and cash equivalents, beginning of year	31,603,458	35,041,561
Cash and cash equivalents, end of year	\$32,287,954	\$31,603,458

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

1. Incorporation and Business Activities

RHAND Credit Union Co-operative Society Limited (the “Society” or “Credit Union”) was registered under the Co-operative Societies Act of Trinidad and Tobago Ch: 81:03 on March 27, 1947. The registered office of the Credit Union is located at 57-61 Abercromby Street, Port of Spain, with branch operations in Arima and Scarborough, Tobago. Its objectives are to promote the economic and social welfare of its members, to encourage the spirit and practice of thrift, self-help and co-operation among members and to promote the development of co-operative ideas.

2. Basis of Accounting

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in Trinidad and Tobago dollars. These financial statements are stated on a historical cost basis, except for the measurement at fair value of investments securities and certain other financial instruments.

3. Use of Judgements and Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 6.

4. Significant Accounting Policies

(a) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided using both the reducing balance method and the straight-line method. Land is not depreciated.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Car park	10%	Straight line
Building	2%	Straight line
Furniture, fixtures and fittings	10%	Reducing balance
Office equipment	20%	Reducing balance
Telephone facilities	331/3%	Reducing balance
Other equipment	121/2%, 331/3%	Reducing balance
Motor vehicles	25%	Reducing balance
Computer facilities	20%	Reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

(b) Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, investment securities, loans to members, accounts receivable, accounts payable, members' deposit savings, members' time deposits and members' share savings. The standard treatment for recognition, derecognition, classification and measurement of financial instruments is described in notes (i) – (iv) below.

i. Recognition and initial measurement

The Society initially recognises financial instruments on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value less transaction costs. However, for an item not measured at Fair Value through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue are included in the carrying value initially recognised.

ii. Classification

The Society classifies all of its financial assets based on the business model for managing the asset and the asset's contractual terms, measured at either:

- Amortised cost
- Fair Value through Other Comprehensive Income ("FVOCI")
- FVTPL

The Society only measures cash and cash equivalents and loans to members and other financial investments at amortised cost if both of the following conditions are met:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

- The financial asset is held within a business model with the objective to hold the financial asset in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

Business model assessment

The Society determines its business model at the level that best reflects how the Society manages its financial assets to achieve its business objective.

The Society's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported by the Society's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- The expected frequency, value and timing of sales are also important aspects of the Society's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Society's original expectations, the Society does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As the second step of its classification process, the Society assesses the contractual terms of financial instruments to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Credit Union applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Financial assets or financial liabilities held for trading

The Society classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit-taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in the statement of comprehensive income. Interest and dividend income or expense are recorded in the statement of comprehensive income according to the terms of the contract, or when the right to payment has been established.

iii. Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Society has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Society measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Society uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Society determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Society measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Society recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

iv. Impairment

The Society recognises loss allowances for Expected Credit Loss (“ECL”) on the following financial instruments that are not measured at FVTPL:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Society measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Society expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Society if the commitment is drawn down and the cash flows that the Society expects to receive.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see (iv)) and ECL is measured as follows.

- If the expected restructuring will not result in the derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in the derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Society assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- the significant financial difficulty of the borrower or issuer;
- a breach of contracts such as a default or past due event;
- the restructuring of a loan or advance by the Society on terms that the Society would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Society cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Society presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision, and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the investment remeasurement reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Society 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. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Society's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(c) Dividends payable to members

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the value of shares held at the end of each month.

(d) Foreign currency

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

(e) Provision

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

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

(f) Retirement benefit

The Society operates a defined benefit plan for all employees who completed at least three months of continuous service with the Credit Union and attained the age of eighteen (18) years but not yet sixty (60) years at the time of enrolment. Provision was made for pension benefits based on employees' salaries. Pension benefits were based upon contributions made by employees and the Credit Union during employment and determined by actuarial valuations of the Pension Fund Plan. International Accounting Standard 19 – Employee Benefits, requires the use of actuarial techniques on an annual basis to measure the present value of the defined benefit obligation, the related current service cost and the actuarial gains and losses that are recognised in the financial statements.

The Plan was established by Trust Deed dated August 18, 1988, made between the RHAND Credit Union Co-operative Society Limited and Republic Bank Limited and is approved by the Board of Inland Revenue and registered with the Inspector of Financial Institutions. Its operations are governed by the aforementioned Trust Deed, Rules and the applicable laws of the Republic of Trinidad and Tobago. The Trustee, Republic Bank Limited has elected to fund the benefits by way of a Deposit Administration Contract with the Pan-American Life Insurance Company Limited. Effective March 31ST, 2022 the Trustee wound up the Plan and all assets were distributed to the members of the Plan.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(g) Taxation

The profits arising from the Society are exempt from income tax, as per the Corporation Tax Act section 6 (1) (d). The Society pays Green Fund Levy at 0.3% of its gross receipts.

(h) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances that are payable on demand and deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are disclosed as current liabilities.

(i) Members' deposit savings and time deposits

Members' deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Members' deposits are subsequently measured at amortised cost, using the effective interest rate method.

(j) Members' shares

Upon opening an account at the Society, new members are required to subscribe for a minimum of one share. Subsequently, every member subscribes at least twelve shares per annum to his/her share capital in the Society. Members can withdraw all or any portion of their unencumbered shares from the Society at any time.

Members' shares are classified as other financial liabilities under the International Accounting Standard (IAS) 32 Financial Instruments: Disclosure and Presentation and are measured at par value.

(k) Accounts payable and accruals

Liabilities for creditors and other payables are classified as accounts payable and accruals and initially measured at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortised cost using the effective interest rate method.

(l) Funds and reserves

Included within this financial statement caption are the following funds and reserves:

i. Reserve Fund

In accordance with the Act (Section 47(2)) and Bye-Law 58 of the Society, at least 10% of the net surplus of each year is transferred to the Reserve Fund. The reserve fund is indivisible, and no member is entitled to any specific share thereof.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Under Regulation 47 of the Co-operative Society Act 1971, the Reserve Fund of a Society may, with the approval of the Commissioner, be applied to meet bad debts or losses sustained through extraordinary circumstances over which the Society has no control.

ii. Education Fund

In accordance with Bye-law 12 (A) (v.) of the Credit Union, an amount of 5% of the net surplus for the year, is transferred to the education fund. This fund is to be used for educational purposes.

iii. Loan Protection Fund

The Loan Protection Fund provides loan protection coverage for members, which allows the loan balance, up to a maximum of \$100,000, to be liquidated in the event of the death of the member before his/her indebtedness to the Credit Union has been repaid.

iv. Building Fund

The building fund was established for the construction and or expansion of the Society's offices. In accordance with Bye-law 12 (A) (v.) of the Credit Union, an amount of \$750,000 of the net surplus for the year is transferred to Building Fund for the year ended December 31, 2021. No amounts were transferred during the year ended December 31, 2022.

v. Investment Re-Measurement Reserve

The Society created an investment measurement reserve to include unrealised gain/losses on investments recorded as fair value through other comprehensive income.

(m) Revenue recognition

Revenue comprises interest on loans to members, which is computed on the effective interest rate method, as well as income from investments.

The interest charged on loans to members is calculated at rates varying between 0.5% and 1.5% per month on the reducing balance and is recognised on the accrual basis net of provisions for expected credit losses.

All other income is recognised on an accrual basis.

(n) Leases

The Society accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

- There is an identified asset;
- The Society obtains substantially all the economic benefits from the use of the asset; and
- The Society has the right to direct use of the asset.

The Society considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Society obtains substantially all the economic benefits from the use of the asset, the Society considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Society has the right to direct use of the asset, the Society considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Society considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Society applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

The Society has one lease which will end in the short-term and as such has been exempted from IFRS 16 requirements.

