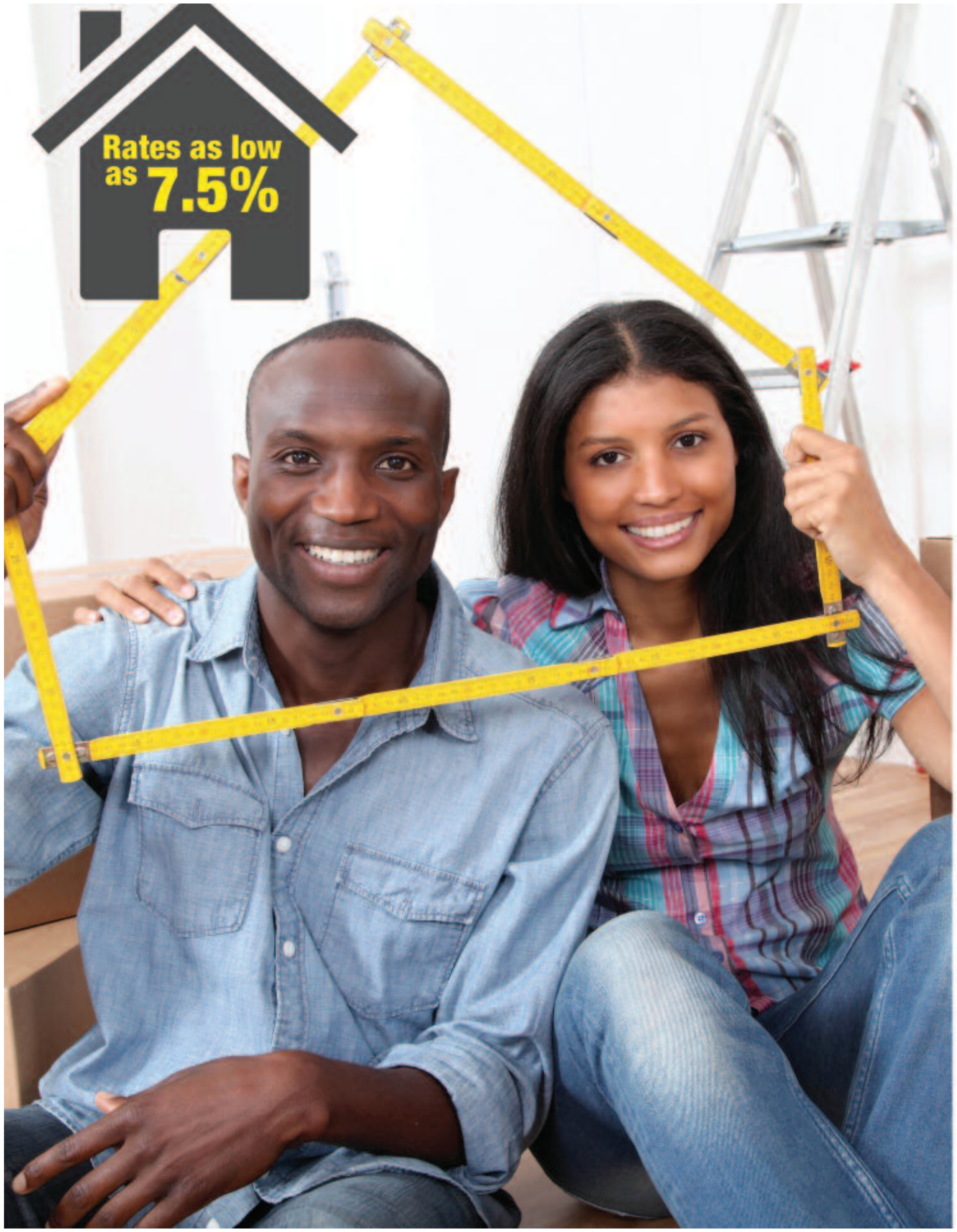
JTA Co-operative Credit Union Ltd.

you are CONNECTED

JTA CO-OPERATIVE CREDIT UNION LTD.

2019 ANNUAL REPORT

Serving our Members...
Impacting Lives Positively for 61 years


Rates as low
as 7.5%

Jamaica Teachers' Association Co-operative Credit Union Ltd.

56th

ANNUAL GENERAL MEETING

"Better is a little with righteousness than great revenues with injustice"

Proverbs 16 vs 8 (ESV)

MISSION STATEMENT

To improve the lives of our members through the provision of excellent financial services delivered by a highly motivated and competent team.

VISION

JTA CCUL is financially strong, member focused, easily accessible, technologically adept and the Premier Credit Union in Jamaica.

CORPORATE PROFILE

*The Credit Union was established in July 1959, registered on 10th October, 1959 and with Assets of **$15.0b**, Savings of **$11.7b,** Loans of **$12.2b** and a membership of **29,406** as at December 31, 2019.*

CONNECTED

Contents

Page

NOTICE OF THE 56th ANNUAL GENERAL MEETING FRIDAY, OCTOBER 2, 2020

NOTICE is hereby given that the 56th Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union Limited will be held on Friday, October 2, 2020 at the Jamaica Conference Centre, Kingston.

AGENDA

REGISTRATION: 9:00 - 10:00 A.M.

1. Ascertainment of a Quorum
2. Devotion
3. President's Welcome & Opening Remarks
4. Minutes of the 55th AGM held on Saturday, May 11, 2019
5. Matters Arising
6. Greetings
7. STATUTORY REPORTS
   a) Board of Directors
   b) Treasurer's & Auditors
   c) Credit Committee's
   d) Supervisory Committee's
8. REPORT FOR INFORMATION
   General Manager's Progress Report
9. Appropriation of Surplus
10. Fixing of Maximum Liability
11. Elections: See Nominating Committee's Report
12. Appointment of Auditors
13. Resolutions
14. A.O.B.
15. Distribution of Tokens
16. Closure

Minutes

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Call to Order

Mr. Patrick Smith, Secretary called the meeting to order at 10:00 a.m. It was confirmed that Four Hundred and Eighty (480) members were in attendance hence the required quorum was achieved.

Notice Convening the Meeting

The Notice convening the meeting was read by Mr. Patrick Smith, Secretary.

Devotion

Rev. Ronald Grey, Minister of Religion, Office of the District Superintendent of Jamaica East District, Church of Nazarene, Patrick City, St. Andrew was invited to lead the devotional exercise.

At the end of the devotional exercise Mr. Robert Ramsay thanked Rev. Grey for his testimonials.

Welcome & Opening Remarks

The Chairman, Mr. Paul Adams, President extended a warm welcome to members present. Special Mother's Day greetings was extended to all the ladies. He then welcomed members of the Board of Directors who were asked to stand and be recognized to a resounding applause.

Board of Directors

Mr. Paul Adams	- Chairman/ President
Mr. Fitz Carr	- 1st Vice President
Mr. Morris Stewart	- 2nd Vice President
Mr. Cyril Lebert	- Treasurer
Dr. Margaret Bailey	- Assistant Treasurer
Mr. Patrick Smith	- Secretary
Mrs. Ena Barclay	- Asst. Secretary
Mr. Ray Howell	- Director
Mr. Sherlock Allen	- Director
Mrs. Karen Hewitt-Kennedy	- Director
Mrs. Lou Ann Bramwell-Shakes	- Director
Mr. Fergus Mitchell	- Director
M. Lincoln James	- Director
Mr. Lebert Drysdale	- Director

Members of the Supervisory and Credit Committee were also asked to stand and be recognized.

Supervisory Committee

Mrs. Mary Dick	- Chairman
Miss Angela Chaplain	- Secretary
Mr. Wentworth Gabbidon	
Mrs. Glecia Beckford	
Mrs. Dawn Steele	
Mr. Aston Messam	
Mr. Clayton Hall	

Credit Committee

Mrs. Ann Geddes-Nelson	- Chairman
Mrs. Lena Russell	- Secretary
Mr. Leaon Nash	
Mr. Christopher Sinclair	
Mr. Norman Allen	

Seated on the platform was:

Mr. Robert Ramsay - General Manager

Special recognition was given to the General Manager and all staff members in attendance.

Attendance Record of Directors

The Attendance Record of Directors was listed on Page 33 of the Annual Report Booklet.

The Following persons were specially recognized by the Chairman:

- Honourable Karl Samuda, Minister without Portfolio in the Ministry of Education, Youth and Information.
- Mr. Winston Fletcher, President of the League

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Minutes

- Dr. Garth Anderson, President of Jamaica Teachers' Association
- Mr. Byron Farquharson, Secretary-General of the Jamaica Teachers' Association
- Ms. Rochelle Stephenson, KPMG – Audit Partner
- Ms. Rosemarie Henry, Vice President of Risk and Compliance and Principal Officer, CUNA Caribbean
- Mrs. Joan Thompson, General Manager, JCIA
- Mrs. Montaque-Anderson, Assistant General Manager, First Heritage Credit Union
- Mr. Andre Gooden, Chief Development Business Officer, COK Sodality
- Mr. Augustus Raymond, Widower of the late Dr. Dorothy Raymond, Past President
- Mrs. Gloria Gascoigne, Widow of founding President, Mr. Gascoigne

Apologies

Apology was tendered on behalf of Mrs. Mary Dick who was unavoidable absent due to work commitment. Apology was also tendered on behalf of Mrs. Melva Humes Johnson who was absent due to illness.

Reading and Confirmation of Minutes of 54th Annual General Meeting

Mr. Patrick Smith, drew the meeting's attention to the Minutes of last Meeting held on 2018 May 12 found on pages 10 – 22 having been circulated, the Secretary asked for a motion that the Minutes be taken as read. The motion was moved by Mr. Norman Allen, Member of the Credit Committee and seconded by Jennifer Hewitt, Retired Teacher. The motion carried. There being no amendments, the Minutes were then confirmed on a motion moved by Regenda Peck-Miller, Retired Teacher and seconded by Janet Holness, Robert Lightbourne High School.

Matters Arising

Response to Referrals from the 54th Annual General Meeting.

The following were discussed:

- **Concerns Regarding Golden Harvest**

Mrs. Estell Davis Wright of Lystra Primary School had raised concern at last Annual General Meeting about embarrassing instances she encountered when she took out a Golden Harvest Account. Mr. Ramsay was asked to meet with her to have the matter addressed.

Mr. Smith informed the meeting that the matter was addressed.

Mrs. Davis-Wright extended commendation to Mrs. Lisa Taylor who she stated played an integral role in ensuring that her issue was addressed. She also commended the Credit Union which was met with a resounding applause.

- **Replacement of HEART Trainees**

Mr. McNamee of Broadleaf Primary queried about the placement of HEART Trainees at the front desk of the Credit Union and expressed concern as to whether the HEART Trainees were privy to clients' financial information.

Mr. Smith informed the meeting that training was ongoing.

Obituaries

Secretary Patrick Smith drew members' attention to page 161 of the booklet where colleagues who transitioned in 2018 were listed.

Amos-Williams	Veronice
Anderson-Douglas	Murlene
Barrett	Urcella
Campbell	Cynthia
Campbell	David L.
Chambers	Olga
Clarke	Careen
Clarke-Henry	Harlene
Dawkins	Joyolyn
Deans	Lena
Edwards	Veronica
Elvey	Grace
Esson-Barclay	Joan
Fenton-Pearce	Patricia
Ford	Nevardo
Foster	Velma

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Francis	Jerome
Graham	Yvette
Harvey	Elizabeth
Heath	Joan
Henry	Audrey C.
Henry	Harlene
Hutchinson	Camille E.
James-Drummond	Beverley
Johnson	Ainsworth
Johnson	Daphney
Jones	Evelyn
Lawrence	Nora
Lindsay	Jennifer
Lindo	Nicco
McLennon-Powell	Leanorah
Morris-Barrett	Florence
Morris	Roy
Munoz-Vassell	Clarice
Murdock-Harvey	Pauline
Murray	Theslin
Polson	Aba
Rhoden	Carol
Robinson	Hyacinth
Rowe-Matthews	Laurel
Scott	Joyce
Scott	Marjorie
Simmonds	Racquel
Smith	Glenna M.
Wellington	Pearlita
Williams	Edna
Williams-McLean	Evine

Secretary Patrick Smith led the members in tribute accordingly.

Greetings

President Paul Adams informed the meeting of the Rules of the Order as follows:

1. Persons speaking from the floor would be asked to indicate name, school and if retired or otherwise.
2. Microphones were expected to be fully utilized for improved diction.

The following persons brought greetings on behalf of their organization:

- Hon. Karl Samuda, Minister of Education
- Mr. W. Fletcher, President, Jamaica Co-op Credit Union League and President of Caribbean Conference of Credit Unions
- Ms. Rosemarie Henry, Vice President, Risk & Compliance, CUNA Caribbean Insurance Jamaica Limited
- Mrs. Sophia Pitter-Johnson, Department of Cooperatives and Friendly Societies
- Dr. Garth Anderson, President, Jamaica Teachers' Association

All persons expressed their delight at being able to share in the occasion and spoke glowingly of the achievements of the Credit Union and extended congratulations for its 60 years of sterling performances.

All received resounding applauds at the end of their presentations.

Report of the Board of Directors

President Adams presented the report on the performance of the Credit Union for the financial year ended 2018 December 31.

Economic Review

President Adams commented on the economic review of the Country. During the year the economy continued to show improvement. At the end of 2018, annual inflation stood at 2.4%, down from 5.2% in 2017. The Jamaican Dollar traded at J128.00 against its US Counterpart. Interest rates on the benchmark Treasury Bill Investments decreased from a high of 5% in January to 2.1% at the end of December 2018. Net International Reserve stood at US$3,005.41 million.

President Adams highlighted the major change in financial reporting which took effect January 2018. The change required all financial institutions to prepare financial reports in compliance with IFRS 9, a new International Reporting Standard.

The Credit Union recorded growth in all areas of the operations. Four percent (4%) interest was paid on Voluntary Shares and 6% dividend on Permanent Shares. Total Assets grew by 6.7% from $13.1 billion over the previous year; Deposits (excluding Voluntary Shares) grew by 8.12% to $5.3 billion and Voluntary Shares grew by 5.29% to 5.77 billion resulting in a total of $11.1 billion in members' savings; Loans grew by 12.3% to $10.5 billion an increase of $1.1 billion. Total Revenue exceeded the $10 billion mark, totalling $1.614 billion (Loan Income $1,414.6 million, Income from Investments $142.8 million and Non-Interest Income $56.6 million) an increase of 7.5% over the previous year.

Human Resource Development & Administration

For the year under review, the Human Resources Department focused on improved customer service by ensuring all members of staff were trained in Customer Service Excellence. Additional developmental training sessions were conducted to enhance performance standards and to train and educate staff to respond effectively to the ever changing market environment.

The five (5) divisional heads were noted and acknowledged. Mr. Winston Reid, Assistant General Manager retired and was replaced by Mrs. Lisa Taylor, former Marketing & Public Relations Office, Mr. David Waite, Information Technology Officer and Miss Shevelle Grant, Branch Clerk at the May Pen office joined the JTA Credit Union family during the year. Staff complement stood at 105 at year end.

In the area of Administration, several offices were rejuvenated to include, Mandeville, Santa Cruz, Port Antonio, Morant Bay and Port Maria; all locations were painted in the same colour scheme and updated signs installed at several branches thus uniformity realized across the island.

Sponsorship & Donations

President Adams stated that in 2018 the establishment of the Better Schools Better Jamaica project to the tune of $1M was awarded to Old Harbour Primary for the construction of a Reading lab and $500,000 to Glengoffe High for retrofitting of their Computer Lab. The Credit Union would continue to be engaged as major sponsors or co-sponsors of the Gleaner Spelling Bee Competition; JTA/Sagicor Primary & All-Age Athletics Competition; The Gibson Relays; TVJ Jr. Schools Challenge Quiz Competition and The JTA Golden Torch Awards.

In the area of donations, support was given to the JTA Retired Teachers' Association Christmas Luncheon, Fletcher's Land Youth Club and various school development projects across the island.

Scholarships and Grants

President Adams lauded the efforts of the JTA Credit Union to award scholarships and grants to teachers in tertiary institutions. There were twelve (12) awardees. The awards were made at a ceremony held at Jamaica Pegasus Hotel on September 7, 2018.

Seventy (70) students received bursaries and grants, five (5) from each parish through the GSAT Bursary Programme. Total paid out was $1.75M. The award ceremony was held at Knutsford Court Hotel on July 27, 2018.

Strategic Planning

A Strategic Planning Retreat is scheduled each year. This event is geared towards examining the Credit Union's development, assess the progress and to improve product offerings and services. During the period November 24-26, 2018 representatives from the Board of Directors, Chairmen and Secretaries of the Supervisory & Credit Committees and Senior Managers met to conduct the Review and Planning Retreat for 2018/2019.

Major strategies developed at the Retreat had been adopted by the Board of Directors for implementation.

Board Meetings

A total of fifteen (15) meetings were held in the year 2018 of which three (3) were Joint meetings with the Supervisory and Credit Committees to conduct the business of the organization in keeping with the bylaws. Board Members attended and chaired other Sub-Committees as required and directed by the Board of Directors.

Minutes

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Acknowledgement

President Adams thanked the founders for their philosophy of cooperative spirit in believing that people could come together to solve financial problems and achieve economic independence.

He emphasized that as stakeholders in the Credit Union there was a vested responsibility for leaders to be educated on good financial management, set achievable financial goals, prepare economically to withstand any financial difficulties, take responsibility for the management of one's finances and to be ambassadors for the organization.

He thanked the members for their loyalty, the management and staff for their diligence and faithfulness, the Board and Committees for eye for details and resilience, the Co-operative Network especially the Jamaica Co-operative Credit Union League, CUFMC, Jamaica Co-operative Insurance Agency, CUNA Caribbean Insurance Jamaica Limited, the Department of Co-operatives & Friendly Societies, Ministry of Education, the Jamaica Teachers' Association and its Allied Group, KPMG and Almighty God whose guidance, wisdom and protection steered the organization through difficult times.

Matters Arising

Mr. Fitz Carr invited questions or concerns from the presentation.

Mr. David Powell of Porus High School extended commendation to the Chairman and team for the exemplary work by the team which realized much success. He queried whether contribution was made to the Special Critical Illness Trust Fund because it was not mentioned in the Chairman's report.

President Adams stated that a Board decision was made for commitment to the Special Critical Illness Trust Fund however the initiative would commence in 2019. He highlighted that such information would be included in next year's report.

Ms. Merlene Dawes, pensioner queried whether the Credit Union had been investing in the vibrant Equities Market. She stated that the stock exchange was doing exceptionally well. She also indicated that the report indicated that the rate for Treasury Bills had fallen significantly and returns on investment had dwindled.

Mr. Carr advised that a part of her question would be addressed by the Treasurer in his report. He gave an assurance that the Credit Union had engaged experts who were busy observing the market and making the requisite investments in the best interest of the Credit Union and members. Mr. Carr reiterated that the Credit Union had been investing wisely for over 60 years and assured Ms. Dawes that she would see returns in short order.

Adoption of the Report

The motion for the adoption of the report en bloc was moved by Mrs. Desrine Brown-Ferguson of Greenwich Primary School seconded by Ms. Lavern Johnson of Davis Primary School and carried unanimously.

Treasurer's Report

Treasurer Lebert presented the Treasurer's report for the year ended 2018 December 31. He highlighted that the year recorded steady global economic growth but which slowed in the last quarter with uncertainty fuelled by financial markets volatility and global economic policy. There was also weaker outlook for some key emerging markets and developing economics arising from country-specific factors, tighter financial conditions, political tensions and higher oil import bills.

Unemployment fell from 12.5% in 2017 to 8.7%as at October 2018. Inflation for the calendar year was 2.4% down from 5.2% recorded in 2017 due to rising food and fuel prices. The Jamaican dollar depreciated by 2.2% with respect to the US$ moving from a rate of $125.00 to $127.72 during the year.

Treasurer Lebert stated that the customary comprehensive business plan was developed at the annual Strategic Management Retreat and specific goals were set. The table below showed the overview:

OBJECTIVE	GOAL	ACTUAL
Increase Total Assets	7.0%	6.7%
Increase Savings to Assets Ratio	80.0%	79.3%
Institutional Capital to Total Assets Ratio	13%	13.6%
Operating Expense to Average Assets Ratio	6.5%	6.1%
Delinquency Ratio	3.0%	2.4%
Increase Loan to Total Assets Ratio	75.0%	75.2%
Attain Revenues of	$1.565B	$1.610B

Treasurer Lebert highlighted the strides made in delinquency which was the best in the movement as well as revenue targets realizing a total of $1.6 billion. The information was well received and acknowledged by a resounding applause.

Total assets increased by $880B 5M to $13.9B, a growth of 6.7% when compared to 2017. The Loan Portfolio increased by $1.1B or 12.3% to $10.5B at the end of 2018. The largest area of growth was the Personal Loan Product which was up by $1.92B. The consolidated loan portfolio fell by over $662M. Investment Portfolio showed a marginal increase closing just under $3 billion. Members' Deposits grew by $397.2M, an increase of 8.1% when compared to 2017. Voluntary Shares increased by $289.6M or 5.3% over the same period. Net Surplus of $283M was earned on revenues of $1.6B, an increase over the surplus of 108M and revenue of $1.5B recorded in 2017.

With regards to the Savings Portfolio, the largest components were Voluntary Shares 52%, Special Deposits 30% and Golden Harvest of 15%. The table below shows the Savings Portfolio as at December 31 when compared to 2017.

Savings Product	2018 $M	2017 $M	Increase /(decrease) $M
Voluntary Shares	5,766.1	5,476.5	289.6
Special Deposits	3,277.6	3,036.4	241.2
Golden Harvest	1,682.5	1,569.1	113.4
Other Deposits	329.3	286.6	42.7
Total	**11,055.5**	**10,368.6**	**686.9**

Income

The meeting was informed that interest income for the year increased by $62.3M or 4.3% over 2017. The primary source of income was from loan interest which recorded $1.4B in 2018. Investments contributed interest earnings of $106.6M. Additional investment income of $31.9M was realized from unit trust investment during the year, bringing total income from investments to $138.5M. Other income of $56.6M was earned primarily from fees, commission and bad debt recovery.

Operating Expenses

Operating Expenses increased by $56.1M, a 7.4% increase when compared to the previous year. The Operating Expense to Average Assets ratio for the year was 6.1% well within the prudential standard of 8%.

Safety & Soundness

Treasurer Lebert emphasized that the Credit Union's performance was measured by PEARLS international standards and showed indications. He reiterated that the Credit Union would continue to meet set standards, maintain the required provision against potential credit losses, utilize assets productively and manage expenses prudently while maintaining optimal liquidity and capital adequacy.

