

2016

Annual Report



Our Co-operative Identity

Vision

To be the leading financial co-operative organisation in Antigua and Barbuda, contributing to the sustainable development of our members and the wider society.

Mission

To provide reputable and innovative financial and personal development solutions through excellent services that exceed stakeholder expectations, while caring for our members' needs in an efficient, friendly and professional manner.

Core Values and Principles

Honesty and Integrity featuring

Openness in our dealings
Fair Treatment to all

Creativity, fostered by encouragement and recognition of

Initiative
Innovation

Commitment to Excellence, with an ongoing, focus on

Service beyond Expectations
Professionalism
Tact

Continuous Improvement, as exemplified in our

Tailored Products and services to meet changing members needs
Sensitive Coaching and Counselling of our staff and members
Progressive Standards
Recognizing and Rewarding Excellence
Education and Training

Accountability, including

Taking Responsibility
Adherence to Procedure

Enthusiasm and Positive Attitude, demonstrating

A Flexible, "Can Do" Approach
That "The member really Matters"
Energy and Enthusiasm at all times

Community and Fellowship, with mutual giving of

Support and Cooperation
Respect and Understanding

Organisational Goals

- 1 To be the Preferred Indigenous Financial Institution by 2016.
- 2 To have Fifteen Percent (15%) of income from non-loan revenue by 2016
- 3 To have in place a Fully Integrated Enterprise-Wide Management Information System by 2016.
- 4 To maintain a fully integrated Human Resources Management Programme
- 5 To increase our Return on Asset by 2% by 2016
- 6 To increase Asset Base by an average of 8% per annum over the plan period.



More Convenience through Easier Access

By developing a member focused approach in doing business throughout the organisation



NOTICE OF ANNUAL GENERAL MEETING

The 36th Annual General Meeting of Community First Co-operative Credit Union Ltd will be held on Wednesday 28th June 2017 at 4:45pm at the Multipurpose Cultural Centre at Perry Bay, St. John's, Antigua.

AGENDA

Call to Order, Prayer and Silent Tribute, Apologies for Absences, Welcome, Presentations.

END OF PART 1

Business Session

Minutes of the 35th General Meeting
Matters Arising there from
Adoption of Minutes

Reports: Discussion and Adoption
Board of Directors & Management
Treasurer
Credit Committee
Supervisory Committee


E. Patricia Murrain (Mrs.)
Secretary - BOD

Auditor's Financial Statements

Declaration of Surplus
Appointment of Auditors
Nominating Committee
Elections
Any Other Business
– Amendment to the By-laws
Adjournment

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**More
Convenience
through Easier
Access**

Helping our members
to unlock their potential
and that of the next
generation

STANDING ORDERS

- 1 a A member shall stand when addressing the Chair.
b Speeches to be clear and relevant to the subject before the meeting.

- 2 A member shall only address the meeting when called upon by the Chairman to do so, after which he/she shall immediately take his/her seat.

- 3 No member shall address the meeting except through the Chairman.

- 4 A member may not speak twice on the subject except:
a The Mover of a motion who has the right to reply
b He/she rises to object or to explain (with permission of the Chair).

- 5 The Mover of a Procedural Motion- (adjournment, lay on table, postponement) shall have no right of reply.

- 6 No speeches shall be made after the "Question" has been put, carried or negated.

- 7 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").

- 8 a A member should not "Call" another member "To Order", but may draw attention to the Chair to a "Breach of Order".
b In no event can a member call the Chair "to order".

- 9 A "Question" should not be put to the vote if a member desires to speak on it or move an amendment to it - except that a "Procedural Motion", "The Previous Question", "Proceed to the next Business" or the "closure", "That the Question be now put", may be moved at any time.

- 10 Only one amendment should be before the meeting at one and the same time.

- 11 When a motion is withdrawn, any amendment to it falls.

- 12 The Chairman shall have, in addition to his/her ordinary vote, a "Casting Vote" in case of an equality of votes.

- 13 If there is an equality of votes on a motion or an amendment, and if the Chairman does not exercise his/her casting vote, the motion or amendment is lost.

- 14 The Chairman shall make provision for the protection of members from vilification (personal abuse).

- 15 No member shall impute improper motives against another member.

PROFILE

Name of Organisation	Community First Co-operative Credit Union
Date Established	April 7th 1959
Date of Registration	January 18th 1982
Number of Members	Total: 20,023 Male: 8,095 Female: 11,928
Number of Organisations	436
Number of Employees	Thirty-Five (35) full-time
Total Assets	EC \$ 156,859,145
Total Loans	EC \$ 112,519,772
Total Deposits	EC \$ 133,814,736
Permanent Shares	EC \$ 3,924,910
Institutional Capital	EC \$ 18,552,705
Regulators	Financial Services Regulatory Commission (FSRC)
Auditors	BDO (formerly KPMG)
Attorneys at Law	Henry & Burnette Sherri-Ann S. Bradshaw

More Convenience through Easier Access

Through strong leadership developing an even faster and more efficient service



Community First Co-operative Credit Union Ltd.

P.O. Box 1632, Old Parham Road, St. John's, Antigua

Tel 481 3950 Fax (268) 481-3974/5

Email info@cfccuonline.com

Website www.cfccuonline.com

Notes from the 35th Annual General Meeting

Call to Order, Prayer & Silent Tribute

The 35th Annual General Meeting (AGM) was called to order by Karl Spencer, General Manager at 5:25 p.m.

The members were invited to recite the credit union prayer (Prayer of St. Francis of Assisi). The membership observed a moment's silence to recognise deceased members who passed during 2015.

Special presentations

Mrs. Bernadette Jarvis, Chairperson of the Supervisory Committee

- » To the graduates of the Empowerment Series # 7

Minutes of the 34th Annual General Meeting

- » The membership was invited to make corrections and amendments to the minutes.

President's Message

Mr. Francois Sutton, the President of the Board, welcomed the membership to the 35th AGM of the CFCCU. He outlined the various areas of the growth the Credit Union experienced during 2015 and he also highlighted the following:

- » The highest surplus documented to date
- » Increased compliance requirements
- » Constant monitoring of the credit union's performance
- » The conclusion of the CFCCU's ten-year strategic plan

The President acknowledged the hard work of the Management and Staff of CFCCU and thanked the volunteers on the Board and the Committees for their devotion. He issued an invitation to the membership to join the volunteers where vacancies arise on the Board and Committees.

Treasurer's Report

The report was presented by Mrs. Thom-
asine Greenaway-Whyte, Treasurer of the Board of Directors. She informed the membership that the credit union had experienced growth in its loan portfolio, savings, membership, asset base, and permanent share. The delinquency ratio had reduced from 6.5% in 2014 to 6.0% at the end of 2015.

She also confirmed that the credit union had realised a net profit in the amount of \$1,900,825 for the financial year 2015.

Credit Committee Report

The report was presented by Ms. Nerissa Gomes, member of the Credit Committee. She reminded the membership that the Credit Committee's function was to ensure that the loans were issued in accordance with the Credit Union's policies.

Ms. Gomes highlighted the performance of the loan portfolio as follows:

- » A 2.3% increase in the dollar value of the money lent over the previous year.
- » The continuation of females as the principal borrowers
- » The 31-35 age group dominating the portfolio
- » The 26-30 age group leading in the dollar value

- » A significant increase in the value of loans granted for Christmas Loans
- » Vehicle expenses becoming the leading category for 2015

Supervisory Committee Report

The report was presented by Mrs. Bernadette Jarvis, Chairperson of the Supervisory Committee. She noted that the Committee continued to examine documents and files to fulfil its role as the internal auditor.