(o) New, revised and amended standards and interpretations not yet effective

i. New and amended standards adopted by the Society

There were no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2022, that were adopted and had a material impact on the Society.

ii. New standards, amendments and interpretations issued but not effective and not early adopted

- In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of January 1, 2022, however, in July 2020 this was deferred until January 1, 2023 as a result of the COVID-19 pandemic. These amendments are expected to have a significant impact on many entities, with more liabilities being classified as current, particularly those with covenants relating to borrowings. The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after January 1, 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

- In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.
- In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.
- In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.
- Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Society and have not been disclosed.

iii. Standards and amendments to published standards early adopted by the Society

The Society did not early adopt any new, revised or amended standards.

(p) Comparative figures

Certain changes in presentation have been made during the year and comparative figures have been restated accordingly.

5. Financial Risk Management

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

(a) Interest rate risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(i) Investment securities

The Society invests mainly in medium-term bonds consisting of fixed-rate instruments. The market values of the fixed-rate bonds are not very sensitive to changes in interest rates. The market values of the floating rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are not traded, any changes in market values will not impact the statement of comprehensive income.

(ii) Loans to members

The Society generally invests in fixed-rate loans for terms not exceeding five years, however, the Society has a significant mortgage loan portfolio with terms ranging from 6 to 30 years. All loans are funded mainly from members' deposits and shares.

(b) Credit risk

Credit exposures arise principally in lending activities that lead to loans. Credit risk relates to the failure by counterparties to discharge their obligations and could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. All lending activities are conducted with various counterparties and it is in pursuing these activities that the Society becomes exposed to credit risk.

It is expected that this area of business will continue to be the principal one for the Society in the future and with loans currently comprising a significant portion of the Society's assets and being responsible for a substantial portion of the revenue generated, it is anticipated that the Society will continue to be exposed to credit risk well into the future. The management of credit risk is therefore of utmost importance to the Society and an appropriate organizational structure has been put in place to ensure that this function is effectively discharged; management therefore carefully manages its exposure to credit risk. Exposure to credit risk is managed through appropriate credit policies, procedures, practices and audit functions, together with approved limits. Exposure is also managed by obtaining tangible collateral.

i. Credit risk management

In its management of credit risks, the Society has established an organizational structure that supports its lending philosophy. This structure comprises the Board of Directors, the Credit Committee, the Internal Risk Review Committee (IRRC), the General Manager, the Credit Administration Department, the Internal Audit Department, and the Supervisory Committee. The Board of Directors maintains general oversight to ensure that policies and procedures are consistent with the strategic direction and credit philosophy of the Society and that they serve to bring the required level of protection over assets that are exposed to credit risks. The Board also sanctions amendments to credit policies, the delegation of lending authority to senior management and credit requests exceeding the authority of management.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

The Credit Committee, the statutory body appointed by the membership to approve loans and to provide oversight of the loan portfolio, has delegated authority for specific areas to the General Manager, with an appropriate reporting system, to facilitate day to day decision making and timely implementation of decisions. The IRRC reviews all credit requests exceeding the authority of the General Manager. The major focus of the Manager, Credit Administration Department is to formulate credit policies, monitor compliance with them and on a continuous basis to assess their relevance to the changing business environment. Most of these policies and procedures are established and communicated through the Society's written Credit Policy Manual and Credit Procedures & Guidelines Manual. These documents set out in detail the current policies governing the lending function and provide a comprehensive framework for prudent risk management of the credit function. Major areas of focus are general credit criteria and control risk mitigants over the Credit Portfolio among others. The Internal Audit Department monitors the effectiveness of credit procedures and policies and may recommend changes to strategies to improve the effectiveness of policies.

ii. Credit risk measurement

As part of the on-going process of prudent risk management, the Society's policy is to perform Credit Bureau credit checks at the time of approval in addition to a pre-set ranking (Credit Classification System). The ranking is guided by a model developed for the Society for this purpose. The model utilizes a scale incorporating a rating of 0 to 15 with 0 being too new to rate. These have been consolidated into five (5) rating bands which have been set in relation to the total credit portfolio. The rating process is exercised at the discretion of the Delinquency Control Unit of the Credit Administration Department.

iii. Credit classification system

The Society's Credit Classification System is outlined as follows:

Classification	Description	Rating
Pass	Standard/Pass	1, 2, 3
SM	Special mention	0, 4, 5, 6, 12
SS	Substandard	7, 8, 13, 14
D	Doubtful	9, 10
L	Loss	11, 15

iv. Risk limit control and mitigation policy

The Society structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. The Society monitors its concentration of credit exposure so that no single borrower default will have a material impact on the Society. These limits are implemented and monitored by the Manager, Credit Administration via the stipulations of the Society's Credit Policy Manual. In instances where it is strategically beneficial and adequately documented, the Society would seek approval on an exception basis for the variation to its standard approved limits from the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Collateral

The principal collateral types for loans and advances are:

- Cash deposits;
- Cash equivalents such as cash surrender values of life insurance policies and shares listed on the TTSE;
- Mortgage Bills of Sale over motor vehicles; and
- Mortgages over residential properties.

The Society does not take a second or inferior collateral position to any other lender on advances outside the lending value calculated as per the Society's stipulated guidelines. The Society recognizes that the value of items held as collateral may diminish over time resulting in loans being less protected than initially intended. To mitigate the effect of this, margins are applied to security items in evaluating coverage. The Society assesses the collateral value of credits at the point of inception and monitors the market value of collateral during periodic review of loan accounts in arrears as per the Credit Policy.

v. Impairment and provisioning policies

The Society's impairment policy is covered in detail in Note 4(b).

The Society's impairment provisioning model was developed using a multi-criteria decision-making model for determining Expected Credit Loss. The data used to develop this model are based on records and data of the Society backed by economic and financial estimates based on management's experience and professional judgment.

The model calculates an unbiased and probability-weighted estimation of Expected Credit Loss utilizing the following approach:

$$\text{Expected Credit Losses (ECL)} = \text{EAD} \times \text{LGD} \times \text{PD}$$

Where,

- EAD – Exposure at Default
- LDG - Loss Given Default
- PD – Probability of Default

The model utilized the following inputs:

1. The paper from the World Council of Credit Unions (WOCCU) on IFRS 9 Loan Loss Accounting for Cooperative Financial Institutions;
2. Expert judgment - As provided by the internal (and MBA qualified) IFRS 9 Project team comprising the General Manager (former Credit Manager), Finance Manager, the Senior Supervisor in charge of delinquency management and the Acting Senior ICT Administrator.
3. The implementation of IFRS 9 impairment requirements by banks, detailed by the Global Public Policy Committee of representatives of the six largest accounting networks (GPPC).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Exposure at Default (EAD)

The Exposure at Default is the principal amount that is estimated to be at risk of non-recoverability at default. This is reflective of the carrying value of the asset adjusted for the expected changes in the exposure after the reporting date. These changes are influenced by various factors given that each loan type has unique features and equally unique credit exposures. The Society's Exposure at Default (EAD) factors these variables by firstly stratifying the portfolio of assets by type.

In assessing the Society's loan portfolio it was determined that all loans fall into three broad categories/ types based on the interest rate, contractual period, collateral, and purpose. These types are:

- Instalment- for which loans are typically partially secured by the assignment and typically experience reducing exposures over the life of the loan.
- Motor Vehicles - for which loans are typically fully secured by the assignment and typically remain with coverage at par or with small exposures over the life of the loan.
- Real Property (Mortgages) - for which loans are typically fully secured by the assignment and typically remain with a buffer of coverage during the life of the loan.

Adjusting for value of member shares held

The Society's standing policy on loans requires the drawdown on shareholdings (cash) associated with a given loan upon delinquency (30 days past due). Further to this, once encumbered, members are not permitted to withdraw shares that are held against borrowings.