Capital Adequacy

Treasurer Lebert advised that at the close of 2018 Institutional Capital stood at $1.9B, an increase of $115.3M. Institutional Capital to Total Assets ratio was 13.6%, well in excess of the PEARLS standard of 8% which confirmed the Credit Union's strong capital base and its ability to withstand adverse financial conditions.

Conclusion

Treasurer Lebert highlighted that the Credit Union realized laudable performance in 2018 despite the effects of the economic and financial challenges. He stated that there was a concerted commitment to provide members with the products they desired and delivered with consistent excellent service, the mandate of operations going forward. He added that those specific objectives would make the Credit Union distinct.

Treasurer Lebert expressed his commitment to serve in the capacity of Treasurer. He commended the management and staff for the exemplary work and dedication, the Board and Committees, KPMG, Jamaica Co-operative Credit Union League, Department of Co-operatives and Friendly Societies and the valued and loyal members for the continued support. He asked that God would continue to prosper the organization.

Auditor's Report

Ms. Rochelle Stephenson of KPMG presented the audited financial statements of the Credit Union for the financial year 2018. The report was located in the Annual Report Booklet – Pages 54 – 127. The report comprised of the Statement of Financial Position as at December 31, 2018, the Statements of Profit or Loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes comprising significant accounting policies and other explanatory information.

Ms. Stephenson stated that it was their opinion that the financial statements were a true and fair view of the financial position of the Co-operative as at December 31, 2018 and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act.

Ms. Stephenson's report was well received.

Matters Arising from the Treasurer and Auditor's reports:

Mrs. Barbara Gascoigne, Retiree extended commendation to Treasurer Lebert and the team for effective governance of the financial affairs of the Credit Union.

Mr. Jasford Gabriel, Principal of Manchester High School extended commendation to the management team of the Credit Union. He highlighted the major indicators as presented by Treasurer Lebert to include reduction in delinquency, increase in revenue and asset base. He stated that the talking point among the teachers was that, as the parent organization the benefits have not trickled down to the teachers especially in terms of interest rates and benefits. He added that teachers have been considering a shift in membership because they have been comparing the benefits with other financial entities where they believe could serve them better. His comments were received by a resounding applause.

The Chairman thanked Mr. Gabriel for the input whilst acknowledging that the comments could be a little contradictory.

Mr. Leodon Spence, Retired queried whether the children of teachers attending universities could become members of the Credit Union. He added that the initiative could increase membership.

The Chairman welcomed the comment. He stated that the proposed initiative would require a rule change followed by a resolution. This was met with a resounding applause.

Mr. W. Pitter queried the Credit Union's plan for the surplus. He added that he was aware of the planned donation to the Critical Illness Funds.

Dr. G. Anderson, President of JTA queried the amount in the accumulated surplus and the plans for same.

Minutes

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Treasurer Lebert responded by pointing to the Annual Report - Page 56, third column which showed accumulated surplus of $559.720 million. He added that the Board would have to meet and decide on the best use of the accumulated surplus for the benefit of all.

Mr. Robert Ramsay, General Manager provided support to Treasurer Lebert in response to the question posed by Dr. Anderson. He made reference to the same Page 56, third column and highlighted appropriation of $107 million deducted at the end of 2017. He stated that occasionally changes to the account standards require that amounts should be retained to buffer against possible adjustments that may arose. He explained that with the implementation of IFRS 9 funds of $107 million was used to cushion the effects. He added that the accumulated surplus could be viewed as non-institutional capital use for adjustments occasionally.

Dr. Anderson accepted the information provided however the stated that the Board should decide on a reasonable amount to be retained as accumulated surplus and the remaining amount be utilised for the benefit of the members. The comments were well received by a resounding applause.

Mr. E. McNamee of Broadleaf Primary, Manchester queried the issue regarding the introduction of the bond regarding the member and being mega. He asked for proper information regarding the benefits of being Mega Credit Union and how the members would benefit from such status.

The Chairman advised that the matter could be discussed as part of deliberations, if raised.

Ms. Jennifer Hewitt, Retired informed the meeting that she relocated to Trelawny following retirement in St. Mary. She stated that since being relocated she had not received any information on product offerings, no one made contact whether by phone or emails. She added that having relocated to Trelawny she either return to St. Mary or travel to Mandeville to get information.

The Chairman asked that Ms. Hewitt have discussions with Mr. Robert Ramsay, General Manager after the meeting.

Adoption of the Auditors & Treasurer's Report

A motion to adopt the Auditor's and Treasurer's report en bloc was moved by Mrs. Barbara Gascoigne, Retired seconded by Mr. Winston Smith of Golden Spring Primary School.

Report of the Credit Committee

Mrs. Anne Geddes Nelson, Chairperson of the Credit Committee presented the report for year ended 2018 December 31. The Committee consisted of five (5) members and convened weekly meetings to review members' loan. During the period of review the Committee processed over 300 loan applications, met with members who experienced challenges with their loan portfolio(s), conducted interviews carried out spot checks and approved loans. The Committee also reviewed all new products and made appropriate recommendations to the Board.

Loan Applications

Mrs. Geddes Nelson informed the meeting that during the period of review, 360 loan applications were received averaging 30 applications monthly. She presented a table which showed monthly breakdown of applications received. It was highlighted that January, June and August recorded the largest number of applications received. The meeting was informed that of the 360 applications, 275 were requested for loans, 85 for rescheduling of loan repayments. It was highlighted that 79 of the requests for rescheduling were from retired members awaiting gratuity and pension benefits.

Mrs. Geddes Nelson highlighted the business activity for the period 2017 – 2018. When compared to 2017, there was an increase of over 7% in the number of applications processed in 2018. One Hundred and Eighteen (118) loan were approved, 103 with waivers, 37 recommended for Board approval, 85 were rescheduled, 11 deferred, 3 pending and 3 denied. Five (5) interviews were conducted and two (2) spot checks carried out. Total value of loans approved was $522,659,284.08 a decrease of approximately 3% to $537,849,454.47 recorded in 2017. It was highlighted that Debt Consolidation, Auto Loan, Home Improvement represented 65% of the loan applications received. Of note, motor vehicle purchases and education loans accounted for 16% while other loans accounted for 19%. Detailed figures showed Debt Consolidation value of $138,173,843.51, Home Improvement of $68,878,815.54, Motor Vehicle Loans (with land title as collateral) of $70,000,000 and Education of $16,326,503.61.

The Chairman expressed sincere thanks to Members of the Board, Supervisory Committee, Management and Staff of the Credit Union.

Special thanks to the members of the Credit Committee and to God.

The report was well received and acknowledged by a resounding applause.

Matters Arising

Ms. Queenie Nembhard Morris, Retiree commended the Committee on the improvements made as evident in the report. She pledged her support and urged them to continue to service with the highest level of professionalism and integrity.

Ms. J. Hewitt shared her experience following her application for a waiver. She explained that despite her application for the waiver she was contacted many times asking why she would not make payments. She stated that she became frustrated and demanded answers at which time she was told her application had not been processed even after five months from the date of receipt. She added that she had to get the funds elsewhere and opined that the situation was very poor reflection of service standards.

The Chairman stated that he would reinforce service standards across branches.

Ms. Doreen Dawes, Pensioner queried whether members had been accessing loans from other financial institutions. She pointed to reports which indicated membership of 27,000 however just over 300 loan applications were received. She added that she invested in the Credit Union and expected returns of much more than the reported 19%.

Ms. Dawes suggested that a rigorous marketing strategy be adopted by the Credit Union to drive loans of over $5 million to members. She suggested dynamism in the business to include other investment options and not only focus on purchasing Treasury Bills.

Mrs. Geddes Nelson informed the meeting that the Credit Committee would only review loans of $5 million and over. Other loans would be processed at branch levels. She thanked Ms. Dawes for her contribution in marketing the products and stated that the Marketing Department would devise strategies to increase growth and would consider her recommendations in their deliberations.

Dr. Patience Alonge of Northern Caribbean University, Manchester queried whether loans were available for education for teachers' children or if the members had been accessing loans for the said purpose at other financial institutions. She added that the amount for education was very minimal. She urged the Credit Union to reconsider interest rates for members.

Mrs. Geddes Nelson stated that efforts would be made to again revise the interest rates for loans.

Ms. Suzette Baker of Denham Town High School queried the initial charges to members who applied for small loans. She explained that she applied for a small loan and had to pay $9,000 for credit check. She stated that other institutions charge $2,000 and $3,000 for the credit check and requested clarification.

Mrs. Geddes Nelson stated that Mr. Robert Ramsay, General Manager would address the issue in his presentation.

Adoption of the Report

A motion for the Adoption of the Report en bloc was moved by Mr. David Powell of Porus High School seconded by Dr. Patience Alonge of Northern Caribbean University.

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Minutes

Report of the Supervisory Committee

Ms. Angela Chaplain presented the report of the Supervisory Committee on behalf of Mrs. Mary Dick who was unavoidably absent. An apology was tendered on her behalf.

The meeting was informed that that the Committee met twice weekly, on second Tuesdays and fourth Thursdays. The record of attendance was highlighted.

During the year under review, all eleven branches were visited with the aim of observing the operations and physical conditions of offices, examined files to ensure that loans were properly secured while strict observances were made of the loan policies and checked inventories. The Committee played an integral role in ensuring that the Credit Union's brand image and identity were consistent across all locations and as such branch offices were refreshed and/or renovated.

The Committee highlighted other achievements which occurred during the period of review as follows:

- ✔ On the request of the Board, examined the Code of Business Conduct and Ethics Policy and ensured compliance by all.
- ✔ Reviewed and revised the Code of Business Conduct and Ethics Policy as well as other policies.
- ✔ Ensured improved customer service as well as access to training by Committee Members and staff.
- ✔ Ensured the use of technology was accessible to assist the Credit Union to deliver improved operational effectiveness while protecting the safety and integrity of information.
- ✔ Examined accounting records to ensure that due process was followed, loans properly secured, correct interest rates applied and calculations done in accordance with established guidelines.
- ✔ Assisted with the implementation of Enterprise Risk Management (ERM) Risk Registers as well as forming of the Risk and Compliance Committee.
- ✔ Implemented standard reporting procedures and recommendations as per information gleaned from internal audit reports and present monthly to the Board of Directors.

It was reported that Volunteers Total Savings was $102.85M while Total Loans was $85.92M. Total Savings for Staff was $112.77M and Total Loans of $264.94M.

The Committee congratulated staff members who were recognized at the Long Service Awards Dinner. Congratulations was extended to Mr. Paul Adams who received the Jamaica Teachers' Association (JTA) Roll of Honour Award.

Sincere appreciation was extended to the management and staff for the level of efficiency and effectiveness demonstrated throughout the year and to the membership for the trust and confidence placed in the stewardship of the team having been elected to serve.

Matters Arising

Dr. G. Anderson queried about the specific steps taken to treat with customer service.

Ms. Chaplain stated that there have been cases where reassignment of staff was requested. She added that Mr. Robert Ramsay, General Manager would address the issue in his presentation.

Mr. Ethan McNamee of Broadleaf Primary again raised the issue regarding the placement of HEART trainees as the face of the JTA Credit Union. He suggested that customer service representatives be employed with the view of speeding up the process thus would avoid long hours spent waiting to see a financial advisor.

The Chairman acknowledged that the matter was raised last year and would be addressed by Mr. Robert Ramsay in his presentation.

Dr. G. Anderson queried about the use of technology and its impact on improving efficiency.

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,

Jamaica Conference Centre, Duke Street, Kingston

The Chairman advised that the area of technology was under the General Manager's responsibility thus would be addressed in his presentation.

Ms. Catherine Johnson, Retired queried whether considerations could be given for loans for retirees in order to preserve their savings with the Credit Union. She stated that she had met with several financial advisors and not realized any satisfaction.

The Chairman advised that he would recommend that the General Manager be available after the meeting with the view of ensuring the best assistance offered as per situation presented.

Mrs. Ann Saunders-Anderson of Shortwood Practicing queried whether employees at the Front Desk were adequately informed of the products offered by the Credit Union. She stated that in her position of Contact Teacher several teachers have reportedly been turned away however when she took timeout to speak with them it was clear that they were misinformed by the Front Desk official. She suggested that a procedure be adopted whereby customer service representatives communicate with a senior official or another official of the Credit Union if they were unsure of product offerings when asked.

The Chairman informed the meeting that HEART trainees were not employed by the Credit Union but were placed at areas to receive training.

Ms. Andrea Richards, Retired queried the required age to join the Credit Union and the age at which one could be denied a loan.

The Chairman advised that persons were required to join on becoming a teacher. He added that it was his opinion that age should not be a deterrent in getting a loan as long as specific criteria were met. He promised to examine the situation accordingly.

Dr. P. Alonge of Northern Caribbean encouraged members to speak up and to ensure that matters were raised with the persons placed in the position to assist. She stated that grumbling, complaining and gossiping were not appreciated. She added that there were solutions to every issue and would be adequately addressed for the benefit of all. Her utterances were met with a resounding applause.

The Chairman informed the meeting that all comments made would be captured verbatim. The notes would then be reviewed by the Board and requisite decisions taken. He added that individuals often times prefer a decision to be made after queries however the Credit Union was governed by the rule of law as stipulated by the Bank of Jamaica and other regulatory bodies.

Adoption of the Report

The adoption of the report of the Supervisory Committee en bloc was moved by Dr. Garth Anderson, JTA President seconded by Mr. Leaon Nash, Member of the Credit Committee.

General Manager's Progress Report

Mr. Robert Ramsay presented the progress report for the Credit Union. He highlighted that the Credit Union continue to stand out among its peers and remained the largest Credit Union in Jamaica. He also highlighted the challenges faced during the year in review.

The General Manager was pleased to report on the high points realized throughout the year. As at June 2018, assets were at $13.7B, Loans Portfolio was 9.8B and Savings Portfolio was 10.8B. Membership stood at 28,280. Average savings per member was $297,662. The Credit Union recorded the highest average savings per member despite membership being the lowest in the Jamaican Credit Union Movement.

Mr. Ramsay commended the members for their resilience despite economic hardships.

Strategic Planning

Mr. Ramsay stated that at the Annual Management Retreat held in November 2017, a review of the performance for 2016 was done and results detailed in a Board Report. Five (5) key initiatives were also agreed on for the Credit Union to pursue in 2018.

The Credit Union would continue to utilize trained members to fill vacancies on Committees and Board. The organization would also continue its thrust to train persons as potential volunteers from which to choose should the need arose.

Marketing and Public Relations

Mr. Ramsay informed the meeting that several marketing initiatives have been adopted to empower and satisfy members. Mortgage Loan was adjusted from 15 years to 25 years at an interest rate of 7.5%. The rates for Auto Loan was reduced thus new cars would be 7.5% and used cars at 8.5% for three years. The maximum for Personal Loans have been increased to $3 million and the requirements to have guarantors were removed. Interest rates for Personal Loans were reduced to 17.5%. Loans within shared have been reduced to 7.5%.

The meeting was informed that members' engagement through social media would continue. Two new social media platforms were added to enhance communication. During the year in review a new way of engaging Contact Teachers was instituted.

The General Manager encouraged members to listen to Teachers' Time aired on RJR every Sunday at 4:30 p.m. for regular updates on the Credit Union.

Customer Service Delivery

Mr. Ramsay informed the meeting that efforts were being made to enhance customer service delivery across branches. During the year in review, the entire staff complement were engaged in customer service training. A Customer Service Manual was developed and circulated to all staff members. A Customer Service Coordinator with core responsibility to improve customer service standards was put in place. The structure with regards to HEART Trainees was being reviewed.

The meeting was informed that an additional clerk had been assigned to every Branch thus Branch Supervisors no longer have to interview members and conduct daily routine loan processing but are empowered and given space to be that first contact person at branches. It was emphasized that HEART Trainees were never intended to be the first contact at branches.

Outreach

Mr. Ramsay stated that the Credit Union would continue to invest in the betterment of members by providing Tertiary Scholarships and Grants to members in final year of study at a tertiary institution. The Credit Union would continue the annual GSAT Bursary programme.

The General Manager highlighted the "Better Schools…Better Jamaica Project" implemented in 2018. The prizes and winners were announced.

Jamaica Teachers Association

Mr. Ramsay informed the meeting that the Credit Union would continue to support the JTA in their various initiatives such as the JTA/Sagicor Athletics Meet among others which were highlighted.

Information Technology

Mr. Ramsay informed the meeting that the staff turnover in the area of Information Technology was very high. He stated the department would continue to support the Credit Union's initiative to better serve members through the use of technology. It was highlighted that members were able to access online banking services such as viewing of accounts, print statements, transfer money from Easi Access Accounts among others.

Renovations

The General Manager highlighted the Credit Union's commitment to provide members with modern, accommodating and welcoming environment across branches. During the year in review, the Linstead Branch was relocated. The Head Office was also renovated.

Human Resource Development

Mr. Ramsay informed the meeting that during

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Minutes

the review period three (3 members of staff resigned and one (1) retired. Mr. David Waite assumed the position of Information Technology Operations Officer and Miss Shavelle Grant was assigned the post of Branch Clerk – May Pen Office. Staff complement was 105. The staff would continue to receive the requisite training with emphasis on customer service and on compliance with the Proceeds of Crime Act (POCA).

Recognition Programme

The following members of staff received awards in 2018:

- Ms. Angella Hartley, *Branch Supervisor - Port Antonio* - Employee of the Year
- Branch of the Year – *Mandeville Branch*
- Mrs. Vera Sharpe, *Loans Supervisor* - *Leadership Cup in the Middle Management Group*

Congratulations were extended to all recipients for their excellent performance.

Gratitude and Appreciation

Mr. Ramsay expressed profound gratitude to the members for the trust, loyalty and confidence placed in the organization. He extended special thanks to Contact Teachers and Principals for their invaluable support; faithful volunteers and committed staff for their contribution to the success of the organization over the years; retirees, past volunteers, Jamaica Co-operative Credit Union League, Department of Co-operatives and Friendly Societies, Ministry of Education, Bursars, Lawyers – Livingston, Alexander & Levy; Bank of Nova Scotia, Ministry of Finance, Jamaica Association of Co-operative Credit Union Managers Limited, The Jamaica Teachers' Association and Almighty God for his continued guidance, wisdom and direction.

Matters Arising

Mrs. LaSonja Harrison suggested that Mandeville and Santa Cruz Branches should share best practices with other branches in order to improve customer service delivery. She also suggested that a financial literacy campaign and counselling sessions be introduced to assist members in a move to reduce delinquency.

The Chairman thanked Mrs. Harrison for the suggestions made.

Appropriation of Surplus

The Treasurer informed the meeting that management had made available $281,066,960 to pay interest on Voluntary Shares, an award of 5%. Treasurer Lebert moved the motion which was seconded by Mr. Christopher Sinclair, Member of the Credit Committee. All were in favour.

In the area of Permanent Shares, $6,034,070 was made available which was equivalent to 7% as dividend on Permanent Shares. Treasurer Lebert moved the motion which was seconded by Mr. Leaon Nash, Credit Committee. All were in favour.

Fixing of Maximum Liability

Treasurer Lebert moved that a motion that the Credit Union be allowed a maximum liability limit of ten times the capital equity, hence maximum liability would be $27.1 Billion for the year 2019. The motion was seconded by Mrs. Anne Geddes Nelson, Member of the Credit Committee. All were in favour.

Appointment of Auditors

Treasurer Lebert moved that KPMG be retained as Auditors for the Credit Union for the year 2020. The motion was seconded by Mr. Norman Allen, Member of the Credit Committee. All were in favour.

Report of the Nominating Committee

Mr. Lincoln James, Chairman presented the report of the Nominating Committee. Other members of the Committee were Mrs. Stephanie Wright-Grant, Mrs. Latoya Green Richards and Mr. Robert Ramsay, Advisor.

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Minutes

Mr. James extended a warm welcome to all. Members of the Nominating Committee were recognized. The responsibilities of the Committee and the objectives of the meeting were clearly outlined.

The Retiring Members were:

Board of Directors

Mr. Cyril Lebert	*Director at Large*
Mr. Ray Howell	*Director at Large*
Mr. Sherlock Allen	*Region 1 (Kingston, St. Andrew, St. Catherine)*
Ms. Dotlyn Dawes *(resigned)*	*Region 3 (St. Mary, St. Ann & Trelawny)*
Mrs. Lou Ann Bramwell-Shakes	*Region 5 (St. Elizabeth, Manchester & Clarendon)*

The Committee nominated the following persons to serve for three (3) years:

Mr. Cyril Lebert	*Director at Large*
Mr. Ray Howell	*Director at Large*
Mr. Sherlock Allen	*Region 1 (Kingston, St. Andrew, St. Catherine)*
Mrs. Lou Ann Bramwell-Shakes	*Region 5 (St. Elizabeth, Manchester & Clarendon)*
Mrs. Melva Humes Johnson	*Region 3 (St. Mary, St. Ann & Trelawny)*

Mr. James informed the meeting that Mrs. Humes Johnson was regrettably absent however her profile was included in the Booklet on Page 145.

Credit Committee

The retiring members of the Credit Committee were:

- Mrs. Anne Geddes-Nelson
- Mr. Christopher Sinclair
- Mr. Norman Allen

Members nominated to serve for two (2) years were:

- Mrs. Anne Geddes-Nelson
- Mr. Christopher Sinclair
- Mr. Norman Allen

Supervisory Committee

All members of the Committee were retiring:

- Mrs. Mary Dick
- Ms. Angela Chaplain
- Mr. Wentworth Gabbidon
- Mrs. Dawn Steele
- Mr. Aston Messam
- Mrs. Glecia Beckford
- Mr. Clayton Hall

Members nominated to serve for one (1) year were:

- Mrs. Mary Dick
- Ms. Angela Chaplain
- Mr. Wentworth Gabbidon
- Mrs. Dawn Steele
- Mr. Aston Messam
- Mrs. Glecia Beckford
- Mr. Clayton Hall

Delegates to the League's Annual General Meeting

Delegates nominated were as follows:

- Delegates
  President and Treasurer

- Alternate Delegates
  To be named by the Board of Directors

Volunteers Retiring in the Year 2020

Volunteers retiring were as follows:

Board of Directors

Mrs. Ena Barclay	*Region 2 (Portland, St. Thomas)*

MINUTES OF THE 55th ANNUAL GENERAL MEETING

Held on Saturday, May 11, 2019,
Jamaica Conference Centre, Duke Street, Kingston

Mr. Lebert Drysdale	*Region 2 (Portland, St. Thomas)*
Mr. Fergus Mitchell	*Region 3 (St. Mary, St. Ann, Trelawny)*
Mr. Fitz Carr	*Region 4 (St. James, Hanover, Westmoreland)*
Mr. Lincoln James	*Region 4 (St. James, Hanover, Westmoreland)*

Mr. Michael-David Webb of the Department of Co-operative and Friendly Societies was invited to preside over the elections. The rules of the election were announced.