She outlined all the functions of the Supervisory Committee. Mention was made of the efforts of the team responsible for handling delinquency in the quest to monitor and reduce the delinquency rate.

Mrs. Jarvis confirmed that the CFCCU continued to operate in accordance with the Co-operative Societies Act and Regulations. She further noted that no major discrepancies were found during 2015.

Nominating Committee Report – Election Of Officers

- » Mr. Colin Gordon was re-elected to serve on the Board of Directors.
- » Ms. Nerissa Gomes was re-elected to serve on the Credit Committee.
- » Ms. Maureen Hyman was re-elected to serve on the Supervisory Committee.
- » Ms. Loretta Benjamin was nominated by the floor and elected to serve on the Supervisory Committee

PRESIDENT'S MESSAGE

On behalf of the Board of Directors, my other fellow volunteers, the Management and Staff of the Community First Co-operative Credit Union (CFCCU), I bid you welcome to our 36th Annual General Meeting. For 58 years, our beloved institution has served its members and the wider community, providing a host of services, financial advice and training, striving to ensure that the organization supports the essential needs of our community. We are here to provide an account of the stewardship of the board of directors for the year under review, 2016.

The year has been quite a remarkable one, CFCCU has grown significantly in 2016, its asset base grew by 19.0%, a noticeable increase from the previous year's growth of 7.8% and well above the per annum growth target of 8% outlined in the organization's 2007 – 2016 strategic plan. Once again, the organization has been able to break barriers by surpassing last year's surplus which at that time was the highest surplus documented while increasing CFCCU's membership to 20,023 as at December 31st, 2016. CFCCU continues to successfully chart a sustainable course while navigating a continually changing financial market both locally and in the international landscape. The pressures of increasing compliance measures continue to see the commercial banks under threat of losing their correspondent banking relations still with no resolution in sight.

Against that backdrop CFCCU was still able to achieve the following:

- » Surpassing 150 million dollars in assets
- » Surpassing 20,000 individuals in membership
- » Almost doubling the previous year's surplus, recording the highest surplus in our 58 years of existence.
- » Staff growth to a complement of 32 individuals

There was significant growth in lending in 2016 for the Credit Union, the institution provided one thousand nine hundred and twenty-seven (1927) loans to our members as compared

with one thousand six hundred and six (1606) in 2015 a notable increase of three hundred and twenty-one (321) loans. This translated into an increase of over Ten Million Dollars in disbursed loans over the total loan amount for the previous year. The Management Team and the Board of Directors continues to monitor the credit union's growth, making the necessary decisions and implementing the necessary procedures and policies to maintain stability, sustainability and profitability. The team strives to ensure that the rate of growth does not adversely affect the high quality of service that you the members associated with our esteemed institution receive.

In December 2016, the CFCCU team engaged in a strategic planning exercise to chart the way forward for the period 2017 - 2021. This exercise was facilitated by Centralized Strategic Services a subsidiary of the Jamaica Co-operative Credit Union League Limited. The strategic planning process afforded the staff and volunteers the opportunity to come together and engage in exercises which included the revision of the Vision, Mission and Organizational Goals for a renewed focus charting the way forward for the organization for the next five years. This was done keeping the needs of you the membership always as the focal point of our discussions. As in previous years CFCCU continues to uphold its commitment to the organization's core values and principles to educate its staff and volunteers throughout 2016 by facilitating training in collaboration with the Antigua and Barbuda Co-operative League Limited. The credit union also continued its commitment to educating the general membership through our annual Empowerment Series. We at CFCCU take our responsibility to improve society and our members quite seriously. Recognizing that we have a Corporate Social Responsibility to Antigua and Barbuda, the credit union has also continued to provide support to the wider society through various community outreach programs.

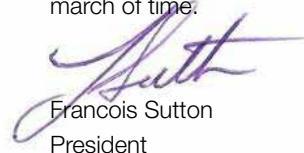
And finally, it would be remiss of me not to acknowledge the hard work that the Management and staff of CFCCU have put in over the past year for us to realize such phenomenal successes. I would also like to say a heartfelt thank you to my fellow volunteers both on the



Board of Directors and the other committees for giving their time, energy and expertise. With their support and dedicated service to CFCCU the credit union continues to grow stronger each year. I would also like to take the opportunity to invite you the members to join us in service by volunteering whenever there are vacant positions on the Board of Directors, the Credit Committee or the Supervisory & Compliance Committee. If our beloved Credit Union is to continue to prosper she will need the talents of her members, unified in service and committed to a common goal. I came across this quote some time ago that I thought fitting, and it goes:

"The difference between 'involvement' and 'commitment' is like an egg-and-ham breakfast: the chicken was 'involved' - the pig was 'committed'." - Unknown

As we continue to navigate through the ever changing socio-political and economic hemispheres of this great nation of Antigua and Barbuda, let us meet the many challenges placed before us head on with a community spirit; let us continue to grow on the principal that there is strength in numbers. However, as our numbers and fortunes increase let not our core values be lost in the mob of ever changing ideologies and alternate realities: - But continue moving forward, each member helping the other to realize their dreams and goals, no matter how large or small. Through communal effort we have empowered our members financially in the past, we do so now and we will continue to do so throughout the march of time.


 Francois Sutton
 President

Board of Directors and Management Report



Left to right: Francois Sutton, Ursula Willock, E .Patricia Murrain, Jannelle Watts, Thomasine Greenaway-Whyte, Colin Gordon. Absent from photo: Kathleen Bennett.

PERFORMANCE REVIEW

Asset Base

Our asset base for 2016 has shown an increase of **19.0%**; our Strategic target was 8%. The majority of our growth this year was driven by increases in members' savings and increased profitability.

Our marketing efforts were concentrated through our established media channels and increased efforts online.

Our asset base increase as at December 31, 2015 was 7.8%.

It is therefore expected that the 8% per annum established in our Strategic Plan will continue to be relevant in 2017 and beyond.

Operations

Membership of the credit union increased sizably during the period under review compared to the same period in 2015. The period January – December 2016 saw 2,011 new accounts opened in contrast

to January – December 2015 where 1,611 new accounts were opened. Once more the promotion of the credit union products and services as well as the new fee structures introduced by banks played a significant role in the upsurge of new members. For the first time in the credit union's history membership has reached **20,023**.

Approximately one thousand and twenty-six (**1,026**) accounts were reactivated in 2016 in comparison to one thousand and one (1,001) in 2015.

One hundred and sixteen (**116**) accounts were closed for the period under review compared to two hundred and twenty-three (223) in 2015. Out of those accounts 90 were school accounts that were transferred to credit union accounts in contrast to 96 in 2015.

Members have been extensively utilizing the ATMs and the GIA online services in 2016. The total transactions through the ATM for 2016 were 234,463 compared to 187,685 in 2015. The GIA transactions for 2016 totaled 25,250 compared to 17,407 in 2015.

Antigua and Barbuda Employers Federation (ABEF)

The General Manager continues to serve as the Federation's Treasurer. The Federation continues to provide support in Human Resource matters to the Credit Union on a regular basis to ensure good industrial relations. Negotiations are currently under-way with the Antigua and Barbuda Workers Union.