As such, according to policy and operating practice, the credit loss exposure is reduced by the carrying value of the encumbered shares being that encumbered shares would be liquidated by the time default occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

As at December 31, 2022

Stage	Type	Balance	Shares held	EAD
Stage 1 - Performing Loans	Consumer	250,802,066	153,655,283	127,631,614
	Motor Vehicle	21,778,251	10,756,842	12,765,834
	Mortgage	163,417,439	55,727,790	118,809,008
	Total Performing Loans	435,997,756	220,139,915	259,206,456
Stage 2 - Under performing Loans	Consumer	4,332,768	1,653,359	2,717,637
	Motor Vehicle	592,061	131,126	515,602
	Mortgage	3,762,856	524,159	3,258,201
	Total Under Performing Loans	8,687,685	2,308,644	6,491,440
Stage 3 - Non-performing Loans	Consumer	17,669,087	2,374,474	15,307,213
	Motor Vehicle	1,663,845	63,673	1,627,008
	Mortgage	10,406,347	381,274	10,025,073
	Total Non-Performing Loans	29,739,279	2,819,421	26,959,294
	TOTAL	\$474,424,720	\$225,267,980	\$292,657,190

As at December 31, 2021

Stage	Type	Balance	Shares held	EAD
Stage 1 - Performing Loans	Consumer	234,714,558	115,553,717	119,160,841
	Motor Vehicle	26,812,766	10,155,050	16,657,715
	Mortgage	156,866,040	45,734,734	111,131,306
	Total Performing Loans	418,393,364	171,443,501	246,949,862
Stage 2 - Under performing Loans	Consumer	6,184,755	2,241,313	3,943,442
	Motor Vehicle	419,830	73,794	346,036
	Mortgage	4,921,832	492,043	4,429,789
	Total Under Performing Loans	11,526,417	2,807,150	8,719,267
Stage 3 - Non-performing Loans	Consumer	13,520,906	1,531,619	11,989,287
	Motor Vehicle	2,309,636	139,236	2,170,400
	Mortgage	13,604,231	252,383	13,351,848
	Total Non-Performing Loans	29,434,773	1,923,238	27,511,535
	TOTAL	\$459,354,554	\$176,173,889	\$283,180,664

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Probability of Default (PD)

This is the likelihood of a member defaulting (90 days past due). In estimating the likelihood of a borrower's default (PD), the Society used an internal benchmark which examined the delinquency rate of each loan type portfolio stratified by stages for the period 2018-2022.

An average rate for stage 1 and 2 was calculated using delinquency data over a five-year period and adjusted utilizing forward-looking assumption which historically had a material impact on the Society's credit quality. For stage 3, a 100% probability of default was applied on the basis that the default criteria were met by all loans at this stage.

The probability of default was calculated as follows:

$$PD = AR \times (1+WF1+WF2+WF3)$$

Where,

- AR = Average Delinquency Rate (Over a 5-year period)
- W = Weighting by the correlation between delinquency and key economic factors
- F = Economic Factor (Four year average unemployment rate, GDP and Inflation rate)

Loss Given Default (LGD)

This is the share of a member's loan principal that is expected to be unrecoverable if a borrower defaults, expressed as a percentage (or expected loss percentage). The Default is defined as 90 days or more past due.

LGD was determined for each of the 9 sub-buckets based on a different rationale applied to each of the 3 primary buckets. The respective details follow:

Calculation of Loss Given Default (LGD)

Using WOCCU's guidelines for establishing expected loss percentages, the option of a 3-Year Weighted Average approach was determined to be best. The formula was expressed as:

$$ex = (3L0 + 2L1+L2)/6$$

Where:

- ex = the expected loss percentage for each Sub-bucket.
- L0 = losses as a percentage of face value incurred on similar loans over the previous 12 months.
- L1 = losses as a percentage of face value incurred on similar loans 12-24 months ago
- L2 = losses as a percentage of face value incurred on similar loans 24-36 months ago

This metric was calculated using information extracted from the Society's Annual Report for the year ended December 31, 2021 (Note 5(b)(vii)(c)-Individually Impaired).

L0 was represented by the ratio of Impairment allowance / Loans to members for 2022.

L1 was represented by the ratio of Impairment allowance / Loans to members for 2021.

L2 was represented by the ratio of Impairment allowance / Loans to members for 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Expected Credit Loss

The final ECL is measured in a way that reflects the time value of money. This meant that cash shortfalls associated with default are discounted back to the statement of financial position date, using the effective interest rate (EIR) (i.e. the same rate used to recognize interest income) or an approximation and the weighted average time to maturity on the portfolio.

The ECL for Stage 1 of the portfolio (12 Month ECL) was calculated by dividing the average ECL (ECLA) balance for these assets by the portfolio. Stage 2 and 3 (Lifetime ECL) incorporated the weighted average time to maturity as its time factor (5.77 years).

Thus $ECL = ECL / (1 + EIR)^t$

The ECL provision for the loan portfolio of the Society for the year ended December 31, 2022, is estimated to be \$14,958,719 (2021: \$12,973,810).

vi. *Maximum exposure to credit risk before collateral held or other credit enhancement*

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

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

	2022	2021
Cash and cash equivalents with banks and other financial institutions	31,532,735	31,016,121
Investment securities	170,980,907	181,911,781
Accounts receivable	6,233,385	7,375,575
Loans to members (gross)	474,424,720	459,354,554
	\$683,171,747	\$679,658,031

The above table represents a worst-case scenario of credit risk exposure to the Society without taking account of any collateral held or other credit enhancements attached.

Financial assets that are neither past due nor impaired

	2022	2021
Cash and cash equivalents	31,532,735	31,016,121
Investment securities	170,980,907	181,911,781
Accounts receivable with full repayment expected	6,233,385	7,375,575
Loans to members	435,705,374	418,393,364
	\$644,452,401	\$638,696,841

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

vii. Loans to members and other financial assets

(a) Neither past due nor impaired

The composition of the portfolio of loans to members that were neither past due nor impaired on an individual basis is illustrated below by loan type.

	2022	2021
Consumer	250,515,363	234,714,558
Motor vehicles	21,778,251	26,812,766
Mortgages	163,411,760	156,866,040
Total	\$435,705,374	\$418,393,364

(b) Past due but not impaired

Loans to members less than 90 days past due are not considered impaired unless other information is available to indicate the contrary. The gross amount of loans to customers that were past due but not impaired on an individual basis are as follows:

	Up to 31 days	32 to 61 days	62 to 90 days	Total
As at December 31, 2022				
Consumer	2,582,506	1,951,825	85,140	4,619,471
Motor vehicles	274,930	317,131	-	592,061
Mortgages	2,803,159	965,375	-	3,768,534
Total	\$5,660,595	\$3,234,331	\$85,140	\$8,980,066
Fair value of collateral	\$3,083,254	\$2,550,000	\$-	\$5,633,254
As at December 31, 2021				
Consumer	4,150,865	1,874,473	159,416	6,184,754
Motor vehicles	292,946	49,594	77,290	419,830
Mortgages	2,954,843	1,966,989	-	4,921,832
Total	\$7,398,654	\$3,891,056	\$236,706	\$11,526,416
Fair value of collateral	\$3,761,248	\$3,021,311	\$104,400	\$6,886,959

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(c) Individually impaired

	Consumer	Motor Vehicles	Mortgages	Total
As at December 31, 2022				
Loan to members	17,669,087	1,663,845	10,406,347	29,739,279
Fair value of collateral	1,029,570	299,483	9,488,761	10,817,814
Impairment allowance	(12,631,879)	(1,312,776)	(2,244,472)	(16,189,127)
As at December 31, 2021				
Loan to members	13,520,906	2,309,636	13,604,231	29,434,773
Fair value of collateral	1,583,324	604,539	13,650,827	15,838,690
Impairment allowance	(10,254,785)	(1,207,510)	(2,077,625)	(13,539,920)

Upon initial recognition of loans to customers, the fair value of the collateral is based on valuation techniques commonly used for the corresponding assets. In the subsequent periods, the fair values are referenced by market values for cash and cash equivalents; written down market value for motor vehicles based on annual discounting, and written down market value (at initial assignment) as outlined in the Credit Policy for real property.