Board of Directors

One (1) nomination was received from the floor. Mr. Howard Isaacs was nominated by Mrs. R. Newman-Grindley seconded by Ms. Valda Findley.

Credit Committee

No nominations were received from the floor hence the following persons were duly elected to serve:

- Mrs. Anne Geddes Nelson
- Mr. Christopher Sinclair
- Mr. Norman Allen

Supervisory Committee

Members nominated were Mrs. Mary Dick, Miss Angela Chaplain, Mr. Wentworth Gabbidon, Mrs. Dawn Steel, Mr. Aston Messam, Mrs. Glecia Beckford and Mr. Clayton Hall. Nominations were invited from the floor.

1. Dr. Garth Anderson nominated Ms. Kaydian Scott seconded by Mr. David Powell.
2. Mrs. Nadine Williams Chambers nominated Mr. Ethan McNamee seconded by Ms. Blossett Plumber.

The names of the two (2) nominees from the floor were added to the ballots hence the names on the ballots increased to nine (9) persons. There were seven (7) vacancies therefore members were asked to tick seven (7) names.

Resolution

The Chairman stated that one (1) Resolution from Mrs. LaSonja Harrison was presented seconded by Ms. Kaydian Scott. The Resolution stated as follows:

> "BE IT RESOLVED that the JTA Co-operative Credit Union contributes 1% of its annual surplus yearly to the Jamaica Teachers' Association Critical Illness Fund as of 2019".

The Resolution was well received and acknowledged by a resounding applause.

There were no other motions presented. The Notice of Motion was approved for debate at next year's Annual General Meeting.

ANY OTHER BUSINESS

Mr. Raymond, widower of Mrs. Dorothy Raymond commended the Credit Union for celebrating 60 years of service to the teachers of Jamaica. He informed the meeting that he was one of the foundation members that joined the Credit Union in 1959. He added that he worked at St. Anne's Primary School and a teacher there used to collect their funds and took over to the Credit Union. His utterances were acknowledged with a resounding applause.

The Chairman acknowledged that he was indeed one of the foundation members. The Chairman used the opportunity to acknowledge members of 1959, 1960s and 1970s.

Minutes

Distribution of Tokens & Give-a-ways

Mrs. Karen Hewett Kennedy facilitated the distribution of tokens.

Mr. Robert Ramsay facilitated the distribution of the major give-a-way items to commemorate the Credit Union's 60th Anniversary. The first major prize was a 32-inch flat screen smart television. Mrs. Pauline Jacks-Smith of Bridgeport High School was the winner. The second prize was another 32-inch television set. The winner was Ms. Vivienne Douglas from Dalvey Primary. The main prize was a weekend for two at the RIU Resort in Ocho Rios. The winner was Mrs. Nadine Thomas Swaby from George Headley Primary School. Ms. Faith Hull presented gifts to Mr. Raymond for 60 years of joining the Credit Union, to Ms. Queenie Nembhard for being the 60th person who registered for the AGM, Ms. Violet Hyde, the 120th person who registered, Ms. Sylvia Melville, the 180th person who registered and Ms. Marcia Purcell, the first person who registered for the AGM.

CLOSURE

The Chairman thanked the members for attending the AGM and for their participation. He advised that dividend would be paid on the second Monday in June.

The meeting terminated at 4:00pm.

Patrick R. Smith
Secretary

BOARD OF DIRECTORS

Dr. Margaret Bailey
Assistant Treasurer,
Serving Region 1
Kingston, St. Andrew
& St. Catherine

Cyril Lebert
Treasurer,
Serving At large

Paul Adams
President,
Serving Region 5,
St. Elizabeth,
Manchester &
Clarendon

Morris Stewart
2nd Vice President,
Serving Region 3.
St. Mary, St. Ann
& Trelawny

Fitz E. Carr
1st Vice President,
Serving Region 4.
St. James, Hanover &
Westmorland

BOARD OF DIRECTORS

Patrick Smith
Secretary,
Serving Region 5.
St. Elizabeth,
Manchester &
Clarendon

Ena Barclay
Assistant Secretary,
Serving Region 2.
Portland & St. Thomas

Lincoln James
Director,
Serving Region 4.
St. James, Hanover
& Westmoreland

Fergus Mitchell
Director.
Serving Region 3.
St. Mary, St. Ann
& Trelawny

Karen Hewett-Kennedy
Director,
Seving At Large

BOARD OF DIRECTORS

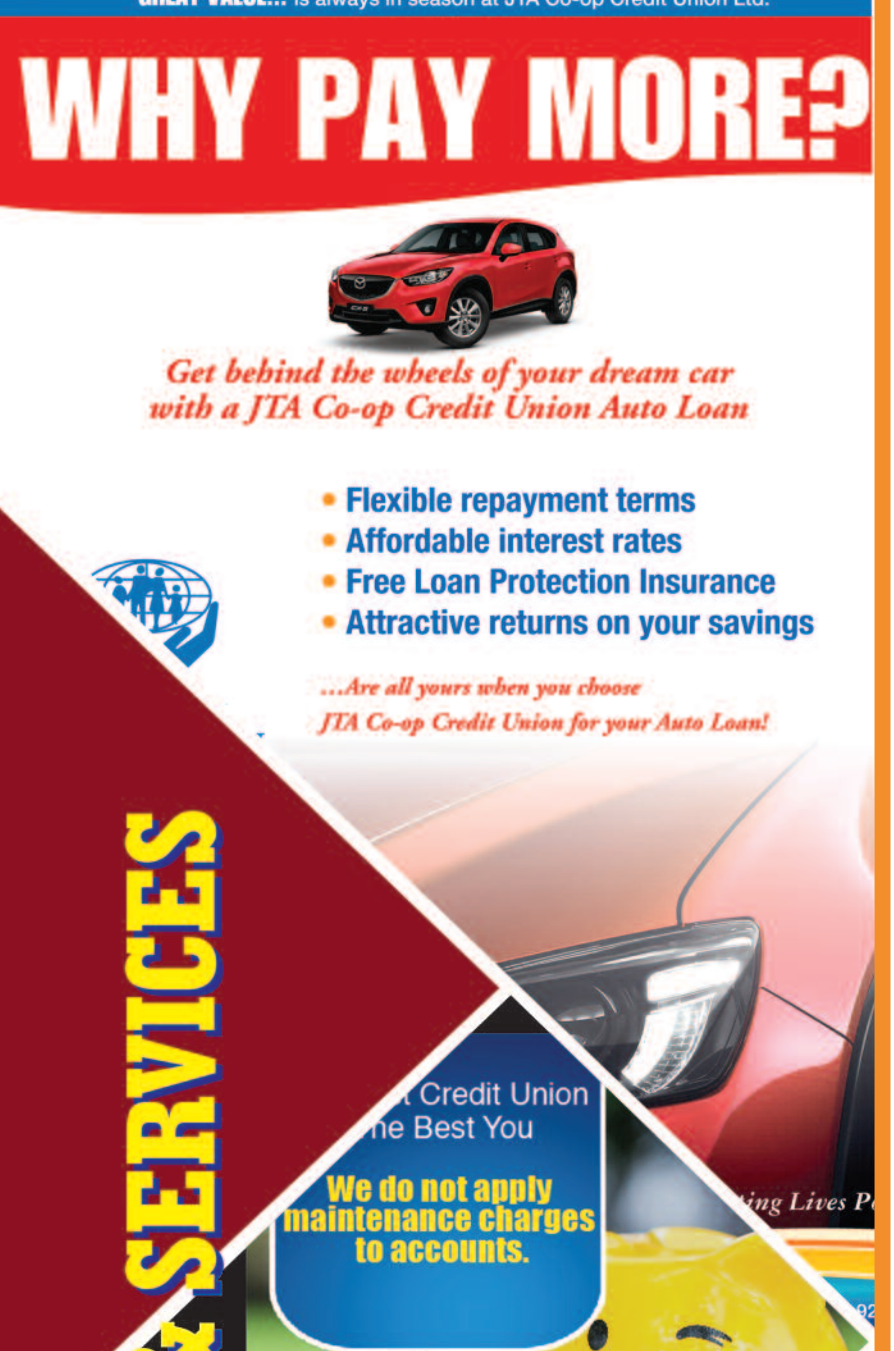
Lebert Drysdale
Director,
Serving Region 2.
Portland & St. Thomas

Lou Ann Bramwell-Shakes
Director,
Serving Region 5.
St. Elizabeth,
Manchester & Clarendon

Sherlock Allen
Director,
Serving Region 1. Kingston,
St. Andrew & St. Catherine

Ray Howell
Director,
Serving At Large

Melva Humes Johnson
Director,
Serving Region 3.
St. Mary, St. Ann & Trelawny



Products & Services

1. Regular Credit Union Loans – Loans within Shares & Loans within Savings
2. Personal Loan
3. Mortgage Loan
4. Easi Loan
5. Auto Loan
6. Computer Pak Loan
7. Premium Financing Loan
8. Special Deposit – investment facility bringing high yields
9. Christmas Savings Club
10. Golden Harvest Savings Plan
11. Easi Access Deposit Plan
12. Access Plus Debit Card Facility
13. Counselling Sessions
14. Family Indemnity Plan
15. Free Insurance – Protection on Loans and Shares
16. HELP (Hope in Emergency Loan Package)
17. Twelve (12) branches islandwide to serve our members

Paul P. Adams, *President*

REPORT OF THE BOARD OF DIRECTORS TO THE 56th ANNUAL GENERAL MEETING

The Jamaica Teachers' Association Co-operative Credit Union Ltd (The Credit Union) is governed by a fifteen (15) member Board of Directors led by Mr. Paul Adams, President. The Board of Directors are representative the Credit Union's membership which is part of the co-operative principle of democratic member control, a unique feature of co-operatives.

The Board of Directors met at least once per month and uses those meetings to oversee the management and performance of the Credit Union. In performing its oversight function, the Credit Union's Board of Directors often focused on specific areas of performance and sound governance.

YEAR IN REVIEW

Market Trends

The financial services market in Jamaica was characterized by intense competition in 2019, which was similar to prior years. Unique to 2019, however, was the emergence of some new entrants in the commercial banking sector who heralded their entry with new loan products directly targeting educators. Investment houses also ramped up promotion of their higher risk investment products as they sought to increase the customer awareness and take-up for those options. Their ads focused primarily on the probability for higher returns.

Fees continued to be a significant income earner for most financial institutions despite strategic reductions to commitment fees for a specified promotional period.

Membership Growth

The Credit Union performed well in the area of membership recruitment for the year 2019, surpassing the annual target

REPORT OF THE BOARD OF DIRECTORS TO THE 56th ANNUAL GENERAL MEETING

of 3%. The main drivers of recruitment remain direct promotions through school visits and the increased advocacy of contact teachers in schools.

Loan Growth

Members have consistently demonstrated a large appetite for unsecured loans and have been expressing their dissatisfaction with the guarantor requirement applied by the Credit Union. In 2019, this requirement was removed from the personal loan offering, making it far easier for members to access this loan facility. The Credit Union went even further and increased the maximum amount from $2.5M to $3M and reduced the interest rate by 1.5 percentage points, making it cheaper for members to access even more funds. Cash secured loans, Car loans and Home Equity loans also saw a reduction in their interest rate.

As a result of these enhancements, the Credit Union's total loan portfolio grew by over 16% in 2019. While this growth is welcomed, it now turns our focus on keeping delinquency in check.

Delinquency Management

Non-performing loans is the biggest risk face by a financial institution. The delinquency rate indicated the general health of the Credit Union's loan portfolio, its biggest asset.

The Credit Union's delinquency rate went from a high of 4.16% in April to a low of 2.64% in March, closing out the year at 2.96%, below the prudential standard of 5% and the Credit Union's internal marker of 3%.

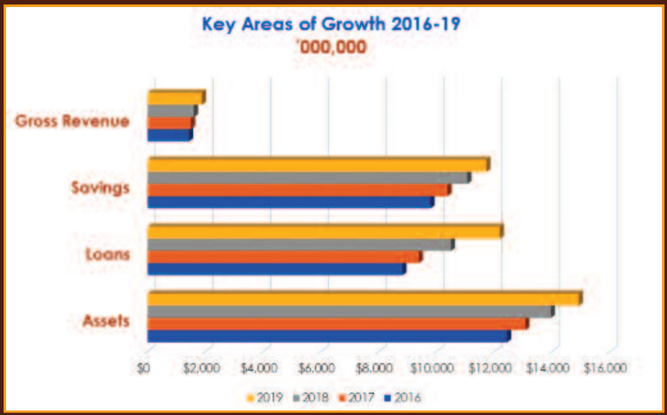
The Credit Union faced stiff challenges in managing delinquency, a major one being the systematic migration of teachers to other countries.
Rigorous monitoring and following up on accounts at the earliest sign of default proved to be the most effective strategy in maintaining a manageable level of delinquency.

Member Service Improvements

At the last Annual General Meeting, members pointed to the absence of a well-trained permanent staff as the first point of contact as a major service delivery gap. In response, a plan to introduce Member Service Representatives (MSRs) in each branch was rolled out in 2019. By year end, MSRs were appointed in the Mandeville, Montego Bay and May Pen branches, with the other branches projected to receive their representatives by the middle of 2020.

KEY AREAS OF PERFORMANCE -2019

Deposits, Loan, Assets and Revenue growth are key areas of performance in the operation of the Credit Union.



Deposits

Growth in the Credit Union savings portfolio provided funding for loans and key investments that directly contribute to revenue and resulting surplus. Deposits grew by just over 6% ($664M) in 2019. Currently, the Credit Union's savings portfolio stands at 11.7 billion dollars.

Loans

Loans to member represented the largest revenue stream for the Credit Union. The portfolio grew by over 16% to over 12.1 billion dollars in to 2019.

REPORT OF THE BOARD OF DIRECTORS TO THE 56th ANNUAL GENERAL MEETING

Revenues

The Credit Union's major revenue streams are loans and investments. Stellar performances in both areas led to the realization of 17% in revenue growth over the previous year.

Assets

The Credit Union's asset portfolio passed the $15 billion dollar mark as at December 2019, closing out the year at $15.009 billion.

Human Resource Development & Administration

Customer service improvement continued to be our focus throughout the year along with the development of our other key technical disciplines. A Succession Planning Programme was also implemented with the aim of ensuring that continuity is maintained when talent is lost due to retirement or career movement.

The Credit Union is proud to report that for 2019, there was a 100 % compliance rate for staff training in the Proceed of Crimes Act and 80% in professional development courses offered online by the CUNA, our development partners. Such training opportunities helped the Credit Union to keep its staff current and able to respond to the changing business environment.

Staffing

The current divisional structure of organization remained intact, with the General Manager, Mr. Robert Ramsay at its helm. He is supported by the Senior Management team comprising: Assistant General Manager, Mrs. Lisa Taylor; Finance Manager, Ms. Maxine Nugent; Information Technology Manager Mr. Fabian Webb, and our newly employed HRD and Administration Manager, Mrs. Suezette Hemmings-Bryan who replaced Mrs. Diane Daley, who migrated.

There was a total of ten (10) new recruits for 2019 and nine (9) separations, three (3) of whom were retirees. We also had eleven (11) promotions during the year: we are happy to report that three (3) of these officers, namely, Tania Shippy, Norda Morgan and Shevelle Grant are the new Member Service Representatives for Montego Bay, Mandeville and May Pen branch offices, respectively. The other nine (9) Branches will be assigned by mid 2020. The staff complement stood at 104 as at the end of December 2019 and the staff assigned to each Division/ Department are outlined at the end of the book. Five (5) vacancies were reported at the close of the year.

Administration

The efforts to source suitable office space for the Kingston/Half Way Tree Branch was renewed in 2019 and that same energy will continue despite the challenges faced.

The relocation of the Credit Union's Port Maria branch to the new building belonging to the Jamaica Teachers' Association (JTA) is a work in progress and continues to be monitored. It is forecasted that the building maybe ready for build out between the first and second quarters of the year 2020.

REGIONAL SERVICES

The Credit Union's branch network is divided into five (5) regions, each headed by a Regional Officer and comprising of a total of eleven (11) branches. Our branch network performed very well and contributed significantly to the growth of the Credit Union in 2019. Regional Officers also provided direct marketing of our products and services to members in schools, JTA conferencing and seminars.

Throughout last year our Regional Officers in conjunction with the Marketing department attended the JTA Education Conference, the JTA Helen Stills Day, the JTA Annual Conference and the Contact Teachers Convention where the products and services of the Credit Union were showcased.

Corporate Social Responsibility Better Schools…Better Jamaica

Two years ago, the JTA Co-op Credit Union established the Better Schools...Better Jamaica project which awarded $1.5M to two schools. In 2019 as part of the Credit Union's 60th Anniversary celebration three schools were awarded grants to complete projects at their respective schools. The first-place winner was May Pen Primary which received $1m to complete their Reading Room facility, the second-place winner was Happy Grove High which received a grant of $750,000 toward an Entrepreneurial Chicken Layer project. The third-place winner was New Hope Primary located in Whitehouse, Westmoreland their project was a Computer Room for their students. To assist them with this room New Hope Primary was awarded $500,000

In addition to our Better Schools…Better Jamaica programme the Credit Union engaged in the following activities as major sponsors or co-sponsors:

REPORT OF THE BOARD OF DIRECTORS TO THE 56th ANNUAL GENERAL MEETING

Sponsorships

- The Gleaner Spelling Bee Competition
- The JTA/Sagicor Primary & All Age Athletics Competition
- The Gibson Relays
- TVJ Jr. Schools Challenge Quiz Competition
- The JTA Golden Torch Awards

Donations

During the year, the Credit Union donated just under 7 million dollars to schools and other civic groups seeking support for various projects. Significantly, the Credit Union also made a commitment of 3 million dollars to the JTA Critical Illness Fund established in 2019.

60th Anniversary Milestone Celebrations

In 2019 the Credit Union celebrated it's 60th Anniversary with a number of commemorative activities. The celebrations kicked off with a special church service at the Boulevard Baptist Church in Kingston. Other activities included:

- 60th Anniversary Fun Days (Port Antonio and Montego Bay)
- International Credit Union Day Movie Night
- Anniversary luncheons for long-standing members. These were hosted right across the island
- Commemorative Savings Promotion and Giveaways – Six in Sixty Savings Promotion

Additionally, commemorative tokens were issued at the Credit Union's Annual General Meeting as well as at other events throughout the year.

Teachers' Scholarships & Grants

As part of the Credit Union's 60th Anniversary celebrations in 2019 the Tertiary Scholarships and Grants were expanded and for that year only the Credit Union offered scholarships to student teachers who are in their final year of study at a teacher training institution. All teacher training institutions were invited to submit the names of outstanding students who would benefit from such a grant from the Credit Union. These scholarships were awarded in addition to the annual Tertiary Scholarships and Grants offered every year by the JTA Co-op Credit Union. In total, some Two Million Dollars ($2,000,000) in scholarships and grants were awarded in 2019, with the prestigious **Desmond "DC" Gascoigne Award For Excellence** going to Cedena Vickers-Forrest. These awards were handed out on August 27, 2019 in a ceremony at the Jamaica Pegasus Hotel.

PEP Bursary

In 2019 the Credit Union awarded $1.75 million to some seventy (70) students in the inaugural JTACCUL Pep Bursary Program (replacing the GSAT Bursary Programme). One Hundred and Sixty (160) applications were received from all 14 parishes and after a rigorous adjudication process, 70 students were selected, five (5) from each parish. The program culminated with an awards ceremony at the Knutsford Court Hotel on August 8, 2019.

Strategic Focus - 2020

In its pursuit of sustainable growth and development, the Credit Union participated in an Annual Management Retreat aimed at crafting a strategic plan for implementation going forward. The plans for 2020 were finalized at the strategic retreat held in November 2019 and focused on minimizing the risk associated with bad debt, improving service delivery and building compliance with Know Your Customer regulations. To this end, member information update campaigns will be ongoing activity at the Credit Union in years to come.

Board Meetings

The Board of Directors and the sub-committees played a key role in the oversight of the management and direction of the Credit Union. They represented the direct interests of our members in the decision-making process. In 2019, sixteen (16) meetings were held, four (4) of which were joint meetings to include the Supervisory and Credit Committees. The table below detailed the attendance level at these meetings.

REPORT OF THE BOARD OF DIRECTORS TO THE 56th ANNUAL GENERAL MEETING

BOARD ATTENDANCE SCHEDULE

NAMES	POSITION	POSSIBLE ATTENDANCE	ATTENDED	NUMBER EXCUSED
Mr. Paul Adams	President	16	15	1
Mr. Fitz Carr	1st V/President	16	15	1
Mr. Morris Stewart	2nd V/President	16	16	0
Mr. Cyril Lebert	Treasurer	16	16	0
Dr. Margaret Bailey	Asst. Treasurer	16	15	1
Mr. Patrick Smith	Secretary	16	16	0
Mrs. Ena Barclay	Asst. Secretary	16	11	5
Mr. Sherlock Allen	Executive Officer	16	8	3
Mr. Lincoln James	Member	16	15	1
Mrs. Lou Ann Bramwell-Shakes	Member	15	15	1
Mrs. Melva Humes-Johnsons	Member	15	10	5
Mr. Lebert Drysdale	Member	15	10	5
Mr. Fergus Mitchell	Member	15	13	2
Mr. Ray Howell	Member	15	11	4
Mrs. Karen Kennedy	Member	15	15	0

Conclusion

As stakeholders in the Credit Union we all have a vested responsibility to:

- Educate ourselves on good financial management
- Set financial goals that are achievable
- Take responsibility for the management of our finances
- Prepare ourselves economically for the best and worst times so we can withstand any financial difficulty
- Be ambassadors for the organization

As members of the JTA Co-op Credit Union, you are part-owners of this institution. For the Credit Union's success to continue, your commitment and involvement in its development and growth is of paramount importance. This commitment manifests itself in your increased pursuit of awareness and use of the products and services offered by your Credit Union.

As we reflect on the Credit Union's performance in 2019, it is with a heightened sense of gratitude that we make the following acknowledgements:

1. All members who continue to be loyal to the vision you believed in some 60 years ago;

2. The management and staff who worked diligently and faithfully to provide the best possible service to our members;

3. The Board and Committees for their careful attention to detail and their painstaking support during the year under review;

4. The Co-operative network of which we are a part, especially the Jamaica Co-operative Credit Union League, the Co-operative Department, CUFMC, Jamaica Co-operative Insurance Agency, CUNA Caribbean Insurance Jamaica Ltd and the National Union of Co-operatives Societies;

REPORT OF THE BOARD OF DIRECTORS TO THE 56th ANNUAL GENERAL MEETING

5. The Ministry of Education for their timely delivery of our members' salary deductions;

6. Jamaica Teachers' Association and its Allied group for their unfailing support and belief in us;

7. KPMG Jamaica, our auditors.

Finally, thanks to Almighty God whose guidance, wisdom and protection steered us through.