Human Resource Development (HRD)/ Training – Staff and Officials

- » Operations Manager
Risk Management Workshop
February 2016
- » Network Administrator
Cable & Wireless Business ICT Round Table
February 2016
- » Staff members
Compliance Training, KAW Management Services
March 2016
- » General Manager
Chartered Director's Course
March 2016
- » Staff and Board Members
Security at the Workplace
April 2016
- » General Manager and Loans Manager
Credit Risk Management Workshop in Nassau
April 2016
- » Staff member
Fire Training
May 2016
- » Volunteers
Compliance Training, KAW Management
June 2016
- » Operations Manager
AML/CFT Conference, Sandals Grande
July 2016

- » Loans Manager
Workshop on Regional Agri-Value Chain
Financing, Jamaica
September 2016.
- » Volunteers
Governance Training
October 2016
- » Staff members
Compliance Training, KAW Management Services
November 2016
- » Volunteers
Credit Committee and Supervisory Committee
Training
November 2016

Strategic Planning



Staff members engaged in the strategic planning exercise.

As a professional organization, CFCCU participated in its Strategic Planning Session on December 4th and 5th 2016 to plot the way forward for 2017-2021. The process was facilitated by Ms. Vera Lindo of Centralized Strategic Services a subsidiary of the Jamaica Co-operative Credit Union League Limited. Staff and volunteers engaged in exercises to refashion the Vision, Mission and Organizational Goals for a new focus for the organization going forward. Members were also able to participate by providing feedback for the "Member Service and Needs Analysis Survey" conducted in November 2016 to document their expectations of CFCCU.

EVENTS

Empowerment Sessions

These were specifically organised by CFCCU in accordance with the mandate to cater to the target age group 18 - 45. The Management Team and the Business Development Officer (BDO) assumed responsibility for the actual delivery of information and staff and officials were invited to attend the sessions. Empowerment Series #7 was held during the period April 5th to April 19th 2016. CFCCU was able to train fourteen (14) members in Money Management, the Emerging Issues on the Economic Landscape, Lending and Credit and Compliance Issues. The sessions were a tremendous success and we will be returning the event to the calendar for 2017.

Anniversary Celebrations



Loans Manager Angela Payne given a token of appreciation for over 25 years at CFCCU.

CFCCU ensures that it recognizes the genesis of our credit union every April with a number of activities:

- » Anniversary Church Service held at St. Andrew's Anglican Church on 3rd April 2016
- » Empowerment Session #7 was held between April 5th to 19th 2016
- » Open Day on April 7th 2016 with prizes and giveaways at our Headquarters
- » Anniversary Get Together on April 16th 2016 at Casa Palmadita

CCCU Convention/OECS Summit

CCCU Convention – The CCCU Convention was held in Orlando, Florida from July 1st to 6th 2016 under the theme: *The Credit Union Difference: Vision in Action*. It was attended by Shamair Henry (Financial Controller), Thomasine Greenaway-Whyte (Treasurer) and Kathleen Bennett (Director).



OECS Credit Union Summit – The OECS Credit Union Summit was held in St. Vincent & The Grenadines from September 14th to 18th 2016 under the theme: *"Strengthening OECS Credit Union Co-operation, Integration and Innovation,"*. It was attended by Kerri Gore (Credit Committee), Nerissa Gomes (Credit Committee), Maureen Hyman (Supervisory Committee) and Nigel Benjamin (Staff).

OUTREACH

Schools

CFCCU continued to make donations to the Schools within our Schools Savings program through Gift Certificates to students and the schools directly. Schools Savings have increased by 15% for 2016. CFCCU encourages good savings habits in students to encourage them to join the credit union as adults.

Exhibitions

CFCCU participated in the Jennings Secondary School Career Affair on March 3rd 2016. Tamarie Roberts (BDO) and Karl Spencer (GM) exposed the students to job requirements for positions at CFCCU and the students were able to complete employment exercises. The Business Development Officer and the General

Manager were guests on the Observer PM Show hosted by Dave Lester Payne on Observer Radio on March 30th 2016 to promote the 57th Anniversary celebrations and give information on our products and services.

Money Management Sessions

Presentations were made to the following groups



Money Management presentation done with students of the GARDC Cadet Program

and organizations during the year to promote good financial practices as well as to sell the credit union's products and services:

- » Gilberts Agricultural and Rural Development Centre (GARDC)
- » Government Training Division
- » Central Housing and Planning Authority (CHAPA)
- » Board of Education

The League

Our President, Francois Sutton, continued to serve on the Antigua and Barbuda Co-operative League representing the credit union on sector matters. CFCCU continues to support the League in its efforts to advance the cause of co-operatives in Antigua and Barbuda.

REGULATORY ENVIRONMENT

Compliance

Recommendations were made to amend certain areas of the AML/CFT Policy Manual to improve the delivery of service to the membership as well as reducing the volume of paper work generated; specifically increasing the validity of job letters and proof of addresses from three (3) months to six (6) months, inclusion of a number of insurance companies for proof of addresses, as well as increasing the threshold for declarations from Ten Thousand Dollars (EC\$10,000.00) to Twenty-Five Thousand Dollars (EC\$25,000.00).

The Financial Services Regulatory Commission (FSRC) completed its audit of CFCCU on May 30 - June 3, 2016.

The Office of National Drug and Money Laundering Control Policy (ONDCP) completed their annual audit of our Compliance Program in June 2016 as well.

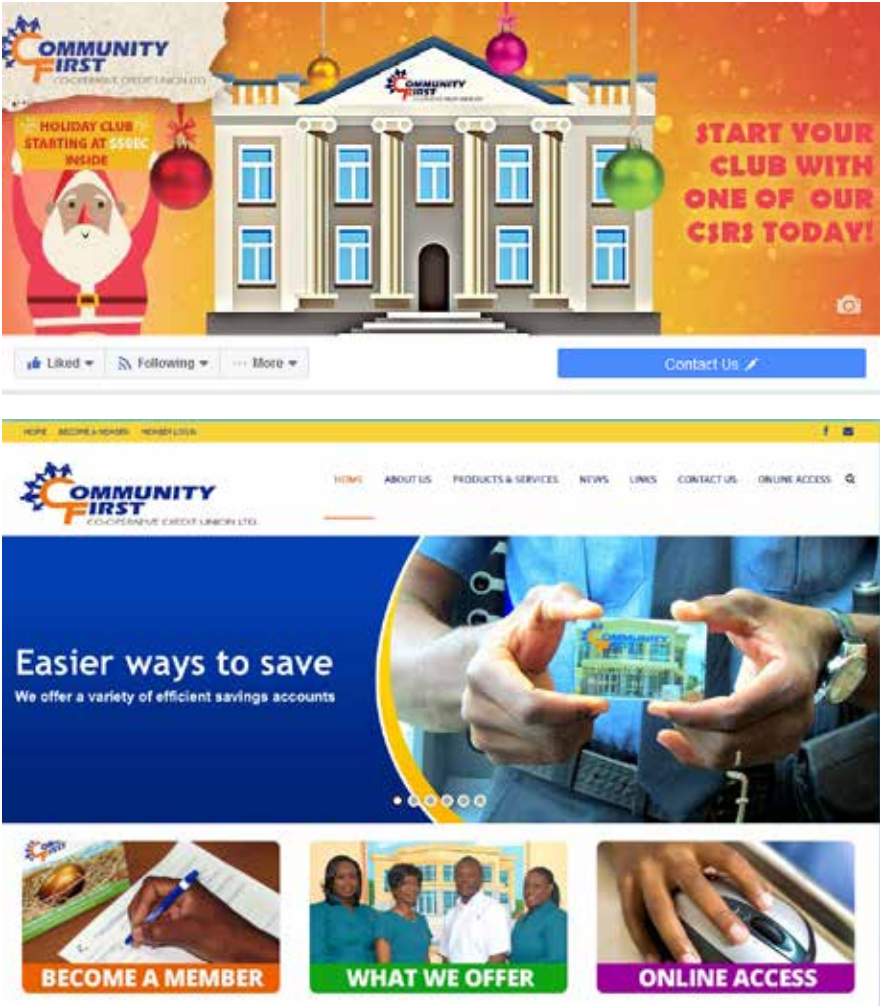
More Convenience through Easier Access

By creating platforms for our members to own their piece of paradise or to start their own businesses.