(d) Loans to customers restructured

Restructuring activities include extended payment arrangements and modification of payment. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to instalment loans. In some cases, restructuring results in the assets continuing to be impaired but in most cases, restructuring is geared to facilitate correction of the root cause of impairment which eventually improves collectability of the assets.

	2022	2021
Number of loans restructured	72	286
Value of restructured loans	\$7,624,688	\$27,289,087

viii. Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. The Society does not assume the title of these assets, and as a result, they are not included in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

No real and personal properties valued held as collateral, were repossessed during the year ended 2022 (2021: No properties).

(c) *Liquidity risk*

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

The Society can make daily calls on its available cash resources to settle financial and other liabilities.

Risk management

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

Liquidity gap

The Society's exposure to liquidity risk is summarized in the table below which analyses the discounted cash flow of financial assets and liabilities based on the remaining period from the statement of financial position date to the contractual maturity date.

As at December 31, 2022	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Cash and cash equivalents	31,532,735			31,532,735
Investment securities	158,766,914	40,712,898	20,014,423	219,494,235
Accounts receivable	6,233,385			6,233,385
Loans to members (gross)	23,294,500	222,074,523	229,055,697	474,424,720
Total financial assets	219,827,534	262,787,421	249,070,120	731,685,075
Financial liabilities				
Members' savings and time deposits	166,892,323	-	-	166,892,323
Members' shares	467,983,415	-	-	467,983,415
Accounts payable	12,222,478	-	-	12,222,478
Total financial liabilities	647,098,216	-	-	647,098,216
Net position	\$(427,270,682)	\$262,787,421	\$249,070,120	\$84,586,859

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

As at December 31, 2021	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Cash and cash equivalents	31,016,121	-	-	31,016,121
Investment securities	65,414,729	34,497,748	140,933,786	240,846,263
Accounts receivable	7,375,575	-	-	7,375,575
Loans to members (gross)	24,006,645	236,904,590	198,443,319	459,354,554
Total financial assets	127,813,070	271,402,338	339,377,105	738,592,513
Financial liabilities				
Members' savings and time deposits	175,444,705	-	-	175,444,705
Members' shares	455,977,910	-	-	455,977,910
Accounts payable	12,701,466	-	-	12,701,466
Total financial liabilities	644,124,081	-	-	644,124,081
Net position	\$(516,311,011)	\$271,402,338	\$339,377,105	\$94,468,432

(d) Currency risk

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

(e) Operational risk

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. Supervisory controls are also installed to minimise human error.

(f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Commissioner of Co-operative Development in the Ministry of Labour and Small and Micro Enterprise Development, as well as by the monitoring controls applied by the Society.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(g) Reputation risk

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

(h) Fair value

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

As at December 31, 2022	Carrying Value	Fair Value
Financial assets		
Cash at bank	31,532,735	31,532,735
Investment securities	219,494,235	217,798,675
Accounts receivable	6,233,385	6,233,385
Loans to members	474,424,720	474,424,720
	\$731,685,075	\$729,989,515
Financial liabilities		
Members' savings and time deposits	166,892,323	166,892,323
Members' shares	467,983,415	467,983,415
Accounts payable	12,222,478	12,222,478
	\$647,098,216	\$647,098,216
As at December 31, 2021		
Financial assets		
Cash at bank	31,016,121	31,016,121
Investment securities	240,846,263	239,814,700
Accounts receivable	7,375,575	7,375,575
Loans to members	459,354,554	459,354,554
	\$738,592,513	\$737,560,950
Financial liabilities		
Members' savings and time deposits	175,444,705	175,444,705
Members' shares	455,977,910	455,977,910
Accounts payable	12,701,466	12,701,466
	\$644,124,081	\$644,124,081

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

6. Significant Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in the process of applying the Society's accounting policies. See Note 4.

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

Changes in accounting estimates are recognised in the statement of comprehensive income in the period in which the estimate is changed if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

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

- i. Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- ii. Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of modes used to measure ECL.
- iii. Impairment of financial instruments: determining inputs into the ECL measurement model, including the incorporation of forward-looking information. Determination of fair value of financial instruments with significant unobservable inputs.
- iv. Measurement of defined benefit obligation: key actuarial assumptions
- v. Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- vi. Which depreciation method for property and equipment is used.

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

- i. Impairment of assets

IFRS 9 dictates that entities are to develop an impairment model that would reflect the general pattern of deterioration in the credit quality of financial instruments and in which the amount of expected credit losses recognized as a loss allowance or provision would depend on the level of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

deterioration in the credit quality of financial instruments since initial recognition. As such, RHAND has developed a three-stage model for its loan portfolio stratified (as defined by Note 4)

ii. Property and equipment

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

7. Cash and Cash Equivalents

	2022	2021
Cash in hand and at bank	2,882,396	7,222,976
Money Market Mutual Fund holdings and fixed deposits	27,168,289	22,075,250
Cash at broker	2,237,269	2,305,232
	\$32,287,954	\$31,603,458

8. Investment Securities

	2022	2021
Investment securities measured at FVTPL	75,161,843	85,462,278
Investment securities measured at FVOCI	94,961,688	104,598,048
Investment securities measured at amortised cost	49,370,704	50,785,937
	\$219,494,235	\$240,846,263

Investment securities measured at FVTPL

First Citizens Investment Services Limited Medium-Term Fixed Rate Notes	8,500,000	8,500,000
Guardian Asset Management and Investment Services Limited – Fixed Rate Note	-	3,036,083
Bourse Securities Limited - Repurchase Agreement	29,233,544	27,750,176
KCL Capital Market Brokers Limited – Assets Under Management	4,059,477	6,617,127
KCL Capital Market Brokers Limited – Participation Investment Certificate	-	890,663
Firstline Securities Limited – Commercial Paper Secured Notes	7,172,788	6,856,480
KSBM Asset Management Limited - Equities	16,196,034	20,811,749
Caribbean Finance Company Limited – Certificate of Deposit	-	1,000,000
Police Credit Union Co-operative Society Ltd – Direct Deposit	9,000,000	9,000,000
NCB Merchant Bank – Fixed Deposit	1,000,000	1,000,000
Total investment securities measured at FVTPL	\$75,161,843	\$85,462,278

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

	2022	2021
Investment securities measured at FVOCI		
Quoted equities		
Republic Bank Limited	2,028,420	2,045,495
Prestige Holdings Limited	1,141,616	1,272,502
Grace Kennedy Company Limited	673,500	915,000
Guardian Holdings Limited	512,810	570,000
Massy Holdings Limited	1,423,350	1,660,575
West Indian Tobacco Company Limited	1,468,599	1,992,150
One Caribbean Media Limited	118,800	158,760
Sagicor Financial Corporation	281,063	332,865
Jamaica Money Market Brokers Limited	434,907	521,433
Ansa McAl Limited	750,355	866,769
Scotiabank Trinidad and Tobago Limited	1,218,516	1,068,600
Royal Bank of Canada	201,343	227,140
National Commercial Bank of Jamaica	228,000	400,500
Angostura Holdings Limited	480,000	650,000
CLICO Investment Fund	645,310	737,195
First Citizens Bank Limited	14,830,088	17,764,735
Trinidad and Tobago NGL Limited	1,926,546	1,734,805
Exchange Traded Funds (ETF):		
First Citizens Investment Services Limited	3,954,071	5,204,209
Mutual Fund Units		
Trinidad and Tobago Unit Trust Corporation		
- Calypso Macro Index Fund	4,212,107	3,315,914
- Growth and Income Fund	57,969,947	62,680,591
First Citizens Investment Services Limited	462,340	478,810
Total investment securities measured at FVOCI	\$94,961,688	\$104,598,048
Investment securities measured at Amortised cost:		
Bonds:		
Government of the Republic of Trinidad and Tobago	9,994,798	7,593,389
Housing Development Corporation	195,418	195,097
National Insurance Property Development Company	1,226,157	1,209,317
National Infrastructure Development Company Limited	86,616	102,586
Trinidad and Tobago Mortgage Finance Company Limited	2,348,193	4,009,523
First Citizens Bank Limited	822,968	821,770
National Investment Fund	9,852,201	9,838,980
Methanol Holding Limited	5,244,181	5,118,182
Guardian Holdings Limited	5,012,700	5,033,333
HADCO Holdings Limited	14,938,633	17,191,360
Less: Allowance for expected Credit Loss	(351,161)	(327,600)
Total investments securities measured at amortised cost	\$49,370,704	\$50,785,937