For and behalf of the Board of Directors

Paul P. Adams (Mr.)
President

Cyril Lebert, *Treasurer*

REPORT OF THE TREASURER FOR THE YEAR ENDED DECEMBER 31, 2019

It is my pleasure to present the Treasurer's Report for the year 2019, a year in which global economic growth was the weakest since the financial crisis a decade ago. This economic slowdown began in the last quarter of 2018, a period affected by financial markets volatility and global economic policy. Increasing trade barriers and the related uncertainty affected business activity globally in 2019. In some advanced economies, these factors escalated cyclical and structural slowdowns which had already begun. Macroeconomic and political pressure affected key emerging markets and developing economies, leading to a weakening in global trade. In response, major central banks lowered interest rates during the year to stimulate consumer activity, production and job creation. It is hoped that these and other initiatives will translate into stronger global growth in the coming year.

Locally, the government successfully completed the six-year long economic reform programs supported by the World Bank and the International Monetary Fund. These programs were aimed at restoring economic stability and maintaining policies to sustain growth and create employment. Under these programs, public debt

REPORT OF THE TREASURER FOR THE YEAR ENDED DECEMBER 31, 2019

Cont'd.

fell as a percentage of GDP, the country's credit rating improved and foreign currency reserves have been rebuilt to safer levels. The economy saw growth of less than 1% in 2019, following a modest 1.9% growth in 2018. There was a slowdown in the mining and construction sectors resulting from the closure of the Alpart alumina plant and the completion of a number of road projects. The agriculture, manufacturing and tourism sectors expanded during the year.

Unemployment fell from 8.7% in 2018 to 7.2% at the end of October 2019. Inflation for the 2019 calendar year was 6.2%, increasing from the 2.4% recorded in 2018 and slightly above the Bank of Jamaica (BOJ) target of 4 - 6%. Food and energy prices were higher than expected because of unfavourable weather conditions for crops locally and higher international oil prices in the last quarter.

The BOJ maintained monetary policies to maintain low market interest rates and a stable foreign exchange rate. During the year, the Jamaican dollar depreciated by 3.8% with respect to the US$, moving from a rate of $127.72 to $132.57.

In the financial sector, intense competition continued during the year, as commercial banks and other lending institutions aggressively promoted loans including credit cards and other unsecured loans. Concurrently, they enhanced their online banking platforms to facilitate easier access and processing of transactions.

As we look ahead, the credit union is committed to improving the convenience with which our members conduct business, while offering a diverse suite of products at competitive rates tailored to meet their range of needs.

FINANCIAL RESULTS

The year 2019 was a very successful one for the credit union. The customary comprehensive business plan was developed at our annual Strategic Management Retreat, with targets and initiatives to enable the achievement of our goals. Indicated in the table below are the major goals established, and the actual results achieved:

OBJECTIVE	GOAL	ACTUAL
Increase Total Assets	7.5%	7.6%
Increase Savings to Assets Ratio	80.0%	78.1%
Institutional Capital to Total Assets Ratio	13.0%	13.6%
Operating Expense to Average Assets Ratio	6.8%	6.1%
Reduce Delinquency Ratio	3.0%	2.95%
Increase Loans to Total Assets Ratio	78.0%	81.2%
Attain Revenues of	$1.677B	$1.881B

REPORT OF THE TREASURER FOR THE YEAR ENDED DECEMBER 31, 2019 *Cont'd.*

This indicates that the credit union surpassed most of the strategic targets. Key performance criteria are highlighted below:

Comparative Analysis of Key Financial Indicators

Financial Indicators	2019 $M	2018 $M	2017 $M	Increase 2018-19	% Change 2019/2018	% Change 2018/2017	% Change 2017/2016
Total Assets	15,009.3	13,948.3	13,067.8	1,061.1	7.6	6.7	5.8
Loans	12,189.0	10,491.0	9,342.5	1,698.0	16.2	12.3	6.2
Investments	2,286.5	2,975.7	2,963.2	- 689.2	- 23.2	0.4	3.5
Voluntary Shares	6,174.5	5,766.1	5,476.5	408.4	7.1	5.3	4.6
Members Deposits	5,544.8	5,289.3	4,892.1	255.5	4.8	8.1	7.7
Total Savings	11,719.3	11,055.5	10,368.6	663.8	6.0	6.6	6.0
Institutional Capital	2,040.5	1,899.3	1,784.2	141.3	7.4	6.5	5.5
Operating Expenses	877.0	817.7	761.6	59.3	7.3	7.4	9.6
Net Interest & Other Income	1,254.6	1,100.6	869.6	154.0	14.0	26.6	3.7

In 2019, the credit union's Total Assets increased by $1.1B, to $15B, a growth of 7.6% over 2018. This laudable growth was achieved despite the intense competition and the economic challenges faced by our members.

The Loan Portfolio increased by $1.7B, or 16.2%, to $12.2B at the end of 2019. Loan rates were reduced and more attractive terms implemented in April 2019. The personal loan continued to show the largest growth as members utilised this product to consolidate their portfolio. In contrast, the consolidation loan portfolio fell by $350M as members displayed a preference for the personal loan.

The Investment portfolio stood at $2.3B at the end of 2019, a reduction from the end of the previous year. There was unprecedented loan take-up particularly during the peak summer period, utilising a large proportion of our cash and other liquid assets, including investment funds.

Members' Deposits grew by $255.5M to $5.5B, a 5% increase over the balance at the end of 2018. Voluntary Shares increased by $408.3M to $3.7B or 7% over the same period. The increase in voluntary shares was partially the result of the volume of loans disbursed and the commensurate share requirement. In addition, despite constraints on disposable income, members continued to access the credit union's very competitive returns on savings, term deposits and voluntary shares.

Net Surplus of $377.6M was earned on revenues of $1.9B, an increase over the surplus of $283M and revenues of $1.6B recorded in 2018.

SAVINGS

The credit union continues to offer savings products with highly competitive interest rates, including the tax-free

REPORT OF THE TREASURER FOR THE YEAR ENDED DECEMBER 31, 2019 *Cont'd.*

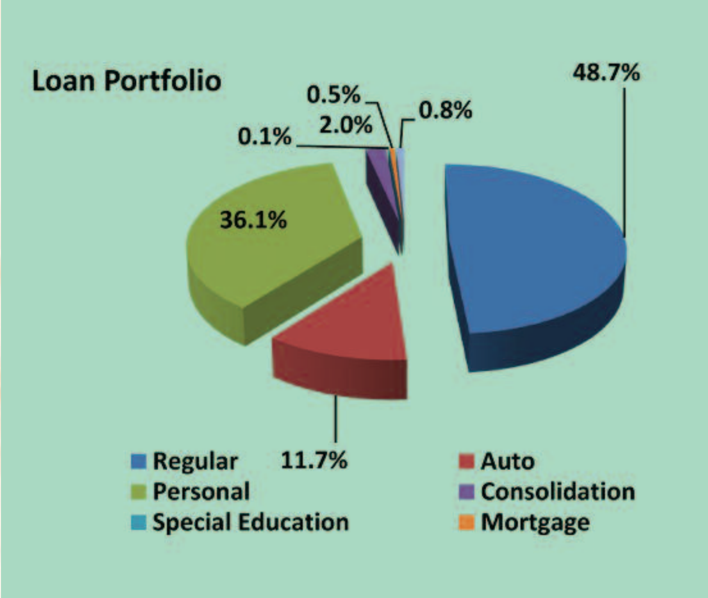
product, the Teacher Optimiser Plus. During the year, the various savings products were regularly reviewed to assess the rates and terms relative to the market and to our earning assets. Promotional initiatives were undertaken to enhance awareness of the available savings products, including regional fairs and investment seminars. The credit union continued to utilise social media communication channels to keep members aware of the savings options and help in boosting the savings portfolio. The largest components are Voluntary Shares, Special Deposits and Golden Harvest, which represent 53%, 31% and 13% respectively, of our members' savings portfolio and provide a stable source of funds for the cash flow needs of the credit union. The table below shows the Savings portfolio as at December 31, 2019 compared with 2018.

Savings Product	2019 $M	2018 $M	Increase/ (decrease) $M
Voluntary Shares	6,174.5	5,766.1	408.3
Special Deposits	3,653.3	3,277.6	375.7
Golden Harvest	1,523.3	1,682.5	-159.2
Other Deposits	368.2	329.2	39.0
Total	**11,719.3**	**11,055.5**	**663.8**

LOAN PORTFOLIO

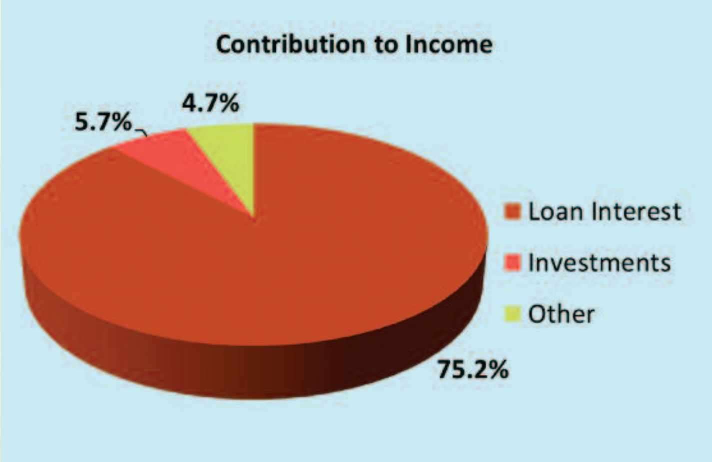
The credit union continued to maintain a diversified loan portfolio aimed at addressing the specific requirements of our members and revised its loan rates and terms during the year. At the end of 2019 the proportion of our assets represented by loans improved from 75.2% in 2018 to 81.2%, despite our asset base growing by $1.1B. The composition of our loan portfolio is shown in the following table:

Loan Type	2019 $M	2018 $M	Increase/ (decrease) $M
Regular Loan	6,022.5	6,084.1	-61.6
Auto Loan	1,451.6	1,386.8	64.8
Personal Loan	4,461.8	2,410.5	2051.3
Consolidation Loan	252.8	602.8	-350.0
Special Education Loan	7.3	28.7	-21.4
Easi Loan/Line of Credit	12.8	18.6	-5.8
Mortgage Loan	61.8	43.2	18.6
Others	89.6	94.2	-4.6



INCOME & EXPENDITURE

Interest income for the year increased by $151M or 10 %, over 2018. Our primary source of income is from the loan interest, which totalled $1.62B in 2019. Investments contributed interest earnings of $51M in the low interest rate environment referenced above. Additional investment income of $133M was realised from gains on unit trust investments during the year, bringing total income from investments to $184M. Other Income of $76M was earned primarily from fees, commission and bad debt recovery.



Operating expenses increased by $59.3M, a 7.3% increase compared to a similar increase of 7.4% the previous year as we continued to maintain judicious cost management and budgetary control.

REPORT OF THE TREASURER FOR THE YEAR ENDED DECEMBER 31, 2019 *Cont'd.*

The Operating Expense to Average Assets ratio for the year was 6.1%, well within the prudential standard of 8%.

Category	2019 $M	2018 $M	2017 $M	2016 $M	Increase 2018-19	% Change 2019/2018	% Change 2018/2017	% Change 2017/2016
Personnel	396.9	373.5	344.3	309.4	23.4	6.3	8.5	11.3
Members' Security	84.1	75.2	65.4	57.3	8.9	11.9	14.9	14.1
General Expenses	303.1	249.5	237.1	224.7	53.6	21.5	5.2	5.5
Affiliation	47.0	46.0	44.8	41.6	1.0	2.1	2.8	7.7
Establishment	45.9	73.5	70.0	61.9	- 27.6	- 37.5	5.0	13.1
Total Operating Expenses	**877.0**	**817.7**	**761.6**	**694.9**	**59.3**	**7.3**	**7.4**	**9.6**

SAFETY and SOUNDNESS

The Credit Union's performance, measured by the PEARLS international prudential standards, is highlighted in the table at Appendix 1. As demonstrated by these results, the credit union continues to meet these standards, an indication that we remain financially secure as we maintain the required provision against potential credit losses, utilise our assets productively and manage expenses prudently, while maintaining optimal liquidity and capital adequacy.

At the end of 2019, Institutional Capital stood at $2B, an increase of $141M. Our Institutional Capital to Total Assets ratio stands at 13.6%, well in excess of the PEARLS standard of 8%, and is a demonstration of the credit union's strong capital base and its ability to withstand adverse financial conditions.

CONCLUSION

The Credit Union had a sterling performance in 2019 despite the effects of the economic and financial climate. We are committed to maintaining consistent excellent service as we develop key initiatives to maximize the benefits to our members while seeking to preserve the strength of our credit union and realize greater achievements.

ACKNOWLEDGEMENTS

It has been an honour and pleasure to have served the JTACCUL as Treasurer for the year in review, and I wish to thank the following for their continued support: the management and staff for their hard work and dedication, my colleagues on the Board, members of other Committees, our auditors KPMG, the Jamaica Cooperative Credit Union League Limited, the Department of Cooperatives and Friendly Societies and our loyal members.

May God continue to prosper this great organization.

Cyril Lebert
Treasurer

REPORT OF THE TREASURER FOR THE YEAR ENDED DECEMBER 31, 2019 *Cont'd.*

Appendix 1

PERFORMANCE 2019 and 2018 MEASURED BY PEARLS PRUDENTIAL STANDARDS			
INDICATOR	**STANDARD**	**2019-12-31**	**2018-12-31**
PROTECTION		%	%
Provision for loan losses:			
Provision for loan losses/Delinquency > 12 months	100%	100%	100%
Provision for loan losses/Delinquency 6 < 12 months	60%	60%	60%
Provision for loan losses/Delinquency 3 < 6 months	30%	30%	30%
Provision for loan losses/Delinquency 2 < 3 months	10%	10%	10%
EFFECTIVE FINANCIAL STRUCTURE			
Net Loans/Total Assets	60%-80%	81.2%	75.2%
Total Savings/Total Assets	70%-80%	78.1%	79.3%
Institutional Capital/Total Assets	>8%	13.6%	13.6%
ASSET QUALITY			
Delinquent Loans > 30 days/Total Loans	< 5%	2.95%	2.4%
Non-earning assets/Total Assets	< 7%	3.5%	3.4%
RATES OF RETURN & COST			
Operating Expense/Average Assets	< 8%	6.1%	6.1%
Net Income/Average Assets	to maintain capital ratio of =>8%	2.6%	2.1%
Gross Income/Average Assets	to grow capital on pace with total assets	13.0%	11.9%
LIQUIDITY			
Liquidity Reserves/Withdrawable Savings & Deposits	>10%	13.5%	23.1%
GROWTH			
Growth in Total Assets	> Inflation rate	7.6%	6.7%
Growth in Membership	=> 5%	3.1%	2.1%
Growth in Savings	> Inflation rate	6.0%	6.6%

* Enough to attain

** Enough to increase=

	Page

DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES
CHARITIES AUTHORITY, JAMAICA
Ministry of Industry, Commerce, Agriculture and Fisheries
2 Musgrave Avenue, Kingston 10
Jamaica, W.I.
Tel: (876) 927-4912 | 927-6572 | 978-1946
E-mail: dcfs@cwjamaica.com **Website:** www.dcfs.gov.jm

ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE REGISTRAR AND THE FOLLOWING REFERENCE QUOTED:

S1
R233/- 636/4/20 **April 16, 2020**

The Secretary
Jamaica Teachers' Association
Co-operative Credit Union Limited
97A Church Street
KINGSTON

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2019.

The Annual General Meeting must be held after June 1, 2020 and convened under **Regulation 19 and 21** of the Co-operative Societies Regulations, 1950. At least seven (7) days notice shall be given before the meeting is held.

A copy of your report, which you intend to present to the Annual General Meeting on the year's working of the Society as set forth in **Regulation 35(b)** of the Co-operative Societies Regulations should be forwarded to this office.

Kindly advise me of the date of the Annual General Meeting, so that arrangements may be made for the Department to be represented.

Yours truly,

....
Paulette Kirkland (Ms.)
(For) REGISTRAR OF CO-OPERATIVE SOCIETIES AND FRIENDLY SOCIETIES

HOPE GARDENS
Hope Gardens, Kingston 6
(876) 977-2277 / 927-1948
Fax (876) 977-2698

MANDEVILLE, MANCHESTER
23 Caledonia Road
(RADA Bldg.)
(876) 613-7602

MONTEGO BAY, ST. JAMES
10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913

KPMG
Chartered Accountants
P.O. Box 76
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Registrar of Co-operative Societies
JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Teachers' Association Co-operative Credit Union Limited ("the Co-operative"), set out on pages 42 to 115, which comprise the statement of financial position as at December 31, 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Co-operative as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Co-operative in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other 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.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (continued)

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Co-operative Societies Act, 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 Co-operative'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 Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operative Societies
JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Co-operative 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.

Report on additional matters as required by the Co-operative Societies Act

In our opinion, proper accounting records have been maintained, and the financial statements, which are in agreement therewith, are correct, duly vouched and in accordance with the provisions of the Co-operative Societies Act.

KPMG

Chartered Accountants
Kingston, Jamaica

April 14, 2020

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Statement of Financial Position
December 31, 2019

	Notes	2019 $'000	2018 $'000
ASSETS			
EARNING ASSETS			
Liquid assets	9	1,337,572	863,740
Resale agreements	10	196,906	1,612,214
Loans	11	12,189,034	10,490,976
Financial investments	12	751,977	499,762
Investment property	13	7,910	8,184
Total earning assets		14,483,399	13,474,876
NON-EARNING ASSETS			
Cash and cash equivalents	14	43,152	27,359
Other assets	15	74,865	95,853
Property, plant and equipment	16	142,853	142,310
Intangible assets	17	32,147	34,127
Employee benefits asset	18	202,030	173,726
Right-of-use assets	19	30,879	-
Total non-earning assets		525,926	473,375
TOTAL ASSETS		15,009,325	13,948,251
LIABILITIES AND EQUITY			
INTEREST BEARING LIABILITIES			
Lease liabilities	19	23,722	-
Members' deposits	20	5,544,835	5,289,314
Members' voluntary shares	21	6,174,464	5,766,138
External credits	22	1,769	2,484
Total interest bearing liabilities		11,744,790	11,057,936
NON-INTEREST BEARING LIABILITY			
Other liabilities, being total non-interest bearing liability	23	144,449	177,715
TOTAL LIABILITIES		11,889,239	11,235,651
EQUITY			
Institutional capital	24	2,040,540	1,899,474
Non-institutional capital	25	1,079,546	813,126
TOTAL EQUITY		3,120,086	2,712,600
TOTAL LIABILITIES AND EQUITY		15,009,325	13,948,251

The financial statements on pages 42 to 115 were approved by the Board of Directors on April 14, 2020 and signed on its behalf by:

Paul Adams, President   Cyril Lebert, Treasurer   Patrick Smith, Secretary

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

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Statement of Profit or Loss and Other Comprehensive Income
December 31, 2019

	Notes	2019 $'000	2018 $'000
INTEREST INCOME, CALCULATED USING THE EFFECTIVE INTEREST METHOD			
Loans		1,621,162	1,414,656
Liquid assets, resale agreements and financial investments		51,038	106,611
		1,672,200	1,521,267
INTEREST EXPENSE			
Members' deposits		250,000	274,555
External credits		1,131	220
Members' voluntary shares		274,750	209,233
Lease liabilities		2,549	-
Other finance costs		10,668	13,598
		539,098	497,606
NET INTEREST INCOME		1,133,102	1,023,661
Impairment gains on liquid assets, resale agreements and financial investments		7,560	4,359
Impairment losses on loans, net of recoveries	11(c)	(95,171)	(15,836)
Net interest income after impairment gains and losses		1,045,491	1,012,184
Gain on unit trust investments		133,071	31,888
Other income	26	76,050	56,577
NET INTEREST AND OTHER INCOME		1,254,612	1,100,649
OPERATING EXPENSES			
Staff costs	27	396,919	373,473
Other operating expenses	28	480,130	444,190
		877,049	817,663
SURPLUS FOR THE YEAR		377,563	282,986
OTHER COMPREHENSIVE INCOME			
Item that will never be reclassified to deficit or surplus			
Remeasurement of employee benefits asset	18(f)	26,548	(24,217)
Item that may be reclassified to deficit or surplus			
Change in fair value of debt instruments at fair value through other comprehensive income (FVOCI)		8,850	31,342
TOTAL OTHER COMPREHENSIVE INCOME		35,398	7,125
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		412,961	290,111

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

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

(A Society Registered Under the Co-operative Societies Act)

Statement of Changes in Equity
December 31, 2019

		Institutional capital		Non-institutional capital					
	Notes	Permanent shares $'000 [note 24(a)]	Statutory reserve $'000 [note 24(b)]	Accumulated surplus $'000 [note 25(a)]	Employee benefits asset reserve $'000 [note 25(b)]	Fair value reserve $'000 [note 25(c)]	Revaluation reserve $'000 [note 25(e)]	Permanent share reserve $'000 [note 25(f)]	Total $'000
Restated balances at January 1, 2018		85,350	1,698,818	404,680	189,501	36,579	9,430	2,329	2,426,687
Total comprehensive income for the year									
Surplus for the year		-	-	282,986	-	-	-	-	282,986
Other comprehensive income:									
Remeasurement of employee benefits asset	18(f)	-	-	(24,217)	-	-	-	-	(24,217)
Change in fair value of debt instruments at FVOCI		-	-	-	-	31,342	-	-	31,342
Total other comprehensive income		-	-	(24,217)	-	31,342	-	-	7,125
Total comprehensive income for the year		-	-	258,769	-	31,342	-	-	290,111
Issue of permanent shares		851	-	-	-	-	-	-	851
Transfer from employee benefits asset reserve		-	-	15,775	(15,775)	-	-	-	-
Transfer to statutory reserve	24	-	114,448	(114,448)	-	-	-	-	-
Dividends	29	-	-	(5,056)	-	-	-	-	(5,056)
Entrance fees	24	-	7	-	-	-	-	-	7
Balances at December 31, 2018		86,201	1,813,273	559,720	173,726	67,921	9,430	2,329	2,712,600
Total comprehensive income for the year									
Surplus for the year		-	-	377,563	-	-	-	-	377,563
Other comprehensive income:									
Remeasurement of employee benefits asset	18(f)	-	-	26,548	-	-	-	-	26,548
Change in fair value of debt instruments at FVOCI		-	-	-	-	8,850	-	-	8,850
Total other comprehensive income		-	-	26,548	-	8,850	-	-	35,398
Total comprehensive income for the year		-	-	404,111	-	8,850	-	-	412,961
Issue of permanent shares		409	-	-	-	-	-	-	409
Transfer to employee benefits asset reserve		-	-	(28,304)	28,304	-	-	-	-
Transfer to statutory reserve	24	-	140,646	(140,646)	-	-	-	-	-
Dividends	29	-	-	(5,895)	-	-	-	-	(5,895)
Entrance fees	24	-	11	-	-	-	-	-	11
Balances at December 31, 2019		86,610	1,953,930	788,986	202,030	76,771	9,430	2,329	3,120,086

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

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Statement of Cash Flows
December 31, 2019

	Notes	2019 $'000	2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		377,563	282,986
Adjustments for:			
Interest income		(1,672,200)	(1,521,267)
Interest expense		536,549	497,606
Interest expense on lease liabilities		2,549	-
Depreciation - property, plant and equipment	13,16	16,315	19,664
Amortisation	17	6,780	6,301
Depreciation - right-of-use assets	19	7,720	-
Impairment gain on liquid assets, resale agreement and financial investments		(7,560)	(4,359)
Impairment losses on loans, net of recoveries	11(c)	95,171	15,836
Employee benefits asset	18(e)	13,531	6,746
Operating cash flows before movements in working capital		(623,582)	(696,487)
Changes in operating assets and liabilities			
Loans		(1,793,229)	(1,307,420)
Other assets		3,247	(8,313)
Employee benefits asset		(15,287)	(15,188)
Members' deposits		255,521	397,261
Members' voluntary shares		408,326	289,600
Other liabilities		(34,188)	69,980
		(1,799,192)	(1,270,567)
Interest received		1,689,941	1,521,504
Interest paid		(535,627)	(501,903)
Net cash used by operating activities		(644,878)	(250,966)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	16	(16,584)	(11,504)
Purchase of intangible asset	17	(4,800)	-
Liquid assets		(502,060)	(321,516)
Resale agreements		1,423,350	105,373
Financial investments		(243,320)	248,189
Net cash provided by investing activities		656,676	20,542
CASH FLOWS FROM FINANCING ACTIVITIES			
Permanent shares (net)		409	851
External credit		(715)	(691)
Dividends paid	29	(5,895)	(5,056)
Entrance fees		11	7
Payment of lease liabilities		(17,426)	-
Net cash used by financing activities		(23,616)	(4,889)
Net decrease in cash and cash equivalents		(11,818)	(235,313)
Cash and cash equivalents at beginning of year		57,608	292,921
CASH AND CASH EQUIVALENTS AT END OF YEAR	14(a)	45,790	57,608

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

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements
December 31, 2019

1. Identification

Jamaica Teachers' Association Co-operative Credit Union Limited ("Co-operative") is incorporated under the laws of Jamaica and is registered under the Co-operative Societies Act ("Act"), and has its registered office at 97a Church Street, Kingston, Jamaica.