ONLINE ACTIVITIES

CFCCU has encouraged its membership to become more tech savvy by discouraging passbook use and embrace online access to their accounts. All their transactions from the year 2000 are available at their fingertips 24 hours a day, 7 days a week. The number of Global Information Access (GIA) visits has increased by 39% over 2015.

The following are displays of our online presence on our Face book page and website:



Months	No. of Visits to GIA	
	2015	2016
Jan	5,014	8,041
Feb	4,615	7,404
Mar	5,730	8,220
Apr	5,770	8,515
May	6,534	8,609
Jun	7,250	8,821
Jul	7,975	9,691
Aug	6,553	9,258
Sep	6,433	9,244
Oct	6,862	10,054
Nov	7,358	10,366
Dec	9,284	12,326
TOTAL	79,378	110,549

STRATEGIC PLAN

The following were the Organizational Goals for Community First Credit Union that were revised in 2012 and commenced implementation in 2013:

- | | |
|--|---|
| <p>1 To be the Preferred Indigenous Financial Institution by 2016</p> <p>2 To have 15% of income from Non-Loan Revenue by 2016</p> <p>3 To have in place a fully integrated, enterprise-wide Management Information System by 2016</p> | <p>4 To maintain a fully integrated Human Resources Management Programme</p> <p>5 To increase our Asset Base by an average of 8% over the plan period</p> <p>6 To increase our Return on Assets to 2% by 2016</p> |
|--|---|

Organisational Goal 1 & 2	Strategic Priority Area
1 Preferred indigenous financial institution by 2016 2 To have 15% of income from Non-Loan Revenue by 2016	Performance
Performance	
<p>» CFCCU continued the use of member surveys in the Loans Department and Operations Department to garner current feelings of members in relation to customer service and products offered. A full Member Survey and Needs Analysis was conducted in November 2016 to get members' feedback on new products needed, suggestions, as well as how the credit union is meeting their needs.</p> <p>» Positive responses from participants in the Empowerment sessions with respect to utilisation of products and services.</p> <p>» Expansion of our Social Media presence with increased likes on our Face book Page. This medium has been one of our most cost effective to date.</p> <p>» Continuation of our contract with our Graphic Designer to enhance our media presence online, throughout our premises and in the print media.</p> <p>» Reduced down times for the ATMs and GIA as per Work Plans. The ATM at the Vendors Mall was replaced by a brand new machine in 2016.</p> <p>» Utilization of our in-house media system to disseminate information to members about products, financial advice and notices in our main hall and reception area upstairs</p> <p>» The Annual Audit and Annual General Meeting (AGM) were completed by June 30th 2016 and information disseminated to members. Dividends of 5% were declared for the 2015 financial year.</p> <p>» Non-Loan Revenue accounted for 12.9% of Total Revenue for 2016 compared to 11.2% for 2015.</p>	

Organisational Goal 3		Strategic Priority Area
Implement enterprise-wide integrated Management Information System		Technology
Performance		
<ul style="list-style-type: none"> » Continuous improvements to our core software were facilitated as well as regular maintenance of the database » Off island backups facilitated by our software provider. » Continued updating of our database with members' information which reduced the need for access to members' physical files 		

Organisational Goal 4		Strategic Priority Area
To maintain a fully integrated Human Resources Management Programme		Human Resource Development
Performance		
<ul style="list-style-type: none"> » Completed Performance Management Program assessments for 2016 on time » 360 Degree Assessment completed by the Human Resources Committee 		

Organisational Goal 5		Strategic Priority Area
To increase our Return on Assets to 2% by 2016		Profitability
Performance		
<ul style="list-style-type: none"> » Return on Assets (ROA) for 2016 was 2.7%. Return on Assets (ROA) for 2015 was 2.0%. » Delinquency for 2016 stood at 5.3%. Delinquency ratio for 2015 was 6.0%. PEARLS Prudential Standards are 5% and below » Growth in the Loan Portfolio was 16.8% in 2016 compared to 7.7% in 2015 » Investments were expanded by approximately 41.0% to maximize returns on excess liquidity. This was done through the Investment Committee. 		

Organisational Goal 6		Strategic Priority Area								
To increase asset base by an average of 8% per annum over the plan period.		Asset Base								
Performance										
» Increase in Asset Base for 2016 was 19.0%. Management has promoted our existing savings products through a number of mediums as well as enforced the Mandatory Savings Requirements for Loans. There was also a major shift in customers from traditional banking establishments in 2016 due to increased fees and regulations.										
<div></div>										
»	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	23%	17%	3%	-2%	9.50%	9.30%	11.00%	17.60%	7.8%	19.0%
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» Support for the Barbuda School Savings Program and members on the sister isle										
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» Increased exposure of our existing products and services; there was growth in all Savings Accounts										
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CONCLUSION

CFCCU has managed to set its path on a course for significant growth in the future. 2016 marked a few milestones for us namely:

- » Surpassed EC\$150 million in assets
- » Surpassed 20,000 in membership
- » Highest recorded profit in our 57 year history
- » We now employ 32 staff members

Challenges with Human Resources during the year will be addressed in 2017 with increased training and expansion of the Human Resource complement. Management, through research, is aware that our customer service is our greatest strength and therefore must be continually developed.

The phenomenal growth in our asset base and membership have made CFCCU a force to be reckoned with in the financial service industry and therefore our Co-operative Principles and Philosophies have to be protected even more as external influences will become stronger. The Board of Directors and Management remain committed to ensuring that CFCCU continues to grow sustainably while contributing to its members and the society's well being.

More Convenience through Easier Access

Protecting your investments
by investing in proven, safe
and reliable systems.



Your CFCCU Family



Management Team (L-R): Shamair Henry (Financial Controller), Jennifer Brown (Operations Manager), Angela Payne (Loans Manager), Karl Spencer (General Manager)



Management & Business Administration Department (L-R): Dwight Bloodman, Donna Cornelius, Paula Goodman, Tamarie Roberts, Karl Spencer



Loans Department (L-R): Sherna Drew-Christopher, Lori-Anne Gardiner, Ilet Benjamin, Mario Connor, Angela Payne, Shamra Paige



Operations Department (L-R): Front: Sastiere Francis, Camille Hunte, Athina Monroe, Ardis Laville, Naomi Joseph, Keyenna Jackson, Jennifer Brown, Charlie Smith

Back: Shane Herbert, Shaphan Morson, Nigel Benjamin, Anthony Smith, Earvin Miller

Absent from photo: Adriane Henry



Accounts Department (L-R): Shamair Henry, Jessica Browne, Claudette Simon, Danielle Cools-Lartigue

TREASURER'S REPORT

My fellow co-operators, it is my responsibility as Treasurer to present to you the financial state of affairs of our Credit Union for the fiscal year 2016.

During 2016, Community First Co-operative Credit Union's assets grew by 19.0% compared to 7.8% in the prior year. This growth ensued from the introduction of fees and penalties by other Financial Institutions during the year which forced a significant number of persons to transfer their savings to our Credit Union thus increasing our Savings Totals by an impressive 18.4% compared to a growth rate of 6.8% over the previous year 2015. As a result, we were able to surpass our Asset Base growth target of 8%.