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

9. Accounts Receivable and Prepayments

	2022	2021
Interest receivable on investments	1,336,636	1,988,374
Interest receivable on loans	1,967,524	1,893,792
CUNA Payment Protector & FIP Claims & FIP Payable	877,127	1,495,334
Other receivables and prepayments	1,542,676	1,433,613
Staff members' loans	403,351	584,961
LINCUCU settlement advance & reserve	450,000	450,000
	\$6,577,314	\$7,846,074

10. Net Loans to Members

(a) Loans to Members

Member loans are initially measured at cost, net of loan origination fees and inclusive of transaction costs incurred. They are subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans.

Impairment provisions for loans to members are recognised based on the three-stage approach within IFRS 9 as follow:

Stage 1 represents 12 months expected credit losses

- Applicable when no significant increase in credit risk;
- Entities continue to recognise 12-month expected losses that are updated at each reporting date;
- Presentation of interest on a gross basis.

Stage 2 represents lifetime expected credit losses

- Applicable in case of a significant increase in credit risk;
- Recognition of lifetime expected losses;
- Presentation of interest on a gross basis.

Stage 3 represents - lifetime expected credit losses (net interest)

- Applicable in case of credit impairment;
- Recognition of lifetime expected losses;
- Presentation of interest on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

The table below shows the staging of loans to members and the related expected credit losses based on the Society's adoption of IFRS 9.

As at December 31, 2022	Stage 1 0-90 days in arrears	Stage 2 91-120 days in arrears	Stage 3 >120 days in arrears	Sum Total
Gross loan	435,997,756	8,687,685	29,739,279	474,424,720
Allowance for expected Credit losses	(7,036,418)	(99,509)	(7,822,793)	(14,958,720)

As at December 31, 2021	Stage 1 0-30 days in arrears	Stage 2 31-90 days in arrears	Stage 3 >90 days in arrears	Sum Total
Gross loan	418,393,364	11,526,417	29,434,773	\$459,354,554
Allowance for expected Credit losses	(5,846,786)	(182,063)	(6,944,961)	\$(12,973,810)

(b) *Loans to members are stated at principal outstanding net of allowance for expected credit losses.*

	2022	2021
Loans to members	474,424,720	459,354,554
Less: Allowance for expected Credit loss	(14,958,720)	(12,973,810)
	\$459,466,000	\$446,380,744

(c) *Analysis of movement in allowance for Expected Credit Losses*

	2022	2021
Allowance for expected credit loss at beginning of the year	12,973,810	9,975,752
ECL adjustment	23,697	40,321
Allowance for expected credit loss expense for the year	1,961,213	2,957,737
Allowance for expected credit loss at end of the year	\$14,958,720	\$12,973,810

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

11. Property & Equipment

	Land	Car Park	Building	Work in Progress
Cost				
Balance as at January 1, 2022	26,144,808	186,868	31,015,080	4,761,911
Additions	-	-	75,219	3,633,002
Disposals	-	-	-	(2,560,807)
Transfers	15,500,000	-	(16,291,000)	791,000
Balance as at December 31, 2022	41,644,808	186,868	14,799,299	6,625,106
Accumulated Depreciation				
Balance as at January 1, 2022	-	(186,868)	(6,204,610)	-
Charges for the year	-	-	(186,515)	-
Disposals	-	-	-	-
Balance as at December 31, 2022	-	(186,868)	(6,391,125)	-
Net book value	\$41,644,808	\$-	\$8,408,174	\$6,625,106
Cost				
Balance as at January 1, 2021	26,144,808	186,868	10,166,886	4,218,727
Additions	-	-	20,848,194	543,184
Disposals	-	-	-	-
Balance as at December 31, 2021	26,144,808	186,868	31,015,080	4,761,911
Accumulated Depreciation				
Balance as at January 1, 2021	-	(186,868)	(5,863,126)	-
Charges for the year	-	-	(341,484)	-
Disposals	-	-	-	-
Balance as at December 31, 2021	-	(186,868)	(6,204,610)	-
Net book value	\$26,144,808	\$-	\$24,810,470	\$4,761,911

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

Furniture, Fixtures & Fittings	Office Equipment	Telephone Facilities	Other Equipment	Motor Vehicles	Computers	Total
3,661,395	787,999	338,000	3,016,943	467,627	9,319,006	79,699,637
69,559	-	-	120,615	-	336,572	4,234,967
(117,590)	-	(11,760)	(60,226)	(163,900)	(29,573)	(2,943,856)
-	-	-	-	-	-	-
3,613,364	787,999	326,240	3,077,332	303,727	9,626,005	80,990,748
(2,652,150)	(663,330)	(323,093)	(2,284,724)	(418,655)	(7,545,532)	(20,278,962)
(100,464)	(24,247)	(4,272)	(131,275)	(10,742)	(366,617)	(824,132)
86,199	-	11,744	59,076	162,264	20,937	340,220
(2,666,415)	(687,577)	(315,621)	(2,356,923)	(267,133)	(7,891,212)	(20,762,874)
\$946,949	\$100,422	\$10,619	\$720,409	\$36,594	\$1,734,793	\$60,227,874
3,634,053	778,115	338,000	2,949,625	467,627	9,251,361	58,136,070
27,342	9,884	-	71,452	-	73,684	21,573,740
-	-	-	(4,134)	-	(6,039)	(10,173)
3,661,395	787,999	338,000	3,016,943	467,627	9,319,006	79,699,637
(2,546,331)	(635,037)	(317,097)	(2,149,215)	(404,580)	(7,156,293)	(19,258,547)
(105,819)	(28,293)	(5,996)	(138,612)	(14,075)	(394,275)	(1,028,554)
-	-	-	3,103	-	5,036	8,139
(2,652,150)	(663,330)	(323,093)	(2,284,724)	(418,655)	(7,545,532)	(20,278,962)
\$1,009,245	\$124,669	\$14,907	\$732,219	\$48,972	\$1,773,474	\$59,420,675

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

12. Accounts Payable and Accruals

	2022	2021
Death/disability claims payable	6,661,893	6,929,977
Other payables and accruals	6,005,616	4,830,105
Interest payable on members' time deposits	993,027	1,323,220
Cummings/ Fraser Foundation Account	960,000	860,000
Unclaimed members' deposits	547,730	547,730
Vacation pay accrual	365,620	503,852
Non-members receipts	64,045	-
Unclaimed members' share savings	24,595	24,595
Sharon FYFE "Coopers" Account	227	227
Members' FIP premiums payable	-	694,862
	\$15,622,753	\$15,071,196

Included in other payables and accruals are accruals for retroactive salaries ("backpay") made by the Credit Union. This amount represents an estimate of the retroactive salaries due upon the conclusion of the collective bargaining agreements between the Society and the respective employees.