The main activities of the Co-operative are to promote thrift among its members by affording them an opportunity to accumulate savings and to create for them a source of credit for provident or productive purposes at a reasonable rate of interest.

Membership in the Co-operative is obtained by the holding of members' permanent [note 24(a)] and voluntary shares, which are deposits available for withdrawals on demand. Individual membership may not exceed 20% of the total of the members' shares of the Co-operative.

2. Regulation

The Co-operative Societies Act requires, amongst other provisions, that at least 20% of the net surplus of the Co-operative be transferred annually to a reserve fund. The Co-operative is exempt from Income Tax under Section 59(i) of the Co-operative Societies Act and Section 12 of the Income Tax Act.

3. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

This is the first set of the Co-operative's annual financial statements in which IFRS 16 *Leases* have been applied. Changes to significant accounting policies are described in Note 4.

New and amended standards that have been issued but not yet effective

Certain new and amended standards which have been issued are not yet effective at the reporting date and the Co-operative has not early-adopted them. The Co-operative has assessed the relevance of all such new and amended standards with respect to its operations and has determined that the following may be relevant:

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

3. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards that have been issued but not yet effective (continued)

- Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

  The main change relates to how and when assets and liabilities are recognised and derecognised in the financial statements.

  - New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;
  - A liability will be recognised if an entity has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present;
  - A new control-based approach to derecognition will allow an entity to derecognise an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

- Amendment to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual reporting periods beginning on or after January 1, 2020, and provides a definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

  "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Co-operative is assessing the impact that these new and amended standards may have on its financial statements when they are adopted.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion of certain investments at fair value. The methods used to measure fair value are set out in note 8. Additionally, employee benefits asset is recognised as plan assets, less the present value of the defined benefit obligation and is limited as explained in note 5(d)(ii).

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

3. Statement of compliance and basis of preparation (continued)

(c) Functional and presentation currency

The financial statements are presented in Jamaica dollars which is the Co-operative's functional currency. The financial information presented are shown in thousands of Jamaica dollars, unless otherwise indicated.

4. Changes in significant accounting policies

The Co-operative initially applied IFRS 16 *Leases* from January 1, 2019. Other new standards are also effective from January 1, 2019 but they do not have a material effect on the Co-operative's financial statements.

The Co-operative applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the statement of financial position at January 1, 2019. Accordingly, the comparative information presented for 2018 is not restated i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) Definition of a lease

Previously, the Co-operative determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Co-operative now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 5(f).

On transition to IFRS 16, the Co-operative elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Co-operative applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

(b) As a lessee

As a lessee, the Co-operative leases assets such as property. The Co-operative previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Co-operative. Under IFRS 16, the Co-operative recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Co-operative allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

4. Changes in significant accounting policies (continued)

(b) As a lessee (continued)

Leases classified as operating leases under IAS 17

Previously, the Co-operative classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Co-operative's incremental borrowing rate as at January 1, 2019.

The Co-operative has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Co-operative used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Co-operative:

– did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

– excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and

– used hindsight when determining the lease term.

(c) As a lessor

The Co-operative leases out its investment property. The Co-operative has classified these leases as operating leases. The Co-operative is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

The Co-operative has applied IFRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

(d) Impact on transition

On transition to IFRS 16, the Co-operative recognised right-of-use assets and lease liabilities. The Co-operative has elected to measure the right-of-use assets at an amount equal to the lease liabilities. Consequently, there was no impact on the retained earnings at the date of transition. The impact on transition is summarised below.

	$'000
Right-of-use assets – property	38,599
Lease liabilities	(38,599)

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

4. Changes in significant accounting policies (continued)

(d) Impact on transition (continued)

When measuring lease liabilities for leases that were classified as operating leases, the Co-operative discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted- average rate applied is 8%.

	$'000
Operating lease commitments at December 31, 2018 as per IAS 17	44,688
Discounted using the incremental borrowing rate at January 1, 2019	39,377
Recognition exemption for leases with less than 12 months of lease term at transition	(778)
Lease liabilities recognised at January 1, 2019	38,599

5. Significant accounting policies

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

The Co-operative recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The Co-operative initially recognises loans and deposits on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date, which is the date on which the Co-operative becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL; transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt and equity investments; or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

On initial recognition of an equity investment that is not held for trading, the Co-operative may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Co-operative may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

Business model assessments:

The Co-operative makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities that are funding these assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Co-operative's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, the information about sales activity is not considered in isolation, but as part of an overall assessment of how the Co-operative's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Co-operative's objective is achieved by both collecting contractual cash flows and selling financial assets.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (continued):

In assessing whether the contractual cash flows are solely payments of principal and interest, the Co-operative considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Co-operative considers the following:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- leverage features, that modify consideration of the time value of money such as periodic reset of interest rates;
- prepayment and extension features; and
- terms that limit the Co-operative's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Co-operative changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first reporting period following the change in business model.

Financial liabilities

The Co-operative classifies financial liabilities as measured at amortised cost.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Co-operative derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or if it neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Co-operative is recognised as a separate asset or liability.

Financial liabilities

The Co-operative derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

(iv) Measurement and gains and losses

Financial assets at amortised cost are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in surplus or deficit in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- expected credit losses (ECL) and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to surplus or deficit.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Co-operative has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Specific financial instruments

(1) Loans

Loans in the statement of financial position include loans measured at amortised cost. They are initially measured at fair value, plus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest method.

(2) Resale agreements

Resale agreements ("reverse repos") are short-term transactions whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. Reverse repos are accounted for as short-term collateralised lending and are classified and measured at amortised cost.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

(3) Cash and cash equivalents

Cash and cash equivalents are classified and measured at amortised cost. They comprise cash and bank balances and short-term liquid deposits, where original maturities do not exceed three months, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term commitments, rather than for investment purposes.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vi) Specific financial instruments (continued)

(3) Cash and cash equivalents (continued)

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and bank deposits not held to satisfy statutory requirements, net of bank overdraft, if any.

(4) Other assets

Other assets comprising sundry receivables, deposits and prepayments are classified and measured at amortised cost less impairment losses.

(5) Other liabilities

Other liabilities comprise other payables and are measured at amortised cost.

(6) External credits

External credits are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(vii) Identification and measurement of impairment

The Co-operative recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

No impairment loss is recognised on equity investments.

The Co-operative measures loss allowances at an amount equal to lifetime ECL, except for the following, which 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.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

The Co-operative considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Co-operative does not apply the low credit risk exemption to any other financial instruments.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECLs

ECLs are 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 Co-operative expects to receive); and

- *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.

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 and ECLs are measured as follows:

- If the expected restructuring will not result in 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.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

Restructured financial assets (continued)

- If the expected restructuring will result in 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 Co-operative assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Co-operative on terms that the Co-operative would not otherwise consider;
- 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. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

Credit-impaired financial assets (continued)

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Co-operative considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

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.
- *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 fair value 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 Co-operative 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.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

Write-off (continued)

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

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

The guidelines stipulated by the Jamaica Co-operative Credit Union League ("JCCUL"), according to the PEARLS standard, require the allowance for loan losses be stipulated percentages of total delinquent loans, the percentages varying with the period of delinquency, without considering securities held against such loans.

The Co-operative's impairment loss provision requirements, as stipulated by the Jamaica Co-operative Credit Union League Limited ("JCCUL"), that exceed the IFRS impairment provision are dealt with in a non-distributable loan loss reserve as an appropriation of accumulated surplus.

(b) Property, plant and equipment

(i) Measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Co-operative and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in surplus or deficit on the straight-line basis at rates estimated to write-down the relevant assets, over their expected useful lives, to their residual values. Land is not depreciated. The rates used are as follows:

Buildings	2½%
Leasehold improvements	10%
Office furniture and equipment	10% - 25%
Right-of-use assets	12.5 - 50%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(c) Intangible assets

Intangible assets represent software rights and is measured at cost, less accumulated amortisation and impairment losses. Amortisation method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation is charged to surplus or deficit on the straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use. The expected useful life of computer software is 10 years.

(d) Employee benefits

(i) General

Employee benefits are all forms of consideration given by the Co-operative in exchange for services rendered by employees. These include current or short-term benefits such as salaries, bonuses, National Insurance Scheme (NIS) contributions, annual vacation leave, and non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(d) Employee benefits (continued)

(ii) Pension benefits

The employees of the Co-operative participate in a defined benefit multi-employer pension plan operated by The Jamaica Co-operative Credit Union League (JCCUL). Effective December 31, 2016, the defined benefit pension plan was closed to new members. New members to the plan participate in a defined contribution multi-employer pension plan operated by JCCUL [see note 27(i)].

Obligations for contributions to the defined contribution plan are recognised as an expense in surplus or deficit as incurred.

Employee benefits asset included in the financial statements has been actuarially determined by a qualified independent actuary, appointed by JCCUL. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation is conducted in accordance with IAS 19, and the financial statements reflect the Co-operative's employee benefits asset as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The calculation of defined benefit obligation is performed annually using the projected unit credit method. When the calculation results in a potential asset for the Co-operative, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Co-operative determines the net interest expense (income) on the net defined benefit asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit asset, taking into account any changes in the net defined benefit asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in surplus or deficit.

(e) Investment property

Investment property comprised properties held to earn rentals and/or for capital appreciation, and are measured at cost less any accumulated depreciation and impairment losses.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(e) Investment property (continued)

The gain or loss arising on the disposal or retirement of an investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in surplus or deficit.

Investment property, other than land, is depreciated on a straight-line basis over its estimated useful life at 2½%.

Rental income on the properties is recognised in surplus or deficit on a straight-line basis over the life of the lease agreement.

(f) Leases

The Co-operative has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from January 1, 2019

At inception of a contract, the Co-operative assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Co-operative uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Co-operative allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Therefore, for leases of property, the Co-operative has elected to separate non-lease components and account for these separately.

The Co-operative recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Co-operative by the end of the lease term or the cost of the right-of-use asset reflects that the Co-operative will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(f) Leases (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Co-operative's incremental borrowing rate. Generally, the Co-operative uses its incremental borrowing rate as the discount rate.

The Co-operative determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Co-operative is reasonably certain to exercise, lease payments in an optional renewal period if the Co-operative is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Co-operative is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Co-operative's estimate of the amount expected to be payable under a residual value guarantee, if the Co-operative changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Co-operative presents right-of-use assets that do not meet the definition of investment property in the statement of financial position.

In the comparative period, as a lessee the Co-operative had no leases classified as finance leases.

Assets held under leases were classified as operating leases and were not recognised in the Co-operative's statement of financial position. Payments made under operating leases were recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(f) Leases (continued)

Short-term leases and leases of low-value assets

The Co-operative has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Co-operative recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Co-operative allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Co-operative acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Co-operative makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Co-operative considers certain indicators such as whether the lease is for the major part of the economic life of the asset. In the Co-operative's capacity as a lessor, all its leases are classified as operating leases.

If an arrangement contains lease and non-lease components, then the Co-operative applies IFRS 15 to allocate the consideration in the contract.

The Co-operative recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other income'.

Generally, the accounting policies applicable to the Co-operative as a lessor in the comparative period were not different from IFRS 16.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(f) Leases (continued)

Policy applicable before January 1, 2019

For contracts entered into before January 1, 2019, the Co-operative determined whether the arrangement was or contained a lease based on the assessment of whether:

– fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

– the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output.

When the Co-operative acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Co-operative made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease, if not, then it was an operating lease. As part of this assessment, the Co-operative considered certain indicators such as whether the lease was for the major part of the economic life of the asset. In the comparative period, as a lessor the Co-operative had no leases classified as finance leases.

(g) Members' shares

(i) Permanent shares

Permanent shares may be transferred by a member to another but are not available for withdrawal. Permanent shares are classified as equity.

(ii) Voluntary shares

Members' voluntary shares represent deposit holdings of the Co-operative's members, to satisfy membership requirements and to facilitate eligibility for loans and other benefits. These shares are classified as financial liabilities are measured at amortised cost. Dividends payable on these shares are determined at the discretion of the Co-operative and reported as interest in surplus or deficit in the period in which they are approved.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(h) Provisions

Provisions are recognised when the Co-operative has a present, legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(i) Revenue recognition

(i) Interest income

Effective interest rate

Interest income is recognised in surplus or deficit using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the Co-operative estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(i) Revenue recognition (continued)

(i) Interest income (continued)

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to the gross basis even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI, includes interest on financial assets measured at amortised cost, and interest on debt instruments measured at FVOCI.

(ii) Fees and commission

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Co-operative recognises revenue when it transfers control over a service to a customer.

Fee and commission income including account service fees are recognised as the related services are performed.

A contract with a customer that results in a recognised financial instrument in the Co-operative's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Co-operative first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(i) Revenue recognition (continued)

(ii) Fees and commission (continued)

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	**Nature and timing of satisfaction of performance obligations, including significant payment terms.**	**Revenue recognition under IFRS 15.**
Service fees	The Co-operative provides banking related services to members which give rise to fees for the acquisition of bills of sale, credit checks and letters of undertaking, standing orders, account status letters and account statements.	Revenue related to transactions is recognised at the point in time when the transaction takes place.
	Transaction-based fees such as credit bureau fees are charged to the members' accounts when the transaction takes place.	
	Service fees are charged when the service is delivered and are based on fixed rates determined by the co-operative. Processing fees relating to loans are a percentage of the principal and charged to the member's account at the time of the transaction.	Service fees are recognised at the point in time when the service is delivered.

(iii) Dividends

Dividend income from equity financial investments is recognised when the Co-operative's right to receive payment has been established.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(j) Interest expense

Interest expense is recognised in surplus or deficit using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the issue of a financial liability.

The 'amortised cost' of a financial liability is the amount at which the financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

The effective interest rate of a financial liability is calculated on initial recognition of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

Interest expense presented in the statement of surplus or deficit and OCI includes financial liabilities measured at amortised cost.

(k) Institutional capital

Institutional capital includes retained earnings reserve and other statutory and legal reserves as set out in article XIV rule 66 of the Co-operative Societies Act. These are set aside in order to strengthen the capital base of the Co-operative and thereby protect the interest of the members. These amounts are not available for distribution.

(l) Statutory reserves

The statutory and legal reserves are maintained in accordance with the provisions of the Co-operative Societies Act which require that a minimum of 20% of surplus before honoraria should be carried to a fund. A registered society may apply to the Registrar to allow the required percentage to be reduced. However, the reduction will not be granted below 10%.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

5. Significant accounting policies (continued)

(m) Foreign currency translation

Transactions in foreign currencies are converted at the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates ruling at that date. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in surplus or deficit.

(n) Impairment of non-financial assets

The carrying amounts of the Co-operative's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognised in surplus or deficit.

(i) Calculation of recoverable amount

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

6. Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Judgements

For the purpose of these financial statements prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS.

(1) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding requires management to make certain judgements about its business operations.

(2) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

6. Critical accounting estimates and judgements (continued)

(ii) Key assumptions concerning the future and other sources of estimation uncertainty

(1) Impairment losses on financial assets

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such estimates.

(2) Employee benefits asset

The amounts recognised in the statement of financial position and statement of profit or loss and other comprehensive income for pension are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets and the discount rate used to determine the present value of estimated future cash flows required to settle the pension obligations.

The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Co-operative's obligations; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest tenor security on the market. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

Judgement is also exercised in determining the proportionate share of the defined benefit obligation, plan assets and cost as well as the extent that the surplus or deficit in the plan may affect the future contributions for each individual employer in the plan.

7. Financial risk management

(a) Introduction and overview

By its nature, the Co-operative's activities are principally related to the use of financial instruments, which involves analysis, evaluation and management of some degree of risk or combination of risks. The Co-operative manages risk through a framework of risk principles, organisational structures and risk management and monitoring processes that are closely aligned with the activities of the Co-operative. Risk management policies are designed to identify and analyse the risks faced by the Co-operative, to set appropriate risk limits and controls, and to monitor risks and adherence to limits by means of regularly generated reports. The Co-operative's aim is therefore to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Co-operative's financial performance.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(a) Introduction and overview (continued)

The Co-operative has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors is ultimately responsible for the establishment and oversight of the Co-operative's risk management framework. The Board has established committees for managing and monitoring risks.

Three key committees for managing and monitoring risks are the Supervisory Committee, the Credit Committee and the Finance Committee.

Supervisory Committee

The Supervisory Committee oversees the performance of personnel and systems within the Co-operative and ensures that internal procedures and controls are adhered to. The Supervisory Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Supervisory Committee.

Credit Committee

The Credit Committee oversees the approval of credit facilities and disbursements to members. It is also primarily responsible for monitoring the quality of the loan portfolio.

Finance Committee

The Finance Committee is responsible for managing the Co-operative's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Co-operative.

(b) Credit risk

The Co-operative takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss by being unable to pay amounts in full when due. Credit exposures arise principally in lending and investment activities.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

For loans, credit decisions are primarily made by the Board of Directors, with some delegation of credit approval authority to the Credit Committee and certain members of executive management. The Co-operative's credit policy forms the basis for all its lending operations. The policy aims at maintaining a high quality loan portfolio, as well as enhancing the Co-operative's mission and strategy. The policy sets the basic criteria for acceptable risk and identifies risk areas that require special attention.

Additionally, the Co-operative is exposed to credit risk in its treasury activities, arising from financial assets that the Co-operative uses for investing its liquidity and managing currency and interest rate risks, as well as other market risks. There is also credit risk in off-balance sheet items, such as loan commitments.

Credit review process

The Co-operative has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

(i) Loans

Management of risk:

The Co-operative assesses the probability of default of individual borrowers using internal ratings. The Co-operative assesses each borrower on four critical factors. These factors are the member's credit history, ability to pay linked to the industry benchmarked debt service ratio of 75%, character profile and the member's economic stability, based on employment and place of abode.

Borrowers are segmented into two rating classes: performing and non-performing.

The credit quality review process allows the Co-operative to assess the potential loss as a result of the risk to which it is exposed and take corrective action. Exposure to credit risk is managed, in part, by obtaining collateral and personal guarantees.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(i) Loans **(continued)**

Credit quality

The following table sets out information about the credit quality of loans.

	2019 $'000			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Performing	11,896,959	231,832	-	12,128,791
Non-performing	-	-	231,388	231,388
	11,896,959	231,832	231,388	12,360,179
Allowance for impairment losses	(56,315)	(5,754)	(109,076)	(171,145)
Carrying amount	11,840,644	226,078	122,312	12,189,034

	2018 $'000			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Performing	10,335,144	158,510	-	10,493,654
Non-performing	-	-	175,362	175,362
	10,335,144	158,510	175,362	10,669,016
Allowance for impairment losses	(74,972)	(8,547)	(94,521)	(178,040)
Carrying amount	10,260,172	149,963	80,841	10,490,976

(ii) Investments and resale agreements

Management of risk:

The Co-operative limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality.

The Co-operative has documented policies which facilitate the management of credit risk on investment securities and resale agreements. The Co-operative's exposure and credit ratings of its counterparties are continually monitored.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(ii) Investments and resale agreements (continued)

Credit quality

The Co-operative identifies changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Co-operative supplements this by reviewing changes in bond yields together with available press and regulatory information on issuers.

Loss given default (LGD) parameters generally reflect an assumed recovery rate of percent except when the security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

The following table sets out information about the credit quality of investment securities and resale agreements, based on Moody's credit rating index as follows:

	2019 $'000 Stage 1	2018 $'000 Stage 1
Financial investments at FVOCI		
Non-investment grade, being total gross carrying amount	206,929	299,437
Loss allowance	865	738
Financial investments at amortised cost		
Non-investment grade	37,104	154,173
Loss allowance	(939)	(1,217)
Carrying amount	36,165	152,956
Resale agreements at amortised cost		
Non-investment grade	196,987	1,620,337
Loss allowance	(81)	(8,123)
Carrying amount	196,906	1,612,214

(iii) Liquid assets and bank balances

Liquid assets and bank balances are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed by the Finance Committee.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(iii) Liquid assets and bank balances (continued)

Impairment has been measured at 12-month expected loss basis and reflects the short maturities of the exposures. The Co-operative considers that liquid assets and bank balances have low credit risk. No impairment allowances were recognised for cash and bank balances.