Our Credit Union's Loan portfolio growth has outstripped the prior year's growth performance. Due to aggressive lending strategies employed in the early parts of the year, we were able to grow the portfolio by 16.8% compared to 7.7% in the previous year. Despite impressive growth rates, we continue to experience challenges with the volume of our lending when compared to our asset base. Our Loan to Asset ratio was reduced from 73.1% in the previous year to 71.7% at the end of 2016.

However, by employing more aggressive Lending and Investing strategies and effectively managing our operating and financing costs, we were once again able to produce another record-breaking profit/ surplus.

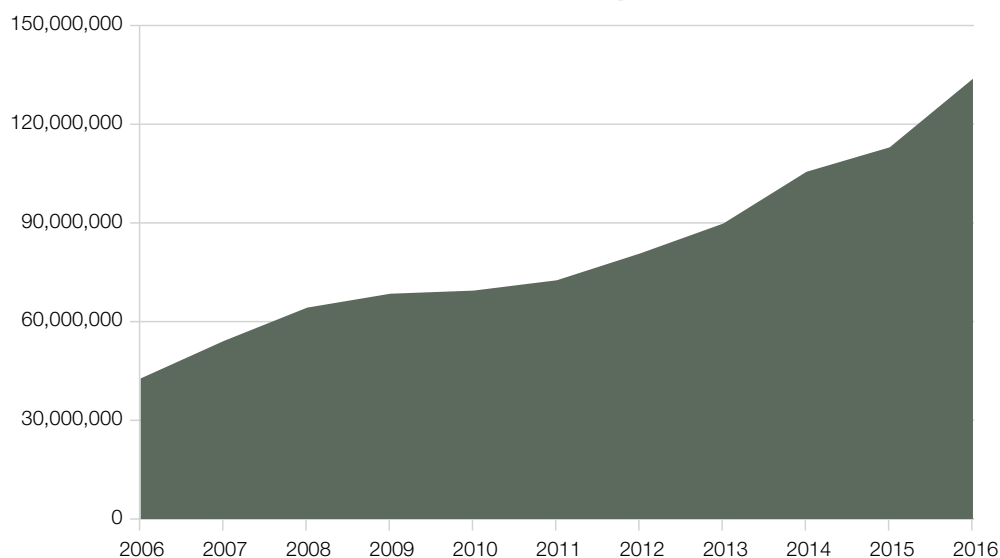
Savings

Savings over the period January to December 2016 grew by 18.4%. Total savings increased from \$112,974,813 in 2015 to \$133,814,736 in 2016. Savings Growth Rates were impacted by the influx of funds from other Financial Institutions, which further worsened our liquidity position.

Years	Savings
2006	42,729,327
2007	54,129,450
2008	64,245,872
2009	68,477,572
2010	69,424,262
2011	72,565,230
2012	80,714,706
2013	89,804,220
2014	105,534,689
2015	112,974,813
2016	133,814,736



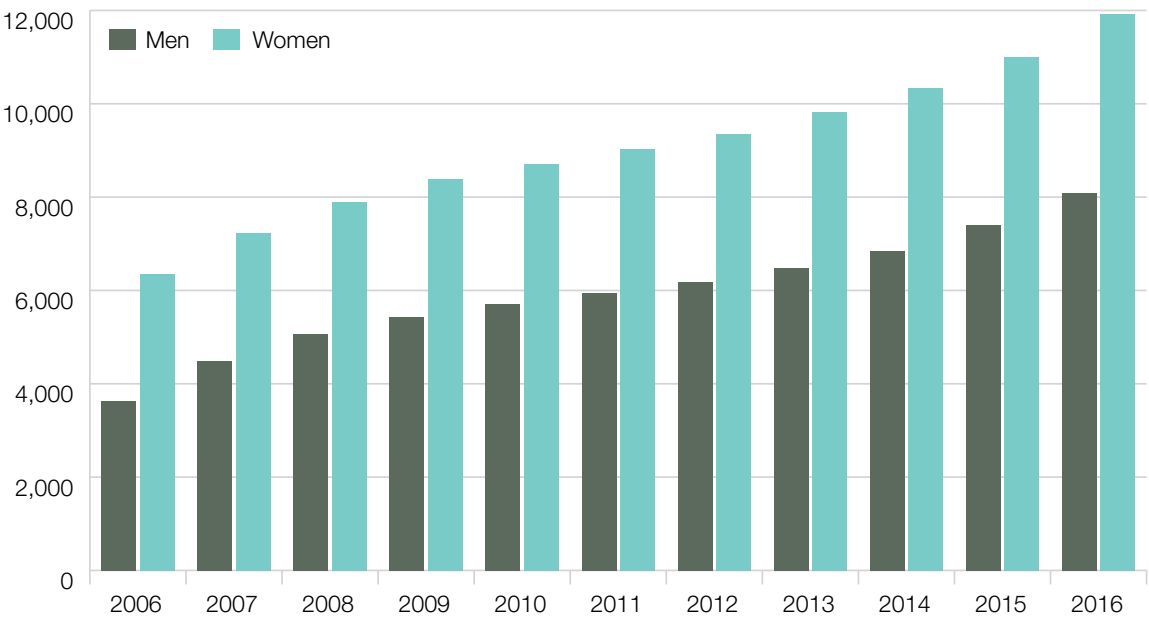
Growth in Savings



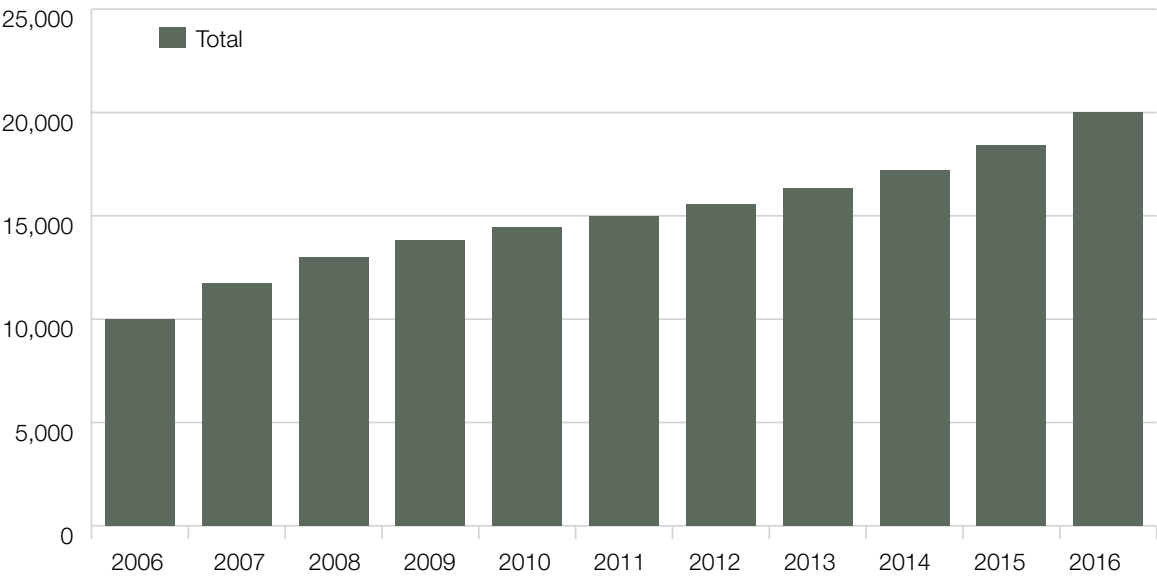
Membership

Membership grew in 2016 by 8.8% compared to a 7.1% growth rate in the previous year. This is indicative of the growing confidence of the wider society in our Credit Union's ability to meet their financial needs.