13. Retirement Benefit Obligation

(a) Change in Present Value of Defined Benefit Obligation

	2022	2021
Opening present value of defined benefit obligation	21,910,900	20,887,100
Current service cost	-	1,092,300
Interest cost	-	1,106,000
Plan participants contributions	-	329,000
Actuarial gain on obligation	-	(1,125,500)
Benefits paid	(21,910,900)	(378,000)
Closing present value of defined benefit obligation	\$-	\$21,910,900

(b) Change in Fair Value of Plan Assets

	2022	2021
Opening fair value of plan assets	21,809,700	19,960,400
Administrative expenses	-	(44,300)
Expected return on plan assets	-	1,031,700
Actuarial loss on plan assets	-	(483,900)
Employer contributions	-	1,394,800
Plan participants contributions	-	329,000
Benefit paid and administrative expenses	(21,809,700)	(378,000)
Closing fair value of plan assets	\$-	\$21,809,700

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(c) Items for Inclusion in Statement of Financial Position

	2022	2021
Present value of defined benefit obligation	-	21,910,900
Fair value of plan assets	-	(21,809,700)
Net retirement benefit obligation	\$-	\$101,200

The RHAND Credit Union Cooperative Society Limited Defined Benefit Pension Fund Plan (the “Plan”) was wound up as at March 31, 2022. As at the date of closure, the Plan was operating at a surplus and the Plan’s assets and surplus were distributed amongst the members of the Plan accordingly.

(d) Items for Inclusion in Statement of Comprehensive Income

	2022	2021
Current service cost	-	1,092,300
Interest cost	-	74,300
Administrative expenses	-	44,300
	\$-	\$1,210,900

(e) Reconciliation of Opening and Closing Statement of Financial Position Entries

	2022	2021
Opening defined benefit obligation	101,200	926,700
Net pension cost	-	1,210,900
Actuarial gain on obligation	-	(641,600)
Society contributions paid	(101,200)	(1,394,800)
Closing retirement benefit obligation	\$-	\$101,200

(f) Actual Return on Plan Assets

	2022	2021
Expected return on plan assets	-	1,031,700
Actuarial loss on plan assets	-	(483,900)
	\$-	\$547,800

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(g) Expected Society Contributions

	2022	2021
Expected Society Contributions	\$359,150	\$359,150

(h) Summary of Principal Assumptions

	2022	2021
Discount rate at start of year	5.05%	5%
Discount rate at end of year	0%	5.05%
Future salary increase	0%	3%
Expected return on assets	0%	4.73%

(i) Major Categories of Plan Assets

	2021	2020
Deposit Administration Contract	0%	100%

Sensitivity of Present Value of Defined Benefit Obligation

Should the discount rate increase by 1%, the obligation will decrease by \$nil (2021: \$4,299,000) and should the rate decrease by 1%, the obligation will increase by \$nil (2021: \$3,369,000). Should there be a 1% increase in expected salary growth, the obligation will increase by \$nil (2021: \$1,814,000) and should there be a 1% decrease, the obligation will decrease by \$nil (2021: \$1,590,000). The weighted average duration of the obligation is nil years (2021: 18.9 years).

14. Member' Share Savings

The By-Laws of RHAND Credit Union Co-operative Society Limited allows for the issue of an unlimited number of shares valued at \$5.00 each. In accordance with the International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2 redeemable shares have been treated as liabilities.

15. Loan Protection Fund

The Loan Protection Fund provides loan protection coverage for members, which allows the loan balance, up to a maximum of \$100,000, to be liquidated in the event of the death of the member before his/her indebtedness to the credit union has been repaid. For the year ended December 31, 2022, \$2,541,537 (2021: \$1,791,615) was expensed from the Fund and \$1,333,173 (2021: \$2,135,560) was allocated to the Fund. As at December 31, 2022, the balance stood at \$2,507,663 (2021: \$3,716,027).

16. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions. Key management personnel are

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

those persons having the authority and responsibility for planning, directing and controlling the activities of the Society. A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

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

	2022	2021
Assets, Liabilities and Members' Equity		
Loans and other receivables		
Due from Directors, committee members, key management personnel	\$3,680,297	\$4,819,538
Due from LINCUC Limited	\$450,000	\$450,000
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	\$3,160,253	\$2,990,602
Cummings/Fraser Foundation Account	\$860,000	\$860,000
Interest and other income		
Directors, committee members, key management personnel	\$299,621	\$390,318
Interest and other expenses		
Directors, committee members, key management personnel	\$93,750	\$71,112
Key management compensation		
Short-term benefits	\$2,708,135	\$2,140,558

17. Fair Values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, the current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

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

(a) *Accounts receivable and Accounts payable*

The carrying amounts of accounts receivable and accounts payable are a reasonable approximation of the fair values because of their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

(b) Members' loans

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

(c) Investment securities

The fair values of investments are determined on the basis of market prices available at December 31, 2022.

(d) Members' deposits

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values that approximate carrying values.

(e) Members' share savings

The carrying amounts of members' share savings are a reasonable approximation of the fair values because they are due on demand.

(f) Classification of financial instruments at fair value

The Society measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: Quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments. There were no transfers of financial instruments between levels during the year, neither were there any changes in the categorization from the prior year.

The following table shows the fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment securities	28,363,223	141,760,308	-	170,123,531
Financial assets not measured at fair value				
Investment securities	-	-	49,370,704	49,370,704
Loans to members	-	-	459,466,000	459,466,000
Financial liabilities not measured at fair value				
Members' deposits	-	-	(166,892,323)	(166,892,323)
Members' savings	-	-	(467,983,415)	(467,983,415)
	\$28,363,223	\$141,760,308	\$(126,039,034)	\$(5,286,207)
As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment securities	32,918,524	157,141,802	-	190,060,326
Financial assets not measured at fair value				
Investment securities	-	-	50,785,937	50,785,937
Loans to members	-	-	446,380,744	446,380,744
Financial liabilities not measured at fair value				
Members' deposits	-	-	(175,444,705)	(175,444,705)
Members' savings	-	-	(455,977,910)	(455,977,910)
	\$32,918,524	\$157,141,802	\$(134,255,934)	\$55,804,392

18. Capital Risk Management

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

19. Other Income

	2022	2021
CUNA commissions	1,264,810	1,197,058
Entrance fees	118,545	151,070
Rental income	162,000	78,200
Other commissions	716	45,810
Miscellaneous income	38,251	42,818
Service charges	9,475	3,390
MSDP registration and education	324,497	-
	\$1,918,294	\$1,518,346

20. Administrative Expenses

	2022	2021
Loss on disposal/write-off of property and equipment	2,593,876	2,034
Repairs, maintenance and cleaning	2,201,060	1,799,761
Legal and professional services	1,321,795	1,170,917
Advertising & promotions	1,320,129	1,079,928
Stationery, computer supplies, printing and postage	930,186	650,075
Depreciation	824,132	1,028,554
Annual and special general meetings	586,369	426,059
Telephone	418,723	385,045
Bank charges	407,483	310,633
Property rental	322,137	891,171
Insurances	329,836	260,857
Security	283,876	253,165
Electricity	278,512	340,834
Miscellaneous expenses	237,544	206,564
LINCU Debit Card expenses	161,944	161,944
Cummings Fraser Foundation	100,000	100,000
Debt collector's commissions	96,905	52,183
SurePay fees & expenses	24,672	10,811
Donations	17,800	18,000
Rates and taxes	8,039	17,075
	\$12,465,015	\$9,165,610

Loss on disposal of property and equipment includes a write-off of work in progress of \$2,561,205 which represents costs incurred to prepare architectural designs and plans for an intended building for the Credit Union. This would have been previously included as property, plant and equipment as work in progress to be eventually included in the cost of the building upon completion. IAS 16 p67 (b) states that "the carrying amount of an item of property, plant and equipment shall be derecognised when no future economic benefits are expected from its use or disposal." As such, the work in progress was disposed of/written off during the year ended December 31, 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

21. Board and Committees' Expenses

	2022	2021
Meetings	349,706	207,389
Subsistence	278,855	248,200
Honoraria	292,023	291,533
Training	116,115	55,675
Conferences	60,921	2,250
Entertainment and duty allowance	43,200	43,200
Travelling	1,500	-
	\$1,142,320	\$848,247

22. Salaries and Benefits

	2022	2021
Salaries and other staff benefits	13,957,914	13,762,268
Training and subsistence	140,482	115,549
Retirement Benefit Asset – IAS 19 adjustment	-	(183,900)
	\$14,098,396	\$13,693,917

23. Unrealized gain/(loss) on investment securities at FVOCI

In 2022 Unrealized loss on investment securities at FVOCI is -\$10,385,736 (2021: \$417,926,481). This movement represents the change in the investment remeasurement reserve, which comprises of unrealised movement investment securities held as FVOCI. The movement in 2022 was a result of the effects of a lack of market confidence in the global financial markets. Additionally, a global rise in inflation caused many Central Banks to increase interest rates, which precipitated declines in the pricing of investment assets on the international Financial Markets.