The following table sets out the credit quality of liquid assets:

	2019 $'000 **Stage 1**	2018 $'000 **Stage 1**
Total gross carrying amount	1,341,020	866,571
Loss allowance	(3,448)	(2,831)
Carrying amount	1,337,572	863,740

(iv) Credit limits

The Co-operative manages concentrations of credit risk by placing limits on the amount of risk accepted in relation to a single borrower or groups of related borrowers, and to product segments. Borrowing limits are established by the use of the system described above. Limits on the level of credit risk by product categories, and for investment categories, are reviewed and approved bi-annually by the Board of Directors.

(v) Collateral held and other credit enhancements

The most widely used practice for mitigating credit risk is the taking of security in the form of physical assets, netting agreements and guarantees. The amount and type of collateral required depend on an assessment of the credit risk of the borrower and guidelines are implemented regarding the acceptability of different types of collateral. The principal collateral types provided for loans and advances are charges over members' balances, real property and motor vehicles.

Estimates of fair values are based on value of collateral assessed at the time of borrowing and are generally not updated except when a loan (or other financial asset) is individually assessed as impaired. Collateral is not generally held against deposits and investment securities, except when the securities are held as part of resale agreements.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the provision for credit losses.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(v) Collateral held and other credit enhancements (continued)

The table below shows the collateral and other security enhancements held against loans to borrowers.

Collateral held for loans

	2019 $'000	2018 $'000
Against past due but not impaired financial assets		
Properties	386,770	425,683
Shares and deposits	68,152	22,782
Liens on motor vehicle	30,602	23,957
	485,524	472,422
Impaired financial assets		
Properties	11,500	20,800
Shares and deposits	34,028	29,200
Liens on motor vehicle	20,258	2,700
	65,786	52,700
Total	551,310	525,122

(vi) Impairment

Inputs, assumptions and techniques used for estimating impairment

See accounting policy at note 5(a)(vii).

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Co-operative considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Co-operative's historical experience and third party policies including forward-looking information.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Significant increase in credit risk (continued)

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Co-operative uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- the 30 days past due backstop indicator.

Credit risk grades

The Co-operative allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- information obtained during periodic review of customer files;
- data from credit reference agencies;
- actual and expected significant changes in the political, regulatory and technological environment of the borrower;
- payment record – this includes overdue status as well as a range of variables about payment ratios; and
- existing and forecast changes in business, financial and economic conditions.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Determining whether credit risk has been increased significantly:

The Co-operative assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

Credit risk is deemed to increase significantly where the credit rating of a security decreased four or more levels on the international credit rating scale since the rating at origination date or the issuer of the instrument is experiencing or is very likely to experience one or more adversities and where there are adverse changes in one or more of the credit risk drivers that could increase the likelihood of default since the origination of loans.

As a backstop, the Co-operative considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Co-operative determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Co-operative monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Determining whether credit risk has been increased significantly (continued):

The Co-operative monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that (continued):

- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default

The Co-operative considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Co-operative in full, without recourse by the Co-operative to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Co-operative; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Co-operative considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Co-operative; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Co-operative for regulatory capital purposes.

Incorporation of forward-looking information

The Co-operative incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Incorporation of forward-looking information (continued)

The Co-operative uses a forward looking scorecard model to estimate the potential impact of future economic conditions. It formulates three economic scenarios: a base case, which is the median scenario assigned a 50% probability of occurring, and two less likely scenarios, one upside and one downside, assigned a 20% and 30% probability of occurring respectively. Each scenario considers the expected impact of inflation, interest rates, unemployment rates and gross domestic product (GDP). The base case is aligned with information used by the Co-operative for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Jamaica, supranational organisations and selected private-sector and academic forecasters.

The economic scenarios used as at December 31, 2019 assumed no significant changes in key indicators for Jamaica within the next year.

Based on the economic scenario, proxies of 0.6, 1.1 and 1.6 times ECL were determined to be appropriate for positive, stable and negative outlooks respectively.

Measurement of ECLs

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD)

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

LGD is the magnitude of the likely loss if there is a default. The Co-operative estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, loan-to-value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Measurement of ECLs (continued)

EAD represents the expected exposure in the event of a default. The Co-operative derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Co-operative measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Co-operative considers a longer period. The maximum contractual period extends to the date at which the Co-operative has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Loss allowance

The loss allowance recognised is analysed as follow:

	2019			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Loans				
Balances at January 1, 2019	74,973	8,547	94,520	178,040
New financial assets originated or Purchased Reconized During the Year	17,056	652	12,941	30,649
Transfer from Stage 1 to Stage 2	-	4,636	-	4,636
Transfer from Stage 2 to Stage 3	-	-	16,772	16,772
Transfer from Stage 1 to Stage 3	-	-	74,574	74,574
Transfer from Stage 2 to Stage 1	163	-	-	163
Transfer from Stage 3 to Stage 2	-	86	-	86
Transfer from Stage 3 to Stage 1	48	-	-	48
Financial assets derecognised during the period	(35,925)	(8,167)	(89,731)	(133,823)
Balances at December 31, 2019	56,315	5,754	109,076	171,145

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vi) Impairment (continued)

Loss allowance (continued)

	2018			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Loans				
Balances at January 1, 2018 (IAS 39)	3,964	16,968	63,286	84,218
Remeasurement on January 1, 2018 (IFRS 9)	51,297	(8,812)	100,612	143,097
Recognised during the year	19,712	391	(69,378)	(49,275)
Balances at December 31, 2018	74,973	8,547	94,520	178,040

	2019 $'000 **Stage 1**	2018 $'000 **Stage 1**
Financial investments		
Balance at January 1	1,217	-
Remeasurement on January 1, 2018	-	220
Recognised during the year	(278)	997
Balance at December 31	939	1,217
Resale agreements		
Balance at January 1	8,123	-
Remeasurement on January 1, 2018	-	11,125
Recognised during the year	(8,042)	(3,002)
Balance at December 31	81	8,123
Liquid assets		
Balance at January 1	2,831	-
Remeasurement on January 1, 2018	-	2,904
Recognised during the year	617	(73)
Balance at December 31	3,448	2,831

(vii) Exposure to credit risk

Maximum credit exposure to credit risk before collateral held or other credit enhancements

The maximum credit exposure, the total amount of loss that the Co-operative would suffer if every counterparty to the Co-operative's financial assets were to default at once, is represented by the carrying amount of the financial assets shown on the statement of financial position as at the reporting date.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(b) Credit risk (continued)

Credit review process (continued)

(vii) Exposure to credit risk (continued)

Concentration of risk

Loans

The following table summarises the Co-operative's credit exposure for consumer loans at their carrying amounts:

	2019 $'000	2018 $'000
Construction and real estate	113,311	108,532
Education	7,260	28,879
Personal	8,102,243	6,039,523
Motor vehicle	1,519,733	1,466,096
General	2,617,632	3,025,986
	12,360,179	10,669,016
Less: Allowance for impairment losses	(171,145)	(178,040)
	12,189,034	10,490,976

Debt securities

The following table summarises the Co-operative's credit exposure for debt securities at their carrying amounts, as categorised by the issuer:

	2019 $'000	2018 $'000
Government of Jamaica	198,257	290,965
Financial institutions	196,987	1,620,337
	395,244	1,911,302
Less: Allowance for impairment losses	(81)	(8,569)
	395,163	1,902,733

(c) Liquidity risk

Liquidity risk is the risk that the Co-operative is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequences may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(c) Liquidity risk (continued)

The Co-operative's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Co-operative's reputation.

The Co-operative is subject to liquidity limit imposed by JCCUL and compliance is regularly monitored. This limit requires that the Co-operative maintain liquid assets amounting to at least 10% of withdrawable savings and deposits. The liquid asset ratio as at December 31, 2019 was approximately 13% (2018: 22%) which is in compliance with the standard.

Liquidity risk management process

The liquidity risk management process, as carried out within the Co-operative, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding, if required;

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Optimising cash returns on investments; and

(iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of an analysis of the cash balances and expected investment maturity profiles for the next day, week and month, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Co-operative and its exposure to changes in interest rates and exchange rates.

There was no change in how the Co-operative measures and manages liquidity use during the year.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(c) Liquidity risk (continued)

Liquidity risk management process (continued)

The tables below present the undiscounted cash flows payable (both interest and principal cash flows) of the Co-operative's financial liabilities based on contractual repayment obligations.

	Within 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total cashflow $'000	Total carrying amount $'000
December 31, 2019						
Lease liabilities	-	17,230	8,238	-	25,468	23,722
Members' deposits	4,043,994	330,797	1,201,545	214,833	5,791,169	5,544,835
Members' voluntary shares	6,174,464	-	-	-	6,174,464	6,174,464
External credits	-	-	1,928	554	2,482	1,769
Other liabilities	144,449	-	-	-	144,449	144,449
Total financial liabilities	10,362,907	348,027	1,211,711	215,387	12,138,032	11,889,239
December 31, 2018						
Members' deposits	3,727,988	489,933	1,128,980	207,469	5,554,370	5,289,314
Members' voluntary shares	5,766,138	-	-	-	5,766,138	5,766,138
External credits	-	-	2,202	691	2,893	2,484
Other liabilities	177,715	-	-	-	177,715	177,715
Total financial liabilities	9,671,841	489,933	1,131,182	208,160	11,501,116	11,235,651

(d) Market risk

The Co-operative takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Finance Committee which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The main currency giving rise to this risk is the US$.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(d) Market risk (continued)

(i) Currency risk (continued)

The Co-operative's exposure to foreign currency risk at the reporting date was as follows:

	2019 US$'000	2018 US$'000
Liquid assets - earning	20	134
Resale agreements	369	86
Financial investments	310	436
	699	656

The exchange rate of the US$ to the J$ at the reporting date was US$1.00 to J$ 129.78 (2018: US$1.00 to J$125.89).

Foreign currency sensitivity

The effect of a 6% (2018: 4%) strengthening of the United States dollar against the Jamaica dollar at the reporting date would, all other variables held constant, have resulted in an increase in surplus for the year of J$5,443,000 (2018: J$3,303,000). A 4% (2018: 2%) weakening in the exchange rate would, on the same basis, have resulted in a decrease in surplus of J$3,629,000 (2018: J$1,652,000).

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, and arises mainly from investments, loans and deposits.

Floating rate instruments expose the Co-operative to cash flow interest risk, whereas fixed interest rate instruments expose the Co-operative to fair value interest risk.

The Co-operative's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments as determined by the Finance Committee. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the Finance department.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The following tables summarise the exposure to interest rate risk. They include the financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	2019					
	Within 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Assets						
Cash and bank balances	-	-	-	-	43,152	43,152
Liquid assets	273,676	1,063,896	-	-	-	1,337,572
Resale agreements	196,906	-	-	-	-	196,906
Financial investments	28,229	-	-	197,367	526,381	751,977
Loans	35,753	113,435	5,305,722	6,734,124	-	12,189,034
Other assets	-	-	-	-	74,865	74,865
Total assets	534,564	1,177,331	5,305,722	6,931,491	644,398	14,593,506
Liabilities						
Lease liabilities	-	15,938	7,784	-	-	23,722
Members' deposits	3,898,577	309,358	1,133,747	203,153	-	5,544,835
Members' voluntary shares	6,174,464	-	-	-	-	6,174,464
External credits	-	-	1,215	554	-	1,769
Other liabilities	-	-	-	-	144,449	144,449
Total liabilities	10,073,041	325,296	1,142,746	203,707	144,449	11,889,239
Total interest rate sensitivity gap	**(9,538,477)**	**852,035**	**4,162,976**	**6,727,784**	**499,949**	**2,704,267**
Cumulative interest rate sensitivity gap	**(9,538,477)**	**(8,686,442)**	**(4,523,466)**	**2,204,318**	**2,704,267**	**-**

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2018					
	Within 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Assets						
Cash and bank balances	-	-	-	-	27,359	27,359
Liquid assets	591,810	271,930	-	-	-	863,740
Resale agreements	1,063,917	548,297	-	-	-	1,612,214
Financial investments	5,027	128,101	-	189,099	177,535	499,762
Loans	27,663	95,650	5,294,477	5,073,186	-	10,490,976
Other assets	-	-	-	-	95,853	95,853
Total assets	1,688,417	1,043,978	5,294,477	5,262,285	300,747	13,589,904
Liabilities						
Members' deposits	3,582,517	451,686	1,059,147	195,964	-	5,289,314
Members' voluntary shares	5,766,138	-	-	-	-	5,766,138
External credits	-	-	1,793	691	-	2,484
Other liabilities	-	-	-	-	177,715	177,715
Total liabilities	9,348,655	451,686	1,060,940	196,655	177,715	11,235,651
Total interest rate sensitivity gap	**(7,660,238)**	**592,292**	**4,233,537**	**5,065,630**	**123,032**	**2,354,253**
Cumulative interest rate sensitivity gap	**(7,660,238)**	**(7,067,946)**	**(2,834,409)**	**2,231,221**	**2,354,253**	**-**

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables being held constant.

The sensitivity of the surplus is the effect of the assumed changes in interest rates on net income based on the floating rate financial assets and financial liabilities. The sensitivity of equity is calculated by revaluing fixed rate financial assets classified and measured at FVOCI for the effect of the assumed changes in interest rates. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, they have to be on an individual basis. It should be noted that movements in these variables are non-linear.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity (continued)

	2019		2018	
	Effect on surplus $'000	Effect on equity $'000	Effect on surplus $'000	Effect on equity $'000
Change in basis points:				
- 100 (2018: - 100)	(297)	8,013	(958)	9,973
+ 100 (2018: + 100)	297	(8,874)	958	(11,035)

	2019				
	Within 3 months %	3 to 12 months %	1 to 5 years %	Over 5 years %	Weighted average %
Loans	16.53	11.66	13.10	14.64	13.95
Liquid assets	4.16	0.95	-	-	1.61
Resale agreements	2.15	-	-	-	2.15
Financial investments	2.70	-	-	6.42	5.95
Members' deposits	3.73	6.93	5.98	5.75	4.44
External credits	-	-	7.96	8.00	7.97

	2018				
	Within 3 months %	3 to 12 months %	1 to 5 years %	Over 5 years %	Weighted average %
Loans	22.28	12.84	13.96	14.66	14.31
Liquid assets	1.87	2.13	-	-	1.95
Resale agreements	2.61	2.99	-	-	2.74
Financial investments	2.40	4.28	-	7.34	5.91
Members' deposits	3.95	8.47	6.59	5.87	4.93
External credits	-	-	7.96	8.00	7.97

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Co-operative's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Co-operative's operations.

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

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(e) Operational risk (continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirement for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of a contingency plan;
- Risk mitigation, including insurance where this is effective.

Compliance with the Co-operative's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the department heads, with summaries submitted to senior management.

(f) Capital management

The Co-operative's objectives when managing institutional capital, which is a broader concept than the "equity" on the face of the statement of financial position are:

(i) To comply with the capital requirements set by the JCCUL for the financial sector in which the Co-operative operates;

(ii) To safeguard the Co-operative's ability to continue as a going concern so that it can continue to provide returns and benefits for members;

(iii) To maintain an 8% ratio of institutional capital to total assets; and

(iv) To maintain a strong capital base to support the development of its business through the allocation of at least 20% of surplus to institutional capital.

Capital adequacy and the use of regulatory capital are monitored by management, based on the guidelines in its Capital Asset Management Policy. The JCCUL currently requires member co-operatives to maintain a minimum level of institutional capital at 8% of total assets. At the reporting date, this ratio was 14% (2018: 14%) which is in compliance with the requirements.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

7. Financial risk management (continued)

(f) Capital management (continued)

The proposed Bank of Jamaica regulations require JCCUL to ensure that member co-operatives:

(i) Hold a minimum level of the regulatory capital of 6% of total assets; and

(ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

The table below summarises the composition of regulatory capital and the ratios of the Co-operative as at the reporting date. During the year, the Co-operative complied with all externally imposed capital requirements to which it is subject.

	2019		2018	
	Actual $'000	Required $'000	Actual $'000	Required $'000
Total regulatory capital	2,040,540	1,200,746	1,899,474	1,115,860
Total capital ratio	14%	8%	14%	8%

8. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date and is best evidenced by a quoted market price, if one exists. Many of the Co-operative's financial instruments lack an available trading market. Therefore, these instruments have been valued using other valuation techniques and the values may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments. In addition, the calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.

The fair values of liquid assets, resale agreements, cash and cash equivalents, other assets and other liabilities are assumed to approximate their carrying values due to their short-term nature.

The fair value of financial investments is based on quoted market bid prices, when available. Where quoted market bid prices are not available, other valuation techniques are used.

External credits, members' voluntary shares, members' deposits and loans to members are carried at amortised cost, which is deemed to approximate their fair values, as these balances attract rates and terms comparable to market rates and terms for similar instruments.

The fair value of shares held in Jamaica Co-operative Credit Union League and other related entities are determined using the net asset valuation method. There is no available market for these instruments. The Co-operative has no intention to dispose of these investments.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

8. Fair value of financial instruments (continued)

Financial instruments that are measured at fair value at the reporting date are grouped into Levels 1, 2 and 3, based on the degree to which the fair value is observable as follows:

(i) Level 1: Fair values are quoted prices (unadjusted) in active markets for identical instruments;

(ii) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, their classification and their levels in the fair value hierarchy. There were no transfer between levels during the year. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amounts is a reasonable approximate of fair values.

	2019					
	Carrying amount			Fair value		
	FVOCI $'000	FVTPL $'000	Total $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:						
Financial investments	206,929	508,883	715,812	697,185	18,627	715,812
Liquid assets	-	1,057,485	1,057,485	1,057,485	-	1,057,485
	206,929	1,566,368	1,773,297	1,754,670	18,627	1,773,297

	2018					
	Carrying amount			Fair value		
	FVOCI $'000	FVTPL $'000	Total $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:						
Financial investments	299,437	47,369	346,806	328,379	18,427	346,806
Liquid assets	-	222,814	222,814	222,814	-	222,814
	299,437	270,183	569,620	551,193	18,427	569,620

There were no transfers between levels during the year.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

8. Fair value of financial instruments (continued)

Valuation techniques

The valuation techniques used in measuring fair value in the level 2 and level 3 hierarchy are as detailed below. There were no significant unobservable inputs used.

Financial assets	Methods
Government of Jamaica J$ securities	• Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids); • Using this yield, determine price using accepted formula; • Apply price to estimate fair value.
Government of Jamaica US$ Global bonds	• Prices of bonds at reporting date as quoted by broker/dealer
Units in unit trusts	• Obtain prices quoted by unit trust managers • Apply price to estimate fair value
Unquoted equities	• Net asset valuation method

9. Liquid assets

	2019 $'000	2018 $'000
Earning assets at amortised cost:		
Deposits		
National Commercial Bank Jamaica Limited	1,532	1,505
The Bank of Nova Scotia Jamaica Limited	-	303,000
JMMB Bank Jamaica Limited	274,109	303,802
JCCUL - Cuets settlements	5,256	5,201
Savings account balances		
The Bank of Nova Scotia Jamaica Limited [note 14(a)]	2,638	30,249
	283,535	643,757
Financial assets at fair value through profit or loss		
Units in unit trust funds:		
JCCUL - Cumax money market fund	1,057,485	222,814
	1,341,020	866,571
Less: Allowance for impairment losses [note 7(b)(vi)]	(3,448)	(2,831)
	1,337,572	863,740

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

10. Resale agreements

The Co-operative enters into resale agreements collateralised by the Government of Jamaica securities. These agreements may result in a credit exposure in the event that the counter party to the transaction is unable to fulfill its collateral obligations.

	2019 $'000	2018 $'000
Principal	196,987	1,620,337
Less: Allowance for impairment [note 7(b)(vi)]	(81)	(8,123)
	196,906	1,612,214

The fair value of the underlying securities used to collateralise the resale agreements was $206,875,000 (2018: $1,692,950,000).

11. Loans

	2019 $'000	2018 $'000
Balance at beginning of year	10,669,016	9,426,707
Add: disbursements and transfers	5,061,804	4,883,600
	15,730,820	14,310,307
Less: repayments and transfers	(3,370,641)	(3,641,291)
	12,360,179	10,669,016
Less: allowance for impairment losses [note 7(b)(vi)]	(171,145)	(178,040)
	12,189,034	10,490,976

The amounts are expected to be recovered as follows:

	2019 $'000	2018 $'000
Within 12 months	149,188	123,313
Over 12 months	12,039,846	10,367,663
	12,189,034	10,490,976

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

11. Loans (continued)

(a) The aging of the loans at the reporting date was as follows:

	2019 $'000	2018 $'000
Neither past due nor impaired	11,140,199	9,894,903
Past due but not impaired:		
Less than 2 months	976,195	521,491
2 to 3 months	89,334	77,260
	1,065,529	598,751
Individually impaired	154,451	175,362
	12,360,179	10,669,016
Less: Allowance for impairment losses [note 7(b)(vi)]	(171,145)	(178,040)
	12,189,034	10,490,976

(b) Delinquent loans

The total loan loss provision derived below as at the reporting date is consistent with the loan loss provisioning rules of the JCCUL:

	2019					
Months in arrears	Number of accounts in arrears	Delinquent loans $'000	Savings held against loans $'000	Portion of loans not covered by savings $'000	PEARLS loan loss provision $'000	Provision rate %
Less than 2 months	1,146	976,195	574,301	401,894	-	-
2 – 3 months	107	89,334	28,349	60,985	8,933	10
4 – 6 months	117	89,846	39,470	50,376	26,954	30
7 – 12 months	68	56,167	23,583	32,584	33,700	60
13 months and over	12	8,438	1,848	6,590	8,438	100
	1,450	1,219,980	667,551	552,429	78,025	

	2018					
Months in arrears	Number of accounts in arrears	Delinquent loans $'000	Savings held against loans $'000	Portion of loans not covered by savings $'000	PEARLS loan loss provision $'000	Provision rate %
Less than 2 months	764	523,587	350,348	173,239	-	-
2 – 3 months	73	77,500	27,555	49,945	7,750	10
4 – 6 months	94	77,291	31,235	46,057	23,187	30
7 – 12 months	80	85,008	24,399	60,609	51,005	60
13 months and over	15	10,726	4,181	6,545	10,726	100
	1,026	774,112	437,718	336,395	92,668	

The interest in respect of non-performing loans which had not been recognised in the surplus for the year was $13,766,000 (2018: $15,686,000). Loans on which interest is suspended amounted to $154,451,000 (2018: $175,362,000).