Membership by Gender



Total Membership



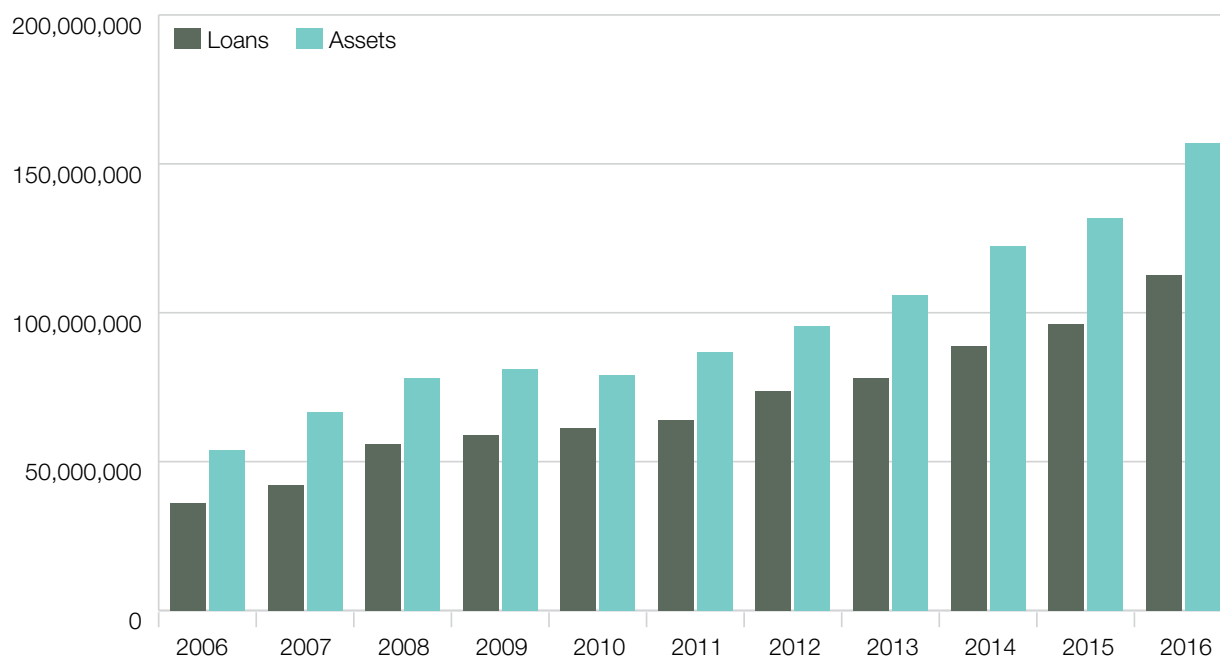
Assets

Our Credit Union's asset base continues to grow at a commendable rate. The Credit Union grew from \$131,859,179 in 2015 to \$156,859,145 in 2016; an increase of 19.0% compared to 7.8% in the previous year.

The Loan portfolio grew by 16.8% in 2016, from \$96,321,058 to \$112,519,772. The Net Loans to Total Assets Ratio (see PEARLS) decreased from 73.1% at the end of 2015 to 71.7% at the end of 2016.

Year	Loans	Assets
2006	36,100,927.00	53,874,666.00
2007	42,118,559.00	66,669,806.00
2008	55,899,768.00	78,187,302.00
2009	59,102,423.00	81,016,949.00
2010	61,125,370.00	79,202,027.00
2011	63,942,567.00	86,694,184.00
2012	73,837,381.00	95,632,427.00
2013	77,966,106.00	106,101,207.00
2014	88,685,866.00	122,241,624.00
2015	96,321,058.00	131,859,179.00
2016	112,519,772.00	156,859,145.00

Assets and Loans



Permanent Shares

Permanent Shares increased by 10.3% from \$3,559,690 in 2015 to \$3,924,910 in 2016, an obvious improvement on prior year performance where Permanent Shares grew by 8.5%. The Credit Union continues to seek innovative ways to encourage members to purchase additional shares.

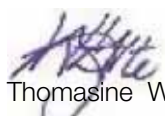
Delinquency

The delinquency ratio was 5.3% at the end of 2016, down from 6.0% at the end of 2015. The actual rate of delinquency as well as the actual value of delinquent loans decreased over the financial year 2016. The Credit Union continues to exploit all avenues to ensure improvement in this area.

Days in Delinquency	No.	Delinquent Loans	Savings & Assets	Net Liability
(i) 1-30 days	0	-	-	-
(ii) 31-59 days	5	94,673.95	136,306.07	(41,632.12)
(iii) 60-89 days	11	35,982.09	64,393.25	(28,411.16)
(iv) 90-179 days	22	223,947.19	409,284.29	(185,337.10)
(v) 180-269 days	13	123,677.73	199,344.93	(75,667.20)
(vi) 270-365 days	16	774,608.65	910,332.93	(135,724.93)
(vii) over 365 days	49	4,405,137.24	4,190,410.97	214,726.27
	116	5,658,026.85	5,910,072.44	(252,045.59)

Net Income

The Credit Union realized net profit in the amount of **\$ 3,902,525** for the financial year 2016, a record-breaking profit performance by our financially sound institution. Kudos again must be given to the Board of Directors, Committees, Management & Staff for the outstanding contributions made to ensure that Community First Co-operative Credit Union remains the preferred financial Co-operative in Antigua & Barbuda.



Thomasine Whyte
Treasurer-Board of Directors

CFCCU LTD. PEARLS PRUDENTIAL RATIOS**Protection**

		Goals	16-Dec	15-Dec
P1	Allowance for Loan Losses/Delinquent- 12 mths	100% or Charged off (c/o)	100%	100%
P2	Net Allow. For Loan Losses/Delinquent: 1-12 mths	35%	35%	35%
P6	Solvency	Greater than or Equal 110%	112.7%	112.7%

Effective

E1	Net Loans/Total Assets	70%-80%	71.7%	73.1%
E2	Liquid Assets/Total Assets	Max 20%	20.4%	17.4%
E5	Savings Deposits/Total assets	70%-80%	85.1%	85.5%
E6	Borrowed Funds/Total Assets	Max 5%	0.0%	0.0%
E7	Member Share Capital/Total Assets	Max 20%	2.5%	2.7%
E8	Institutional Capital/Total Assets	Min 10%	11.8%	11.3%

Asset Quality

A1	Total Delinquency/Total Loan Portfolio	Less than or equal 5%	5.3%	6.0%
A2	Non-earning Assets/Total Assets	Less than or equal 5%	10.1%	10.1%

Rates of Return and Cost

R1	Total Loan Income/Average Loan Portfolio	Entrepreneurial Rate	9.30%	9.01%
R2	Liquid Assets Income/Average Liquid Assets	Market Rates	2.30%	3.26%
R3	Fin. Investment Income/Average Financial Investments	Market Rates	4.06%	3.54%
R5	Fin. Costs: Savings Deposits/Avg. Savings Deposits	Market Rates	1.91%	2.16%
R6	Fin. Costs: Borrowed Funds/Average Borrowed Funds	Same or less than R5	0.00%	0.00%
R7	Fin. Costs: Member Shares/Avg. Member Shares	Greater than R4	0.00%	0.00%
R8	Gross Margin/Average Assets	Market Rates	5.12%	1.16%
R9	Operating Expenses/Average Assets	Less than 10%	3.41%	3.61%
R10	Provisions for Loan Losses/Average Total Assets		0.00%	1.89%
R12	Net Income/Average Assets		2.70%	1.50%