24. Contingent Liabilities

The Society is involved in various claims and litigations and there are legal proceedings to which the Society is a party that, in the Society's opinion, would not have a significant effect on the Society's financial position or results of operations. No provision has been made in these financial statements as the Society's management do not consider that there is any probable loss.

25. Impact of Covid-19 and the Russo-Ukrainian War on the Society

The Russia-Ukraine war had immediate and dramatic effects on global markets. The spike in energy prices following the start of the war directly impacted consumers and industries with energy-intensive costs, particularly for countries with large energy imports from Russia. The spike also worsened an already bad inflation situation resulting partly from highly stimulative fiscal and monetary policies implemented during the depths of the COVID-19 crisis. Global equity markets experienced a shaky year since the Russian

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

invasion. Macroeconomic concerns such as energy-price-led inflation and rising rates, coupled with the political uncertainty caused by the war, led to equity-market drawdowns that lasted as late as September 2022 for all major global markets. Over the past 12 months, emerging market and U.S. equities suffered the most.

Like other institutions in the industry, the disruption of the global financial market was the main driver for the performance of the Society's investment portfolio in 2022. Notwithstanding, the Society continues to employ strategies to ensure that risk is minimized, and the interest of our membership remain a priority.

26. Subsequent Events

There were no events occurring after the reporting date and before the date of approval of the financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements, other than the matters disclosed below.

Subsequent to the year end, the Board accepted the offer to sell a significant property held by the Company. The property is being sold at fair value, which is higher than the carrying value of the property as at the year end.

2023 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS

2023 Quantitative Objectives

Key Results Area	Budgeted	Actual	Increase/(Decrease)	
	2023 (\$)	2022 (\$)	(\$)	%
Share savings portfolio	475,977,910	455,977,910	20,000,000	4.39
Time deposits portfolio	89,444,829	88,444,829	1,000,000	1.13
Deposit savings portfolio	91,999,876	86,999,876	5,000,000	5.75
Loans portfolio (Gross)	491,517,809	459,354,553	32,163,256	7.00
Non-performing loans (Gross)	41,779,014	40,961,189	(817,825)	(2.00)
Investment Securities under 2 years	122,447,118	89,031,011	33,446,107	37.57
Investment Securities over 2 years	153,201,619	176,195,734	(22,994,115)	(13.05)

During the year 2023, the key initiatives for the Credit Union include:

- Completion of the 1st phase of physical works to Head Office buildings – a new Member Services Floor (Credit Administration and Member Relations) and both Ground Floors
- Continued work and completion on the automation of several aspects of our operations – loan processing, financial reporting, member interface and member data capture (Customer Relationship Management)
- Development and roll-out of an Unsecured Loan product – this will allow us to offer our members an alternative to the Island Finance, Term Finance and Courts choices.
- Supporting the country's Micro and Small Business development through the launch of our own SME programme for our members

2023 Proposed Capital Expenditure with 2022 Comparisons

Project/Item Of Expenditure	Proposed 2022 (\$)	Actual 2022 (\$)	Proposed 2023 (\$)
Buildings	13,310,000	3,574,130	9,300,000
Computer facilities	1,436,658	345,497	2,153,470
Furniture, fixtures and fittings	133,000	156,013	565,700
Office equipment	10,500	19,651	17,000
Other equipment	14,898,158	90,743	181,860
Total	31,656,626	4,186,034	12,218,030

2023 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS

2023 Financial Projections with Budgeted and Actual Results for 2022 and 2021

	2021		2022		2023
	BUDGETED \$	ACTUAL \$	BUDGETED \$	ACTUAL \$	BUDGETED \$
Income					
Interest Income Calculated using the effective Interest Method					
Interest on loans	49,015,414	41,492,313	47,067,319	45,304,356	47,002,750
Investment Securities	5,084,837	7,776,906	8,472,509	6,907,088	6,317,764
Unrealised Gain on FVTPL	837,384	2,711,858	1,456,822	0	697,696
Realized Gain on foreign investment	0	0	0	48,695	0
Other Income*	1,739,920	1,518,346	1,717,220	1,918,294	2,339,830
Total Income	56,677,555	53,499,423	58,713,870	54,178,433	56,358,040
Expenditure					
Administrative expenses **	11,770,776	9,165,610	12,197,240	12,465,015	11,260,816
Board and committees' expenses	1,247,900	848,247	1,366,500	1,142,320	1,472,618
Life savings insurance expense	780,000	932,007	840,000	743,412	672,000
Loan protection expense	1,200,000	1,791,615	1,500,000	2,541,537	2,000,000
Expected credit loss on loans	1,200,000	2,957,737	2,000,000	1,961,213	2,113,138
Expected credit loss on investment	18,000	208,734	18,000	23,561	70,475
Unrealised Loss on FVTPL	0	0	0	4,668,265	0
Interest on members' deposits	2,310,299	2,269,756	2,438,137	2,226,743	2,183,816
Member education, training and development expenses	844,895	402,740	1,344,190	918,797	1,248,990
Salaries and benefits	17,136,527	13,693,917	15,801,794	14,098,396	16,923,435
Green Fund Levy	170,000	157,720	177,000	158,646	180,000
Foreign exchange loss	(300,000)	357,339	(600,000)	0	0
TOTAL EXPENSES	36,378,397	32,795,422	37,082,860	40,947,905	38,125,288
NET SURPLUS	20,299,158	20,714,001	21,631,010	13,230,528	18,232,752
OTHER INCOME					
	2021		2022		2023
	BUDGETED \$	ACTUAL \$	BUDGETED \$	ACTUAL \$	BUDGETED \$
Rental Income	171,600	78,200	216,000	162,000	613,000
CUNA Commissions	1,140,000	1,197,058	1,176,000	1,264,811	1,200,000
Other Commissions	56,400	45,810	0	716	0
Service Charges	6,000	3,390	0	8,050	4,800
Entrance Fees	80,400	151,070	120,000	118,545	118,000
MSDP registration and education	250,000	0	169,700	302,405	376,030
Miscellaneous Income	35,520	42,818	35,520	61,767	28,000
TOTAL	1,739,920	1,518,346	1,717,220	1,918,294	2,339,830