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

11. Loans (continued)

(c) Allowance for impairment

The movement in the allowance for impairment determined under the requirements of IFRS is as follows:

	2019 $'000	2018 $'000
Balance at January 1	178,040	84,218
Remeasurement on January 1, 2018	-	143,097
Charged to surplus during the year	95,171	15,836
Amounts written off during the year	(102,066)	(65,111)
	171,145	178,040

The allowance for impairment under the JCCUL regulatory requirement is below the provision required under IFRS provisioning rules, hence, no amounts have been recognised in loan loss reserve. The excess of the regulatory provision over the IFRS provision is normally dealt with through a transfer between accumulated surplus and loan loss reserve [see note 25(d)].

12. Financial investments

	2019 $'000	2018 $'000
Investment securities at fair value through other comprehensive income		
Quality Network Co-operative Limited ("QNET") shares [note (a)]	2,472	2,472
Jamaica Co-operatives Insurance Agency Ltd. (JCIA) [note (b)]	3,000	3,000
Credit Union Fund Management Co-operative Limited (CUFMC) [note (d)]	3,200	3,000
Government of Jamaica securities:		
Benchmark Investment Notes	136,521	219,512
Global bonds	61,736	71,453
	206,929	299,437
Investment securities at fair value through profit or loss		
JCCUL shares [note (c)]	9,955	9,955
Units in unit trust funds:		
Units held with JMMB Fund Managers Limited	41,354	37,414
Units held with Barita Investments Limited	405,511	-
Units held with Sagicor Investments Limited	52,063	-
	508,883	47,369
Sub-total carried forward	715,812	346,806

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

12. Financial investments (continued)

	2019 $'000	2018 $'000
Sub-total brought forward	715,812	346,806
Investment securities at amortised cost		
JCCUL [note (e)]:		
Credit Union premium	-	5,042
Mortgage funds	8,826	121,953
The Victoria Mutual Building Society Mortgage deposit	28,278	27,178
	37,104	154,173
	752,916	500,979
Less: Allowance for impairment losses [note 7(b)(vi)]	(939)	(1,217)
	751,977	499,762

The amounts are due to be recovered as follows:

	2019 $'000	2018 $'000
Within 12 months	535,980	292,495
Over 12 months	215,997	207,267
	751,977	499,762

(a) The QNET investment represents shares purchased from a private share offering.

(b) This represents shares purchased in JCIA from a share offer underwritten by the JCCUL.

(c) A minimum of 1,000,000 shares, each with a par value of $1.00, must be held with the JCCUL for the Co-operative to retain membership status.

(d) CUFMC investment represents shares purchased from a private share offering.

(e) The rules of JCCUL stipulate that the Co-operative must invest 5% of the net increase in the members' share accounts in the JCCUL Mortgage Fund instruments. These instruments are used to secure joint mortgage facilities, which are extended to the members of the Co-operative.

13. Investment property

	2019 $'000	2018 $'000
Cost		
At beginning and at end of year	12,816	12,816
Depreciation		
At beginning of year	4,632	4,358
Charge for the year	274	274
At end of year	4,906	4,632
Carrying amount	7,910	8,184

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

13. Investment property (continued)

(a) An independent valuation of the properties was done as follows:

Date of valuation	Surveyor	Location of property	Fair value
November 28, 2019	Oliver's Property Services	North Street	$33M
November 12, 2016	Oliver's Property Services	May Pen	$11.5M

The fair value of real estate was determined by independent, licenced real estate dealers, with appropriate recognised professional qualifications and experience and is classified as Level 3 in the fair value hierarchy.

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Market based approach. This model takes into account: • A willing seller and buyer; • A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; • Values are expected to remain stable throughout the period of market exposure and disposal by of sale (hypothetical); • The property will be freely exposed to the market; and • Potential rental value of the property in the current investment climate.	• Judgements if the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • The potential rental value of the property increased/(decreased). • Judgement about what the property can be sold, exchanged, let, mortgaged, which had been determined to be better/(worse).

(b) The income earned from the properties, one of which is leased under operating lease, amounted to $1,225,000 (2018: $589,000) (see note 26). Direct operating expenses arising from the properties during the year amounted to $112,900 (2018: $112,900).

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

14. Cash and cash equivalents

	2019 $'000	2018 $'000
Cash in hand	2,699	3,603
Bank balances	40,453	23,756
	43,152	27,359

(a) Cash and cash equivalents in the statement of cash flows is represented by:

	2019 $'000	2018 $'000
Cash and bank balances (above)	43,152	27,359
Liquid assets – savings account balances (note 9)	2,638	30,249
	45,790	57,608

(b) At the reporting date, cash and cash equivalents included amounts totaling $3,880,000 (2018: $3,880,000) which represent amounts due to the Ministry of Education, Youth & Information, that are not available to the Co-operative for operational use (see note 23).

15. Other assets

	2019 $'000	2018 $'000
Deposits and prepayments (i)	27,600	29,198
Interest receivable	41,543	59,284
Sundry receivables	5,722	7,371
	74,865	95,853

(i) Deposits and prepayments include the sum of $2,707,000 (2018: $762,000) which represents deposits on property, plant and equipment (see note 33).

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

16. Property, plant and equipment

	Freehold land $'000	Buildings $'000	Leasehold improvements $'000	Office furniture and equipment $'000	Total $'000
Cost					
December 31, 2017	3,381	82,464	56,865	180,134	322,844
Additions	-	-	769	10,735	11,504
Disposals	-	-	-	(188)	(188)
December 31, 2018	3,381	82,464	57,634	190,681	334,160
Additions	-	-	2,220	14,364	16,584
Disposals	-	-	-	(186)	(186)
December 31, 2019	3,381	82,464	59,854	204,859	350,558
Depreciation					
December 31, 2017	-	10,554	24,120	137,974	172,648
Charge for the year	-	2,062	4,497	12,831	19,390
Disposals	-	-	-	(188)	(188)
December 31, 2018	-	12,616	28,617	150,617	191,850
Charge for the year	-	2,062	4,472	9,507	16,041
Disposals	-	-	-	(186)	(186)
December 31, 2019	-	14,678	33,089	159,938	207,705
Net book values					
December 2019	3,381	67,786	26,765	44,921	142,853
December 2018	3,381	69,848	29,017	40,064	142,310
December 2017	3,381	71,910	32,745	42,160	150,196

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

17. Intangible assets

	Software rights $'000
Cost	
December 31, 2017 and 2018	63,004
Additions	4,800
December 31, 2019	67,804
Amortisation	
December 31, 2017	22,576
Charge for the year	6,301
December 31, 2018	28,877
Charge for the year	6,780
December 31, 2019	35,657
Net book values	
December 31, 2019	32,147
December 31, 2018	34,127
December 31, 2017	40,428

18. Employee benefits asset

The Co-operative provides for post-retirement benefit through a defined benefit pension plan, managed by the JCCUL. The plan is funded by contributions from the Co-operative and permanent employees in accordance with the rules of the plan. Under the plan, employees are entitled to retirement benefits based on 1.85% of their final 3-year average salary per year of contributory service. Effective December 31, 2016, the defined benefit pension plan was closed to new members. New members to the plan participate in a defined contribution multi-employer pension plan operated by JCCUL.

(a) The amounts recognised in the statement of financial position are determined as follows:

	2019 $'000	2018 $'000
Present value of funded obligations	(853,236)	(801,140)
Fair value of plan assets	1,055,266	974,866
Asset in the statement of financial position	202,030	173,726

(b) Movement in the amounts recognised in the statement of financial position

	2019 $'000	2018 $'000
Balance at beginning of year	173,726	189,501
Contributions paid	15,287	15,188
Pension expense recognised in surplus	(13,531)	(6,746)
Remeasurement recognised in other comprehensive income	26,548	(24,217)
Balance at end of year	202,030	173,726

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

18. Employee benefits asset (continued)

(c) Movement in the present value of funded obligations

	2019 $'000	2018 $'000
Balance at beginning of year	801,140	685,135
Service costs	19,701	16,641
Interest cost	55,213	54,309
Employees' contributions	13,397	13,584
Benefits paid	(38,154)	(26,117)
Actuarial losses/(gains) arising from:		
Experience adjustments	22,827	(16,852)
Changes in financial assumptions	(28,576)	74,440
Changes in demographic assumptions	7,688	-
Balance at end of year	853,236	801,140

(d) (i) Movement in fair value of pension plan assets

	2019 $'000	2018 $'000
Fair value of plan assets at beginning of year	974,866	916,551
Employees' contribution	13,397	13,584
Employer's contribution	15,287	15,188
Interest income	67,909	73,430
Benefits paid	(38,154)	(26,117)
Administrative expenses	(6,526)	(5,873)
Actuarial gains/(losses)	28,487	(11,897)
Fair value of plan assets at end of year	1,055,266	974,866

(ii) Plan assets consist of the following

	2019 $'000	2018 $'000
Quoted equities	256,258	164,458
Real estate investment trust	11,036	9,788
Government of Jamaica securities	352,143	357,054
Resale agreements	45,861	26,062
Investment in property	235,025	231,324
Global bonds	49,616	47,285
USD certificates of deposit	30,186	28,767
Money market fund	92,975	92,614
Units in Unit Trust	32,639	28,822
Other	(50,473)	(11,308)
	1,055,266	974,866

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

18. Employee benefits asset (continued)

(e) Expense recognised in surplus

	2019 $'000	2018 $'000
Current service cost	19,701	16,641
Interest cost on obligation	55,213	54,309
Interest income on plan assets	(67,909)	(73,430)
Interest on effect of asset ceiling	-	3,353
Administrative expenses	6,526	5,873
Net pension expense included in staff costs [note 27]	13,531	6,746

(f) Amounts recognised in other comprehensive income

	2019 $'000	2018 $'000
Change in effect of ceiling	-	(45,268)
Remeasured losses on obligation	1,939	57,588
Remeasured (gains)/losses on plan assets	(28,487)	11,897
	(26,548)	24,217

(g) As mortality continues to improve, estimates of life expectancy are expected to increase. The effect on the projected benefit obligation of an increase of one year in the life expectancy is approximately $22,930,000 (2018: $23,020,000).

(h) The principal actuarial assumptions (expressed as weighed averages) used were as follows:

	2019	2018
Discount rate	7.5%	7.0%
Expected future salary increases	5.0%	5.0%
Expected future pension increases	3.0%	2.5%

(i) Sensitivity analysis on projected benefit obligation

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate would cause some reduction in the medical trend rate.

	2019		2018	
	1% Decrease $'000	1% Increase $'000	1% Decrease $'000	1% Increase $'000
Discount rate	154,058	(120,103)	149,908	(116,413)
Future salary increases	(45,043)	52,217	(46,540)	54,063
Future pension increases	(74,618)	87,383	(69,267)	80,967

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

18. Employee benefits asset (continued)

(j) Liability duration

	2019 Years	2018 Years
Active members	20.1	20.3
Deferred pensioners	16.6	17.2
Retirees	8.9	8.6
All participants	16.4	16.9

(k) The estimated pension contributions expected to be paid into the plan during the next financial year is $14,850,000 (2018: $14,350,000).

19. Leases

The Co-operative leases office space for its various branches. The leases typically run for a period of 1-5 years. Previously, the leases were classified as operating leases under IAS 17.

Leases as lessee (IFRS 16)

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property.

	Leasehold properties 2019 $'000
Balance at January 1	38,599
Depreciation charge for the year	(7,720)
Balance at December 31	30,879

(ii) Lease liabilities:

Undiscounted cashflows of lease liabilities

	2019 $'000
Less than one year	17,230
One to five years	8,238
Total undiscounted lease liabilities	25,468
Discount	(1,746)
Carrying amount of lease liabilities	23,722
Lease liabilities included in the statement of financial position are as follows:	
Current	15,938
Non-current	7,784
	23,722

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

19. Leases

Leases as lessee (IFRS 16)

(iii) Amounts recognised in profit or loss

	2019 $'000
Leases under IFRS 16:	
Interest on lease liabilities	2,549
Operating leases under IAS 17 (2018):	
Expense relating to short-term lease	16,584

(iv) Amounts recognised in statement of cash flows

Total cash outflow for leases	17,426

(v) Extension options

Some property leases contain extension options exercisable by the Co-operative up to one year before the end of the non-cancellable contract period. Where practicable, the Co-operative seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Co-operative and not by the lessors. The Co-operative assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Co-operative reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(vi) Short-term leases

The Co-operative has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term.

20. Members' deposits

	2019 $'000	2018 $'000
Ordinary deposits		
At beginning of year	329,218	286,563
Add: savings and interest	578,951	1,226,830
	908,169	1,513,393
Less: withdrawals and transfers	(615,230)	(1,184,175)
At end of year	292,939	329,218
Golden Harvest Plan	1,523,309	1,682,456
Special fixed deposits	3,728,587	3,277,640
	5,544,835	5,289,314

The amounts are due to be settled as follows:

	2019 $'000	2018 $'000
Within 12 months	4,207,935	4,034,203
Over 12 months	1,336,900	1,255,111
	5,544,835	5,289,314

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

21. Members' voluntary shares

	2019 $'000	2018 $'000
At beginning of year	5,766,138	5,476,538
Add: Savings	1,657,442	1,535,046
Interest	274,750	214,288
	7,698,330	7,225,872
Less: withdrawals and transfers	(1,523,866)	(1,459,734)
At end of year	6,174,464	5,766,138

22. External credits

	2019 $'000	2018 $'000
JCCUL: Mortgage loans	1,769	2,484

The loans from the JCCUL are secured by registered titles. Interest is repayable at rates ranging from 7½% to 8% (2018: 7½% to 8%) per annum on the reducing balance method.

The amounts are due to be settled as follows:

	2019 $'000	2018 $'000
Over 12 months	1,769	2,484

23. Other liabilities

	2019 $'000	20183 $'000
Accrued charges	36,219	64,090
Interest payable	15,172	14,250
Withholding tax	5,196	5,796
Ministry of Education, Youth & Information refunds [note 14(b)]	3,880	3,880
JTA Housing savings deposits	8,108	8,105
Youth savings deposits	3,902	3,816
Deferred income	-	3,232
Other payables	60,598	64,190
Insurance	11,374	10,356
	144,449	177,715

24. Institutional capital

	2019 $'000	2018 $'000
Members' permanent shares (a)	86,610	86,201
Statutory reserve (b)		
Balance at beginning of year	1,813,273	1,698,818
Current year transfer	140,646	114,448
Entrance fees	11	7
Balance at end of year	1,953,930	1,813,273
	2,040,540	1,899,474

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

24. Institutional capital (continued)

(a) Permanent shares

Permanent shares are paid in cash and are not redeemable but may be transferred or sold to another member.

(b) Statutory reserve

As required by the Co-operative Societies Act and the rules of the Co-operative, a minimum of twenty (20%) of the annual surplus and amounts collected for entrance fees are transferred to this reserve. For the year ended December 31, 2019, an additional amount was transferred from undistributed surplus, so as to maintain a statutory reserve of 13 % (2018: 13%) of total assets, as agreed at the Annual General Meeting.

25. Non-institutional capital

		2019 $'000	2018 $'000
(a)	Accumulated surplus	788,986	559,720
(b)	Employee benefits asset reserve	202,030	173,726
(c)	Fair value reserve	76,771	67,921
(d)	Loan loss reserve [note 11(c)]	-	-
(e)	Revaluation reserve	9,430	9,430
(f)	Permanent share reserve	2,329	2,329
		1,079,546	813,126

(a) Accumulated surplus

This represents undistributed surplus.

(b) Employee benefits asset reserve

The employee benefits asset reserve represents pension surplus arising on the IAS 19 actuarial valuation of the pension plan in which the Co-operative participates. A portion of the annual changes in the value of the plan is shown in the surplus for the year, then transferred to this reserve, while the other portion is shown in other comprehensive income.

(c) Fair value reserve

This represents the unrealised gains or losses on the revaluation of FVOCI investments.

(d) Loan loss reserve

This represents the excess of the regulatory loan loss provision over IFRS 9 requirements. However, no provision has been made as the IFRS 9 provision is in excess of the PEARLS requirements.

(e) Revaluation reserve

This represents surplus arising on revaluation of land and building, prior to December 31, 2001.

(f) Permanent share reserve

This represents an amount set aside from surplus to be ascribed as permanent shares for members.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

26. Other income

	2019 $'000	2018 $'000
Fees	30,062	30,752
Bad debt recovery	33,229	13,265
Exchange (losses)/gains on foreign currency deposits	(652)	2,134
Dividend income	150	108
Operating lease income [note 13(b)]	1,225	589
JCCUL grant income	3,231	3,206
Miscellaneous income	8,805	6,523
	76,050	56,577

27. Salaries and other staff costs

	2019 $'000	2018 $'000
Salaries and wages	241,976	230,466
Payroll taxes	33,655	32,822
Pension expense [note 18(e)]	13,531	6,746
Staff welfare	29,348	28,209
Other staff benefits	78,409	75,230
	396,919	373,473

	2019	2018
The number of persons employed during the year:		
Permanent staff	107	104
Temporary staff	19	20
	126	124

(i) The Co-operative's contribution to the defined contribution pension plan for the year amounted to $2,861,000 (2018: $1,249,000).

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

28. Nature of expenses

	2019 $'000	2018 $'000
Administrative		
ABM	6,347	4,545
Advertising and publicity	50,767	39,034
60th anniversary expense	13,811	-
Amortisation	6,780	6,301
Annual general meeting	10,174	7,160
Auditors' remuneration (inclusive of GCT)	9,415	8,840
Board and committee meetings	13,556	9,286
Board and committees' travelling	15,305	13,437
Ceremonies	2,147	2,003
Consultancy fees	2,436	6,922
Data processing	38,340	27,005
Depreciation	24,035	19,664
Entertainment	98	137
General office	8,528	8,553
Insurance	4,395	4,730
Motor vehicle upkeep for travelling officers	25,878	25,949
Motor cycle repairs	240	192
Postage and telegrams	5,641	5,422
Repairs and maintenance	8,616	10,387
Security	17,153	14,867
Stationery and printing	14,127	15,959
Staff and board retreat	2,585	3,040
Travelling	15,891	10,246
Donations	6,832	5,822
	303,097	249,501
Affiliation		
League fees	22,523	20,315
League and other meetings	7,888	10,171
Stabilisation dues	16,583	15,553
	46,994	46,039
Establishment		
Cleaning and sanitation	4,108	3,933
Electricity and telephone	29,577	37,998
Janitorial services	8,109	9,936
Rates and taxes	3,886	5,028
Rental	247	16,584
	45,927	73,479
Members' security		
Loans and savings insurance	75,703	67,428
Golden harvest savings insurance	8,409	7,743
	84,112	75,171
Total other operating expenses	480,130	444,190

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

29. Dividends

At the Annual General Meeting held on May 11, 2019 (2018: May 12, 2018), the members moved a motion to pay dividends of $5,895,000 (2018: $5,056,000).

30. Insurance

(a) Fidelity insurance coverage

During the year, the Co-operative had fidelity insurance coverage with Jamaica Co-operative Insurance Agency Limited. The total premium for the year was $201,000 (2018: $234,000).

(b) Life savings and loan protection coverage

During the year, the Co-operative had life savings and loan protection coverage with Cuna Mutual Insurance Co-operative Limited. Total premium for the year was $75,703,000 (2018: $67,428,000).

(c) Golden harvest plan insurance coverage

During the year, the Co-operative had Golden Harvest Plan insurance coverage with Cuna Mutual Insurance Co-operative Limited. The total premium for the year was $8,409,000 (2018: $7,743,000).

These policies remained in force throughout the year with all premiums being paid promptly.

31. Related party transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity, in this case the Co-operative").

A. A person or close member of that person's family is related to the Co-operative if that person:

(i) has control or joint control over the Co-operative;

(ii) has significant influence over the Co-operative; or

(iii) is a member of the key management personnel of the Co-operative or of a parent of the Co-operative.

B. An entity is related to the Co-operative if any of the following conditions applies:

(i) The entity and the Co-operative are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

31. Related party transactions (continued)

B. An entity is related to the Co-operative if any of the following conditions applies (continued):

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Co-operative or an entity related to the Co-operative.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Co-operative or to the parent of the Co-operative.

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

Related parties include directors and senior executives, all of whom are referred to as key management personnel. Also entities closely connected to them are related parties. The Co-operative entered into the following transactions with related parties:

(a) Key management personnel:

	2019 $'000	2018 $'000
Loan balances	11,062	13,401
Members' deposits	13,662	17,378
Interest earned from loans	589	1,096
Interest paid on deposits	613	1,107

(b) At the reporting date, 14 (2018: 14) members of the Co-operative's Board of Directors and 17 (2018: 17) committee members had balances and transactions with the Co-operative as follows:

	2019 $'000	2018 $'000
Members' deposits	106,730	102,855
Loans including accrued interest	93,417	85,918
Interest paid on deposits	3,633	3,959
Interest earned from loans	11,129	9,925

During the year, no director, committee member or staff received loans which necessitated waiver of the loan policy. At December 31, 2019, all loans to directors, committee members and staff were being repaid in accordance with their loan agreements.

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED
(A Society Registered Under the Co-operative Societies Act)

Notes to the Financial Statements (Continued)
December 31, 2019

31. Related party transactions (continued)

(c) Compensation of key management personnel

The remuneration of key members of management personnel (included in staff costs) during the year was as follow:

	2019 $'000	2018 $'000
Salaries and other short-term benefits	39,787	41,279
Post employment benefits (*)	2,536	2,664
	42,323	43,943

*This represents employer's contributions to the multi-employer defined benefit and defined contribution plans.

32. Comparison of ledger balances

The detailed records of balances relating to loans to members, deposits and members' voluntary shares compared with their respective control accounts were as follows:

	Loans to members $'000	Members' deposits $'000	Members' voluntary shares $'000
Balance as per general ledger	12,360,179	5,544,835	6,174,464
Balance as per members' ledger	12,360,179	5,544,835	6,174,464
Variances at December 31, 2019	-	-	-
Variances at December 31, 2018	-	-	-

33. Capital commitment

As at December 31, 2019, the Co-operative entered into contracts for capital expenditure in the amount of $4,783,000 (2018: $1,524,000) in respect of which deposits amounting to $2,707,000 (2018: $762,000) have been made (see note 15).

34. Subsequent event

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020 and the Government of Jamaica declared the island a disaster area on March 13, 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activity and business operations. This could have significant negative financial effects on the Co-operative, depending on factors such as (i) the duration and spread of the outbreak, (ii) the restrictions and advisories from Government, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be estimated reliably.

The Co-operative expects this to have some effects on its financial performance, however the Co-operative is unable to determine a reliable estimate of the financial impact at the date of authorisation of the financial statements.


The Best Credit Union
The Best You
We do not apply maintenance charges to accounts.
97a Church Street, Kingston
876-922-2009/876-618-1706
info@jtacreditunion.com
www.jtacreditunion.com
JTA Co-operative Credit Union Limited

(l-r) ***Christopher Sinclair, Anne Geddes-Nelson, Norman Allen, Lena Russel,*** *Missing:* ***Leaon Nash***

REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019

The Credit Committee of the Jamaica Teachers' Association Cooperative Credit Union Limited consists of five (5) volunteers charged with the responsibility of meeting on a weekly basis to carry out the function entrusted to the Committee. These included reviewing loan applications, meeting with members experiencing challenges, conducting interviews, carrying out spot checks and approving loans.