Liquidity

L1	Liquidity Assets B.S.T. Payables/Total Deposits	Minimum 15%	18.2%	17.0%
L2	Liquidity Reserves/Total Savings Deposits	10%	18.7%	17.7%
L3	Non-earning Liquid Assets/Total Assets	Less Than 1%	2.2%	2.3%

Signs of Growth

S1	Loans	Greater than S11	16.8%	7.7%
S2	Liquid Investments	Equal to S11	40.6%	54.3%
S5	Savings Deposits	Greater than S11	18.4%	6.8%
S6	Borrowed Funds	Less Than S11	0.0%	0.0%
S7	Member Shares	Greater than S11	10.3%	8.5%
S8	Institutional Capital	Greater than S11	25.4%	14.8%
S10	Membership	Minimum 12%	8.8%	7.1%
S11	Total Assets	More than inflation	19.0%	7.8%

Credit Committee Report



Introduction

The Credit Committee is comprised of three volunteers Ms. Kerri Gore (Chairperson), Ms. Nerissa Gomes (Secretary), and Ms. Tamika Browne (member).

The three-member committee is charged with the responsibility of ensuring that all loan applications comply with the Credit Union's loan policy and evaluating a borrower's ability to repay in order to mitigate the risks of delinquency. The Committee meets weekly to fulfil this mandate.

Committee Attendance

2016 CREDIT COMMITTEE ATTENDANCE			
NAME	MEETINGS SCHEDULED	MEETINGS ATTENDED	ABSENT/ EXCUSED
Kerri Gore	56	51	5
Nerissa Gomes	56	54	2
Tamika Browne	56	53	3

Loan Disbursement

There was no shortage of loans to review in 2016, with the peak periods being the times specials were offered. Great interest was shown in the mortgage offering resulting in a tremendous increase in the mortgage portfolio. In fact, the amount lent for this category more than doubled when compared to 2015 resulting in this category leading, based on the amount borrowed. The Christmas Special offered from 1st October to 31st December attracted the most borrowers, 421 members capitalized on this special.

A total of 1,927 loans were distributed in 2016 representing an increase in the loan portfolio of 20.59% or 329 over 2015. The amount borrowed increased by \$10,587,240.28 representing 37.81% over the same period in 2015.

Loans by purpose

Mortgages dominated the loan portfolio in terms of amount disbursed; \$9,021,736.73 was lent for this purpose accounting for 23.38% of the loan portfolio. Christmas expenses dominated when it came to the number of borrowers accounting for 21.85% of the borrowers. Members continue to borrow heavily for vehicle purchase. This category ranked second in amount lent as \$7,418,358.34 was borrowed for this purpose.

LOAN PURPOSE DESCRIPTION	2016 Loans Approved				2015 Loans Approved			
	COUNT	TOTAL VALUE	%		COUNT	TOTAL VALUE	%	
AMALGAMATED	78	\$ 1,050,018.22	2.72		64	\$ 860,029.22	3.07	
BUILDING EXPENSES	15	\$ 474,851.88	1.23		19	\$ 303,876.80	1.09	
BUILDING REPAIRS/ RENOVATIONS	101	\$ 1,714,334.03	4.44		80	\$ 1,385,824.34	4.95	
BUSINESS LOANS	20	\$ 726,465.24	1.88		27	\$ 1,010,393.93	3.61	
COMPUTER PURCHASES	6	\$ 31,165.48	0.08		6	\$ 12,845.48	0.05	
CONSOLIDATED DEBT	119	\$ 2,114,443.13	5.48		91	\$ 1,281,115.14	4.58	
EDUCATIONAL	85	\$ 1,411,982.77	3.66		98	\$ 1,520,876.36	5.43	
EQUIPMENT & SUPPLIES	19	\$ 292,527.89	0.76		6	\$ 59,000.00	0.21	
FISHERIES & AGRICULTURE	9	\$ 141,710.00	0.37		4	\$ 165,778.55	0.59	
FUNERAL EXPENSES	9	\$ 49,600.00	0.13		10	\$ 96,160.00	0.34	
FURNITURE & APPLIANCES	41	\$ 317,109.84	0.82		25	\$ 211,188.82	0.75	
HOUSE INSURANCES	2	\$ 5,706.25	0.01		2	\$ 5,931.25	0.02	
LAND PURCHASES	40	\$ 2,311,458.88	6.04		20	\$ 1,057,282.66	3.78	
LEGAL EXPENSES	14	\$ 155,384.32	0.40		9	\$ 138,227.56	0.49	
MATERNITY LOAN	2	\$ 13,500.00	0.03		4	\$ 36,000.00	0.13	
MEDICAL EXPENSES	17	\$ 196,210.00	0.51		19	\$ 191,290.97	0.68	
OTHER BILLS	22	\$ 119,059.78	0.30		24	\$ 158,870.00	0.57	
RESCHEDULE LOANS	10	\$ 1,011,996.69	2.62		6	\$ 1,491,175.39	5.33	
UTILITIES	4	\$ 10,200.00	0.03		3	\$ 6,692.00	0.02	
WEDDING EXPENSES	22	\$ 276,565.00	0.72		15	\$ 196,162.41	0.7	
TRAVEL EXPENSES	405	\$ 3,531,293.04	9.15		325	\$ 2,654,008.51	9.48	
VEHICLE EXPENSES	396	\$ 7,418,358.34	19.22		351	\$ 6,805,802.83	24.31	
PROPERTY PURCHASE	12	\$ 927,508.75	2.40		5	\$ 999,341.00	3.57	
CHRISTMAS EXPENSES	421	\$ 5,243,036.26	13.59		358	\$ 3,558,669.66	12.71	
MORTGAGE	59	\$ 9,021,736.73	23.38		26	\$ 3,792,439.36	13.54	
Total	1927	\$ 38,587,722.52	100%		1598	\$ 28,000,482.24	100%	

Loans by Gender

Females continue to be the dominant borrowers representing 61.65% (1,188) of the number of borrowers and 55.42% (\$21,384,014.35) of the amount borrowed. The total number of borrowers and amount borrowed increased for both genders when compared to 2015.

LOANS BY GENDER	2016			2015		
	COUNT	TOTAL VALUE	%	COUNT	TOTAL VALUE	%
MALE	739	17,203,708.17	44.58	611	12,185,246.95	43.52
FEMALE	1188	21,384,014.35	55.42	986	15,815,235.29	56.42
TOTAL	1927	\$38,587,722.52	100%	1598	\$28,000,482.24	100%

Loans by Age

The leading age category in 2016 was 31- 35. This category dominated both in amount borrowed (19.05%) and number of borrowers (17.28%). All age categories with the exception of 71 and over boasted an increase in the number of borrowers when compared to 2015.

LOANS BY AGE	COUNT	2016		COUNT	2015	
		TOTAL VALUE	%		TOTAL VALUE	%
1 - 18 Years	11	117,724.19	0.31	1	20,000.00	0.07
19 - 25 Years	204	3,331,232.95	8.63	184	2,494,112.71	8.91
26 - 30 Years	310	4,884,288.05	12.66	283	5,042,330.42	18.01
31 - 35 Years	333	7,351,421.28	19.05	294	4,930,168.41	17.61
36 - 40 Years	292	6,681,587.87	17.32	232	3,842,536.91	13.72
41 - 45 Years	235	5,419,409.62	14.04	208	3,745,516.98	13.38
46 - 50 Years	199	4,820,115.02	12.49	150	3,505,480.97	12.52
51 - 60 Years	267	4,769,211.46	12.36	194	2,915,076.28	10.41
61 - 70 Years	71	1,190,332.08	3.08	46	1,451,149.56	5.18
71 and Over	5	22,400.00	0.06	6	54,110.00	0.19
Total	1927	\$ 38,587,722.52	100%	1598	\$ 28,000,482.24	100%

Summary Report

The loan portfolio boasted an improvement over 2015 indicating that members are more willing to borrow and that the specials offered are fostering interest.