2022 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS

ADMINISTRATIVE EXPENSES	2020		2021		2022
	BUDGETED \$	ACTUAL \$	BUDGETED \$	ACTUAL \$	BUDGETED \$
Advertising and promotion	1,312,765	1,079,928	1,413,379	1,320,129	1,600,220
Annual and Special General Meetings	410,000	426,059	537,950	586,369	852,950
Bank charges	324,700	310,633	324,700	418,723	378,000
Debt collector's commissions	237,240	52,183	267,600	96,905	552,000
Depreciation	1,000,000	1,028,554	1,200,000	824,129	1,020,000
Donations	50,000	18,000	50,000	17,800	60,000
Electricity	472,200	340,834	479,700	278,512	288,270
Insurances	156,380	260,857	404,651	329,836	385,371
Legal and professional services	2,426,200	1,170,917	1,688,450	1,321,795	944,800
LINCUC Debit Card expenses	162,000	161,944	162,000	161,944	162,000
Loss on disposal of fixed assets	240,000	2,034	240,000	2,593,876	60,000
Miscellaneous expenses	128,000	206,564	140,015	237,546	203,065
Rates and taxes	38,752	17,075	61,152	8,039	25,631
Property rental	878,004	891,171	338,004	322,137	158,004
Repairs, maintenance and cleaning	2,319,732	1,799,761	3,281,275	2,201,059	2,997,189
Security	296,745	253,165	288,768	283,876	270,099
Stationery, supplies, printing and postage	783,778	650,075	780,516	930,186	794,017
Telephone	434,280	385,045	439,080	407,483	379,200
Surepay fees & expenses	0	10,811	0	24,672	30,000
Cummings Fraser Foundation	100,000	100,000	100,000	100,000	100,000
TOTAL	11,770,776	9,165,610	12,197,240	12,465,016	11,260,816

RESOLUTIONS

DIVIDEND ON SHAREHOLDINGS

Be it resolved, that a dividend of 2.5% on the average monthly share balance held by each member for the year ended December 31, 2022 be declared for the year ended December 31, 2022 and that the proceeds of this dividend distribution be credited to the Savings Deposit Accounts of each member.

PATRONAGE REFUND

Be it resolved, that a Patronage Refund of 2.50% on the interest paid on the loans of members in 2022, where the loans are less than 90 days past due, for the year ended December 31, 2022 be declared for the year ended December 31, 2022.

Where the loans are 20 days or less past due, the proceeds of this refund shall be credited to the Savings Deposit Accounts of each qualified member.

Where the loans are more than 20 days but less than 90 days past due, the proceeds of this refund shall be credited to the loan of each qualified member.

HONORARIA

Be it resolved, that honoraria in the gross sum of \$306,667 (\$230,000 net of income tax liability), be declared for the year ended December 31, 2022.

APPENDIX

Members Who Died In 2022

ACCT. #	SURNAME	1 st NAME	DATE	ACCT. #	SURNAME	1 st NAME	DATE		
1	13076	Lopez-Osmond	Donna	1/1/22	51	24778	Billiny-Charles	Debra	5/22/22
2	4743	Metivier	Victor	1/2/22	52	25385	Baptiste	Adanna	5/22/22
3	17525	Richards-Washington	Kathy-ann	1/3/22	53	10742	Alexander	Julian	5/23/22
4	28762	Burnett Mc Pherson	Rhonda	1/5/22	54	26217	Chambers	Gordon	6/4/22
5	2902	La Croix-Hernandez	Catherine	1/7/22	55	17985	Haynes	Hayden	6/5/22
6	12217	Saroop	Deonath	1/8/22	56	1680	James	Winston	6/6/22
7	4319	Ogilvie	Sharon	1/8/22	57	13282	Chandler	Winston	6/9/22
8	11037	Gordon	Pamela	1/10/22	58	17897	Nicholson	Latoya	6/12/22
9	21912	Small-Richardson	Judith	1/12/22	59	22021	Chee Kee	Paul	6/14/22
10	6584	Rouff-Boban	Yasmin	1/13/22	60	2029	Mitchell	Rawle	6/16/22
11	19789	Joseph	Jo-anne	1/16/22	61	17876	Stewart	Juliet	6/24/22
12	15003	Simpson	Quinta	1/19/22	62	336	Clarke	Patricia	6/26/22
13	740	Sooklal	Rajnath	1/21/22	63	13865	Nurse	Paris	6/27/22
14	9685	De Leon-King	Elvira	1/22/22	64	27386	Charles	Peter	7/1/22
15	3746	Augustus	Gillis	1/24/22	65	8721	Risbrooke	Keith	7/2/22
16	19861	Seebalack	Cheryl	1/24/22	66	369	Subero	Winston	7/2/22
17	12611	Hosein	Lincoln	1/29/22	67	4214	Ealie	Ursula	7/3/22
18	10589	Grant Joseph	Lenore	2/1/22	68	9066	Wyatt	Lystra	7/4/22
19	6956	Abraham	Pearl	2/2/22	69	23711	Modeste	Shirley	7/9/22
20	21921	Burke	Steve	2/4/22	70	10077	Ramkissoon	Chabinath	7/13/22
21	19899	David	Fritz	2/10/22	71	8887	Cummings	Hyacinth	7/14/22
22	25512	Henry	Ronald	2/12/22	72	15308	Samuel	Winston	7/14/22
23	26	Largen	Larry	2/18/22	73	8909	Daniel-Haynes	Selina	7/16/22
24	3013	Adams	Yvonne	2/20/22	74	7999	Samaroo	Hilary	7/17/22
25	858	Romeo	Diana	2/21/22	75	11568	Abraham	Cynthia	7/31/22
26	1775	Brathwaite	John	2/25/22	76	15447	John-Gill	Roxanne	8/1/22
27	2421	Charles	Felicia	2/26/22	77	8191	Macintyre	Ianthe	8/13/22
28	11295	Zamore	Diana	3/6/22	78	8695	Pierre-Ramkissoon	Phyllis	8/16/22
29	1104	Serrette	Owen	3/6/22	79	10345	Pinder	St. Clair	8/19/22
30	11482	Durieux	Jacques	3/7/22	80	25448	Thomas Wills	Andrea	8/19/22
31	22135	De Lecia	Sharon	3/8/22	81	18959	Moses	Valerie	8/22/22
32	5701	Marfan	Dawn	3/11/22	82	30687	Millington	Laura	8/27/22
33	5581	Felix	Cecil	3/13/22	83	6211	Jordan	Fred	8/28/22
34	18946	Rawlins	Shurla	3/14/22	84	6034	Noel	Wendell	9/2/22
35	15373	Hogan	Ken	3/18/22	85	23541	Robinson	Kenneth	9/9/22
36	1513	Clavery	Lorna	3/20/22	86	16268	Guy	Joseph	9/18/22
37	26593	Jones	Renee	3/20/22	87	24565	Agge	Claudius	9/24/22
38	27578	Graham	Claudette	3/22/22	88	8592	Maraj	Chandra	9/25/22
39	23579	Wilson	Wayne	3/27/22	89	21087	Edwards-Morris	Marissa	9/26/22
40	9732	Sharpe	Yvette	3/31/22	90	9034	D'hereaux	Margaret	10/5/22
41	3316	George	Lucille	4/2/22	91	1856	Mason	Noel	10/5/22
42	14935	Malcolm	Anette	4/3/22	92	582	Zamore	Zena	10/11/22
43	24683	Joseph	Quincy	4/6/22	93	7962	Roach	Patricia	10/19/22
44	1938	Providence	Earl	4/18/22	94	18813	Walker	Patricia	10/20/22
45	28005	Charles	Derek	4/27/22	95	2227	James	Carole	11/1/22
46	16539	Lewis-Clarke	Bernadette	5/9/22	96	11971	Titte	Verne	11/5/22
47	7019	Young-Kendall	June	5/14/22	97	4523	Ramirez	Mary	11/13/22
48	3272	Perez-Palmer	Christiana	5/18/22	98	951	Atwell-Kirton	Luan	11/19/22
49	13135	Modeste	June	5/19/22	99	6459	Arnold	Cora	11/27/22
50	26592	Victor-John	Ivy	5/21/22	100	12419	Alexander	Curtis	12/1/22
					101	15496	Layne	Larry	12/17/22



In memory of a truly genuine person

Kendol Preddie

January 7, 1986 - January 7, 2023

Colleague • Beloved Friend • Proud Member • Service Excellence Exemplar Since 2008