Females continue to dominate the loan portfolio, surpassing their male counterparts in amounts borrowed and number of application.

Members continued to borrow extensively for Christmas expenses. Notable increases were observed in the mortgage, vehicle expense and travel expense categories when compared to 2015.

The leading age category in 2016 was 31- 35 since they dominated both in amounts borrowed and number of borrowers.

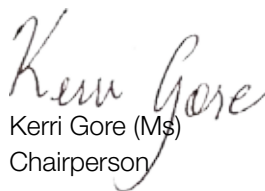
Training

In the 2nd and 3rd quarters, both Ms. Gore and Ms. Gomes respectively became certified in Anti Money Laundering and Countering the Financing of Terrorism from the Money Laundering and Financial Crimes (MLFC) Institute.

The members of the Credit Committee attended an all credit committee meeting on the 12th April 2016 hosted by The League. During this meeting, matters affecting credit committees nation-wide and ways to improve the performance of duties were discussed. Ms. Gore and Ms. Gomes also attended the 14th OECS Credit Union Summit in St. Vincent & The Grenadines, September 14th - 18th , 2016 where matters affecting the credit union movement were discussed, along with tips on how to adapt to and combat the recent changes being levied.

Community First Co-operative Credit Union (CFCCU) Strategic Plan

Members of the committee participated in CFCCU's Strategic Planning Session held December 4th and 5th 2016 to plot the way forward for 2017-2021.



Kerri Gore (Ms)
Chairperson

Supervisory & Compliance Committee Report



Left to right: Maureen Hyman, Loretta Benjamin, Nicole Edwards-Francis

The Supervisory and Compliance Committee began the year under review with its full complement of three members; Bernadette Jarvis (Chairperson), Maureen Hyman (Secretary), Nicole Edwards-Francis (Member). Mrs. Bernadette Jarvis completed her six (6) year volunteer tenure in June 2016 and was replaced by newly appointed member Loretta Benjamin. The committee met every week on Mondays with the exception of public holidays. The Committee carried out its duties in accordance with its legal responsibilities as per the Co-operative Societies Act 2010.

Name	Meetings		Absent
	Sched-uled	Attended	
Maureen Hyman	43	35	08
Nicole Francis	43	43	00
Loretta Benjamin	20	17	03
Bernadette Jarvis	23	22	01

The Supervisory and Compliance Committee plays a critical role and has vital duties to discharge. Our role has become more crucial and onerous in light of the global economic and financial situation. Failure to carry out duties diligently can result in the Committee members being personally liable.

Duties carried out by the Supervisory and Compliance Committee include but are not limited to:-

- » Inspection of loan applications to ensure that the proper procedure and due diligence are followed and that all the required documents are presented by the applicants
- » Review new accounts to ensure that the applicants meet the eligibility requirements and that the requisite documents are in order and current.
- » Examine the Source of Funds Declaration Forms to ensure that members are compliant with regards to anti-money laundering and anti-terrorism financing regulations.

- » Scrutinize Cheques: (i) the Royal Bank of Canada (RBC) cheques are examined against the loan reports and (ii) Antigua Commercial Bank (ACB) cheques are cross checked against the payment vouchers. Both were perused to ensure that the monies corresponded and that all the required signatures are on the payment vouchers.
- » The fiduciary duties deductions are reviewed on a quarterly basis to ensure that payments are made to Social Security, Medical Benefits, Board of Education and Inland Revenue Department.
- » Examination of the Board of Directors minutes to ensure that the Board is compliant with their fiduciary duties and obligations.
- » Attended a meeting with the Credit Committee to gain an appreciation of the credit (loan) process.
- » Conduct surprise cash counts in an effort to keep the tellers precise and accountable. For the most part they were accurate and the Committee commends them for their effort.
- » Examination of the teller's daily cash receipts against the daily report to ensure accuracy.
- » The loan files for staff were reviewed to ensure that the procedures and policies were adhered to.

TRAINING

During the year of review the members of the Committee participated and attended several workshops organized by the Community First Co-operative Credit Union and the Antigua and Barbuda Co-operative League conducted by competent facilitators. These included:

- » Supervisory Committee Training
- » Concepts of Corporate Governance
- » Duties and Responsibilities of Directors
- » Understanding Financial Statements
- » AML/CFT Compliance

- » Additionally Ms. Maureen Hyman was one of the representatives of Community First Co-operative Credit Union who attended the OECS Summit held in St. Vincent & The Grenadines in September 2016.

DELINQUENCY

The Committee continues to receive and review the monthly delinquency reports. The Financial Controller has informed the Committee that every effort is been made to reduce the number of delinquent loans. As a result of its efforts, the Committee commends the credit union and the Financial Controller for their hard work and efforts in the reduction of the delinquency rate. We would like to take this opportunity to commend the entire Management and staff for their hard work.

LEAGUE MATTERS

The credit union was represented on the League's Supervisory & Compliance Committee by Ms. Bernadette Jarvis and after her term ended was continued by Ms. Maureen Hyman. Meetings were held every third Wednesday of each month.

COMPLIANCE OFFICER

The Community First Co-operative Credit Union shares the services of the Compliance Officer with the other credit unions of the Antigua and Barbuda Credit Union League.

CONCLUSION

The Supervisory and Compliance Committee continues to operate in accordance with the Co-operatives Societies Act 2010 and other legal requirements. During the year under review, the Committee can report no major discrepancies were found. The Committee would like to thank the Management team, staff and other officials for their assistance and willingness to respond to all our requests and queries as we carried out our mandate.



Maureen Hyman (Ms.)
Chairperson

A LOOK BA



Staff member Jessica Browne presents member who collected the first ATM Card on the credit union's 57th Anniversary Day with a small token.



Edmond Brann, graduate of Empowerment Series 7 accepting his certificate of accomplishment from President Francois Sutton.



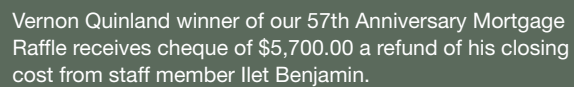
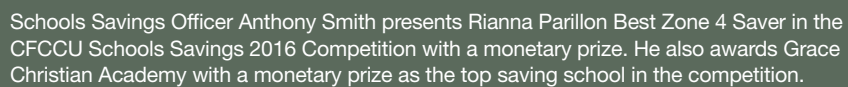
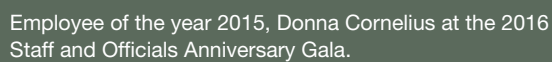
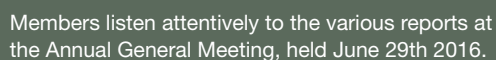
Joan Joseph winner of our Permanent Shares Drive raffle receives an iPhone 6s. Presentation made by staff member Naomi Joseph.



Business Development Officer Tamarie Roberts participates in Jennings Secondary School's Annual Career Day held March 2016.



Some of CFCCU's Officials at our annual International Credit Union Day hike to Burma Quarry, October 17th, 2016.



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 giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying that we are
Born to eternal life.

- Prayer of St. Francis of Assisi





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