During 2019, the committee processed approximately 426 loan applications, waiver requests and rescheduled loans. The Committee exercised due diligence on the various requests made as consideration was given for members' credit history, securities presented, the purpose of the loans granted, and the ability repay. The Committee continued to meet the needs of the membership while upholding the standards of the Credit Union and complying with the regulations and the Credit Union's policies.

MEMBERS OF THE CREDIT COMMITTEE

Mrs. Anne Geddes-Nelson *(Chairman)*

Mrs. Lena Russell *(Secretary)*

Mr. Norman Allen

Mr. Leaon Nash

Mr. Christopher Sinclair

At the 55th Annual General Meeting Mrs. Nelson, Mr. Allen and Mr. Sinclair positions were retired, however they were re-elected, while Mrs. Russell and Mr. Nash continued to serve the second of the two (2) year term. At the first Board Meeting after the Annual General Meeting, Mrs. Nelson and Mrs. Russell were nominated to serve as Chairman and Secretary respectively.

REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *(Cont'd.)*

Regular Weekly Meetings

The table below shows the attendance record of each committee member at regular weekly and ad hoc meetings held during the period of 2019.

Table 1

Members	No of possible meetings	No of meetings attended	No of excuses
Mrs. Anne Geddes-Nelson	73	62	11
Mrs. Lena Russell	73	62	11
Mr. Norman Allen	73	62	11
Mr. Leaon Nash	73	66	7
Mr. Christopher Sinclair	73	57	16

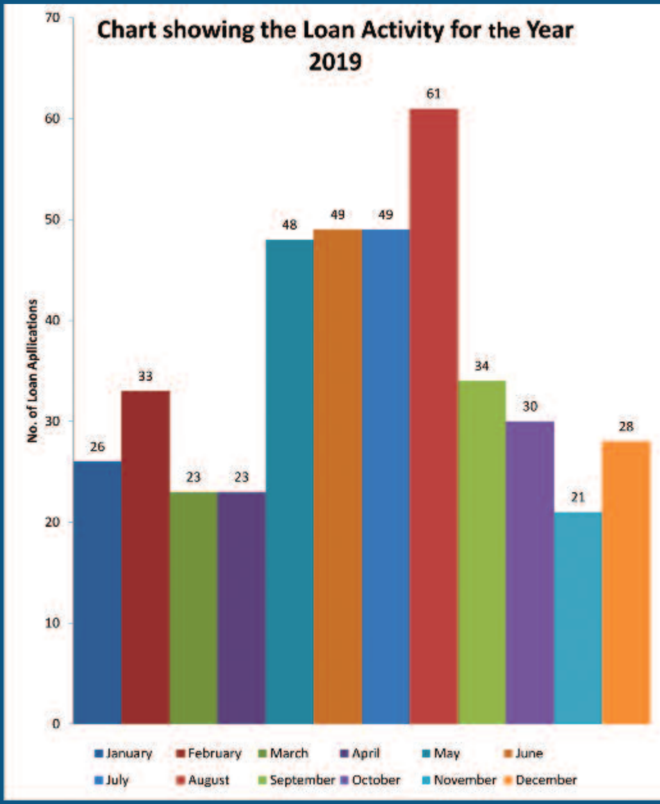
Loan Applications

A total of 426 loan applications were presented to the committee for review. The table below outlines the number of requests received monthly. On average, thirty-five (35) loan applications were process each month. The data showed an increase in activities during May to August, however the greatest activity in August as a result of the back to school/vacation period. Chart 1 also illustrates the loan activity for 2019.

Table 2

Months	No. of Loan Applications
January	26
February	33
March	23
April	23
May	48
June	49
July	50
August	61
September	34
October	30
November	21
December	28
Total	**426**

Chart 1



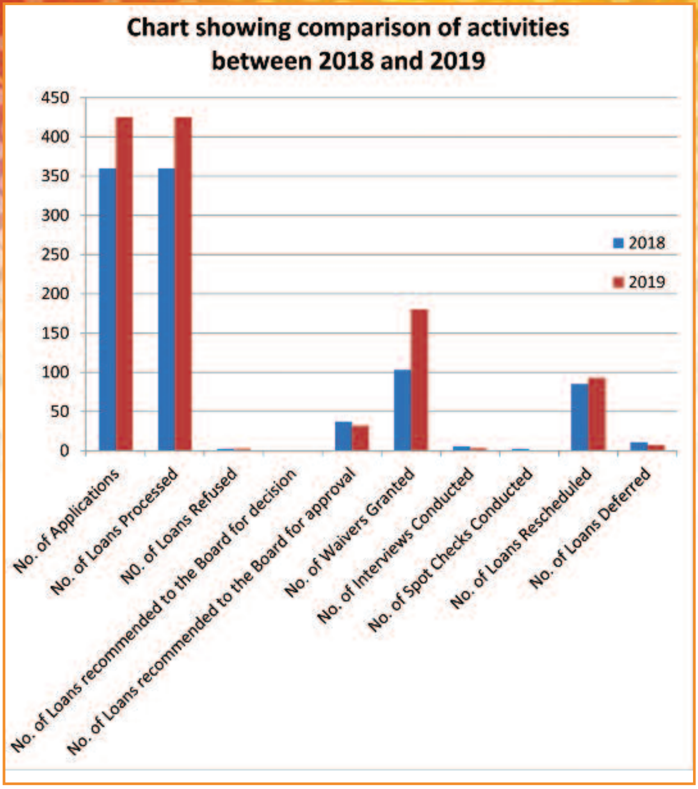
Loan Rescheduling

Of the 426 loan applications brought before the Credit Committee, 332 were loan requests and 93 were requests for rescheduling of loan payment. 80 of the requests made were from retired members awaiting their gratuity and pension benefits. The table below provides a breakdown of the business activities for 2019, and Chart 2 illustrates a comparison between 2018 and 2019.

Table 3

Activities	2018	2019
No. of Applications	360	426
No. of Loans Processed	360	426
N0. of Loans Refused	2	2
No. of Loans recommended to the Board for decision	0	0
No. of Loans recommended to the Board for approval	37	32
No. of Waivers Granted	103	180
No. of Interviews Conducted	5	3
No. of Spot Checks Conducted	2	2
No. of Loans Rescheduled	85	93
No. of Loans Deferred	11	7

REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *(Cont'd.)*



When compared to 2018, there was an increase of 18.3% in the number of loan applications processed by the Committee during 2019.

There were 180 waivers granted for 2019 which showed a 74.8% increase over the 103 waivers granted in 2018. Members generally sought waiver on the stipulated six (6) months waiting period between loans or where a lump sum was added to shares to qualify for a loan.

Rescheduled loans showed an increase of 9.4% from 85 reported in 2018 to a total of 93 in 2019.

There was a significant decrease 13.5% in the number of loans brought to the Board for approval from a total of 37 in 2018 to 32 in 2019.

Loans deferred this year fell from eleven (11) in 2018 to seven (7) in 2019. This figure represents a 36% decrease when compared to the previous year. Loans are usually deferred until members submit additional documentation or acquire insurance to secure the loan.

Loans refused remained at 0.4%.

Table 4 shows the breakdown of the monthly loan activity of the period 2019.

Table 4

Month	Applications	Approvals	Approvals with Waiver	Applications Pending	Rescheduled	Recommended to board	Interview	Deferral	Denied
JAN	26	5	9	1	10	1	0	0	0
FEB	33	8	7	1	11	5	0	0	1
MAR	23	6	10	0	7	0	0	0	0
APR	23	7	5	0	7	4	0	0	0
MAY	48	13	17	0	14	3	0	1	0
JUNE	49	8	22	0	12	5	1	1	0
JULY	50	15	25	0	5	1	1	2	1
AUG	61	12	37	0	9	3	0	0	0
SEP	34	9	15	0	6	3	1	0	0
OCT	30	7	14	1	4	2	0	2	0
NOV	21	6	10	0	3	1	0	1	0
DEC	28	10	9	0	5	4	0	0	0
TOTAL	**426**	**106**	**180**	**3**	**93**	**32**	**3**	**7**	**2**

REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *(Cont'd.)*

Loan Analysis

The Table 5 illustrated the comparison of the loans issued between 2018 and 2019 A total of three hundred and twenty-one (321) new loans were issued, which is forty-nine (49) loans above last year or 56% increase from 2018. The total value of loan approved by the Committee in 2019 was $585,474,558.18 and increase of 12% from the $522,659,284.08 approved in 2018.

Chart 3 shows that Debt Consolidation accounted for 42% of the loan portfolio and represents the largest category of loans issued by the Committee. Auto Loans (19%) and Home Improvement (10%) were second and third largest categories, respectively. Motor Vehicle purchases, Education, Mortgage payments accounted for 21% of the portfolio and all the other loans accounted for the remaining 8%.

The figures indicate that our members are still making efforts to improve their status, living conditions, general wellbeing and trying to gain financial independence, while their educational development still remains a priority.

Debt Consolidation

Two hundred and forty-five million, four hundred and sixty-three thousand, eight hundred and thirty and fifty-seven cents ($245,463,830.57), approximately 42% of all loans approved by the Committee were for the purpose of Consolidating Debt. This product offered members the option of combining all their loans from different lending agencies under one portfolio which enable them to better manage their finances. This allowed the members greater flexibility with their disposable income.

Auto Loans

Auto Loans accounted for approximately 19% of the loan portfolio with a total value of one hundred and ten million, eight hundred and forty-one thousand, six hundred and seventy-five cents ($110,841,667.75). The figures indicate that the members are still keen on the acquisition of assets.

Home Improvement

This loan category accounted for 10% ($59,198,312.77) of the total value of loans approved by the Committee. This represented a slight decrease of 15% when compared to 2018.

Motor Vehicle Loans

A total of $51,728,500.35 (approximately 9% of the loan portfolio) was approved by the Committee for the purchase of motor vehicles. This represents a decrease of 27% in comparison to amounts disbursed in 2018.

Education

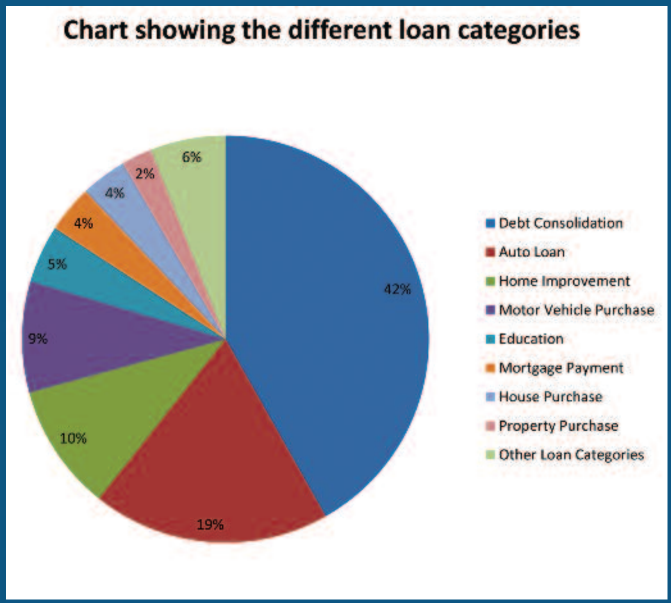
The benefit of education must always be reinforced, and it should be noted that loans for educational purposes increased by 66% to twenty-seven million and twenty-two thousand, eight hundred and fifty-one and sixty-five cents ($27,022,851.65).

Mortgage Payment, House, and Property Purchase

For the period 2019, mortgage payments increased by approximately $21 million, while house purchases and property purchases showed a decrease of 19% and 40% respectively.

All other categories of loan accounted for remaining 6% of total loans.

Chart 3



REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *(Cont'd.)*

Table 5

	NO. OF LOAN APPLICATIONS		NO. OF LOANS APPROVED		CASH APPROVED	
LOAN TYPE	2018	2019	2018	2019	2018	2019
Debt Consolidation	75	121	75	115	138,173,843.51	245,463,830.57
Auto Loan	55	31	54	31	152,330,846.60	110,841,667.75
Home Improvement	49	32	49	32	69,878,815.54	59,198,312.77
Motor Vehicle Purchase	29	25	29	24	70,452,942.82	51,728,500.35
Education	23	36	22	36	16,326,503.61	27,022,851.65
Mortgage Payment	1	8	1	8	1,197,789.06	21,954,811.66
House Purchase	8	7	8	7	26,469,183.78	21,491,877.07
Property Purchase	4	2	4	2	23,844,385.54	14,275,000.00
Personal	14	24	14	24	11,146,956.47	9,291,748.94
Debt Payment	2	8	2	8	706,000.00	5,183,718.84
Construction	3	4	3	4	5,343,823.78	4,800,000.00
Medical	2	7	2	7	282,642.87	4,659,297.69
Other (Student Loan Repayment)		1		1		2,700,000.00
Business Investment	1	1	1	1	319,000.00	1,650,000.00
Motor Vehicle Repairs	4	3	4	3	4,698,000.00	1,622,000.00
Funeral Expenses	0	5	0	5	-	1,254,940.89
Vacation	0	3	0	2	-	835,000.00
Other (Legal Fees)		2		2		700,000.00
Purchase Appliance/ Furniture	1	2	1	2	700,000.00	430,000.00
Bill Payment		1		1		300,000.00
Other (Domestic) Motor Vehicle		2		2		300,000.00
Insurance	1	1	1	1	200,000.00	175,000.00
Back to School	0	2	0	2	-	96,000.00
Deposit on House	1	0	1	0	338,550.50	-
Agriculture	1	0	1	0	250,000.00	-
Denied		2		1		-500,000.00
Total	**274**	**428**	**272**	**321**	**522,659,284.08**	**585,474,558.18**

REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *(Cont'd.)*

Conclusion

The 2019 financial year has been a mutual beneficial year for the Jamaica Teachers' Association Co-operative Credit Union Ltd. and its membership as the organization continues to uphold its mantra ***"Serving Our Members, Impacting Lives".***

The members of the Credit Committee deemed it a pleasure to be apart of attaining the goals of this institution.

We thank the Almighty for giving us the time, talent and the opportunity to serve this institution.

Much appreciation to the Management and Staff for the support provided throughout the year as we executed out responsibilities.

To the membership, we are aware of the options available to you, and we happy to continue to serve you at the Jamaica Teachers' Association Cooperative Credit Union.

Anne Geddes-Nelson (M.ed)
Chairman

Standing - ***Aston Messam, Angela Chaplin, Wentworth Gabbidon, Glecia Beckford, Clayton Hall***
Seated (l-r) ***Dawn Steele, Mary Dick***

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019

The sixtieth (60th) Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union was held on Saturday, May 11, 2019 at the Jamaica Conference Centre, Duke Street, Kingston.

All seven (7) members of the Committed were re-elected to serve for the ensuing year.
They are:

- Mrs. Mary Dick
- Mrs. Dawn Steele
- Mr. Wentworth Gabbidon
- Ms. Angela Chaplain
- Mr. Aston Messam
- Mr. Clayton Hall
- Mrs. Glecia Beckford

On Monday, May 13, 2019, a Special Joint Board and Committee meeting was held at the Head Office, 97A Church Street, to elect officers to serve on the various Committees. Mrs. Mary Dick and Mrs. Dawn Steele were unanimously elected to serve as Chairman and Secretary respectively. The following members were elected to represent the Supervisory Committee on Sub-Committees:

Mr. Wentworth Gabbidon – *Policy Committee*

Mrs. Dawn Steele – *Promotion and Education Committee*

Mr. Clayton Hall – *Delinquency Committee*

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *Cont'd.*

Year Under Review

The Supervisory Committee continued to monitor the application of policies as well as the overall performance of personnel and systems of the Credit Union. The scope of functions of the Committee also encompasses the observation of the Board of Directors, Credit Committee, Loans and Credit Systems, Human Resources and Branch Operations.

Meetings

The Committee had twelve (12) regular monthly meetings; attended Joint Board and Committee meetings, and participated in Round Robin meetings. The Committee also attended monthly work sessions at the Head Office. One (1) member attended the Joint World Credit Union and Caribbean Confederation of Credit Union Conference in Paradise Island, Bahamas. Six (6) members of the Committee also participated in the Annual Strategic Planning Retreat held November 22 – 24, 2019.

Record of Attendance

MEMBERS	POSSIBLE SESSIONS	ACTUAL ATTENDANCE	EXCUSED	ABSENT
Mrs. Mary Dick	12	12	0	0
Mrs. Dawn Steele	12	12	0	0
Mr. Wentworth Gabbidon	12	12	0	0
Ms. Angela Chaplain	12	12	0	0
Mr. Aston Messam	12	11	1	1
Mr. Clayton Hall	12	11	1	1
Mrs. Glecia Beckford	12	9	3	3

Files

Transaction files that were randomly selected for examination at the Head Office and the branch offices amounted to 3,336. In addition, the following files were also examined by the Supervisory Committee:

- Volunteers' Travelling
- Furniture and Fixture
- Maintenance and Repairs
- Members
- Volunteers

Visits and Inspections

During the year, all eleven branches were visited with the aim of:

- Observing the operations and physical conditions of the offices;
- Examining files to ensure that loans were properly secured and loan policies were being adhered to;
- Checking inventories.

There was continued effort to ensure the JTA Credit Union brand was consistent across our locations. We noted that there was general maintenance and repairs to branch offices and the head office throughout the year.

The Committee also recommended the following:

- That security at our branches be improved
- That signage at the branches be more visible
- That the appropriate personnel be put in place at the reception area of branches to improve customer service and increase member perception of confidentiality of information

Training

The Credit Union continues to invest in the training and development of the staff and volunteers. This is especially important in light of the impending BOJ regulations that will govern Credit Unions in the near future. In an effort to ensure the Credit Union remains safe and sound, throughout the year, members of the Supervisory Committee were engaged in being trained in the following areas:

- Risk Management
- The Role of the Supervisory Committee
- Audit Report Writing
- Proceeds of the Crime Act (POCA)

Accounting Records

Relevant files and loan applications were examined regularly by the Committee to ensure that loans were properly secured and applications correctly completed. It was observed that the correct interest rates were applied and calculations computed according to established principles. The Committee noted that the required information on Loan Applications, for example, the TRN number of the applicant, was

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2019 *Cont'd.*

completed in almost all instances. The Committee also reports that the monthly payrolls were examined and deductions were made from staff salaries and the funds paid over to the relevant institutions.

Internal Audit

Monthly Internal Audit Reports were submitted to the Committee throughout the year. The findings as well as the recommendations for improvements to procedures were perused by the Committee. Management and other personnel were invited to clarify issues in the reports where necessary. The chairman of the Committee, Mrs. Mary Dick, presented the reports to the Board of Directors at their monthly meetings.

The Internal Audit Department examined the following:

- Accruals
- Auto Loans
- Bank Reconciliation Statements
- Branch Returns
- Delinquency
- Dormant Accounts with Loan Balances
- Fixed Assets
- Insurance for Loans over six million dollars ($6,000,000.00)
- Investments
- Journals
- Net Savers
- Overdrawn Accounts
- Payroll
- Printing and stationery – general
- Prospective Accounts
- Receipts
- Returned Cheque Register
- Staff Deductions
- Staff Training
- Teacher Optimizer Plus
- Value Books

Volunteers' Performance

Board of Directors

The Board of Directors continued to provide excellent policy direction, enabling our Credit Union to perform well in its strategic initiatives undertaken this year.

Credit Committee

The Credit Committee continues to meet weekly to approve loans. They steadfastly ensure that loans are granted according to the loan policy of the organization and the guidelines of the regulator.

The Supervisory Committee commends the members on their efficiency and dedication.

Volunteers and Staff Loans

CATEGORIES	TOTAL SAVINGS ($M)	TOTAL LOAN ($M)
Volunteers	106,729,959.81	93,417,155.65
Staff	114,811,099.72	285,173,244.65
TOTAL	**221,541,059.52**	**378,596,400.30**

Management and Staff

The Management and Staff of the Credit Union continue to display commitment and professionalism in carrying out their responsibilities throughout the year. We commend them and acknowledge their contribution to the success of the Credit Union. We extend our heartiest congratulations to all who received awards for their outstanding performance for the year. These include the Savanna-la-Mar, Branch of the Year; Ms. Andrea Grant, Employee of the Year and Mr. Mark Thomas, Manager of the Year 2019. It is our fervent hope that they continue to make this Credit Union great.

Acknowledgements

Our sincere gratitude to the membership for the trust that you have placed in us to serve this most esteemed Credit Union. We are humbled by your confidence in our stewardship and we have worked assiduously throughout the year to ensure the Credit Union continues to positively impact the lives of our members.

DSteele

Prepared by:
Mrs. Dawn Steele
Secretary

GREAT VALUE... is always in season at JTA Co-op Credit Union Ltd.
WHY PAY MORE?
Get behind the wheels of your dream car
with a JTA Co-op Credit Union Auto Loan
• Flexible repayment terms
• Affordable interest rates
• Free Loan Protection Insurance
• Attractive returns on your savings
...Are all yours when you choose
JTA Co-op Credit Union for your Auto Loan!
JTA CO-OP. CREDIT UNION LIMITED.
Contact us today
to find out if you qualify!
Email: info@jtacreditunion.com
www.jtacreditunion.com
Serving Our Members...Impacting Lives Positively.
AUTOLOAN
JTA Co-op Credit Union Ltd.
97a Church Street, Kingston • Tel: 922-2009; 618-1706 • Fax: 922-9594

Robert Ramsay, *General Manager*

GENERAL MANAGER'S 2019 ANNUAL PROGRESS REPORT TO THE 56TH ANNUAL GENERAL MEETING

During 2019 the JTA Co-op Credit Union Ltd., celebrated sixty (60) glorious years of serving Jamaica's teachers. We are indeed proud to be among a class of indigenous organizations that are deeply rooted in the nation's history. We could not have existed for the past six decades without the loyal support of our valued members. Despite 2019 being our diamond celebration year, the Credit Union faced many challenges.

There was fierce competition within the marketplace as it seemed that every financial institution was racing to capture the wallet of all Jamaicans including our teachers. During 2019, the Credit Union had to work very hard to control our delinquent loan portfolio, this was indeed challenging as a high delinquency rate is not desirable for a financial organization. The Credit Union also implemented a new loan processing system which required greater details to be obtained during the loan granting process and have caused our members to experience extended waiting times.

GENERAL MANAGER'S 2019 ANNUAL PROGRESS REPORT
TO THE 56TH ANNUAL GENERAL MEETING

We removed the guarantor requirement to obtain the unsecured personal loan and this was welcomed by all members. Despite the challenges we faced in 2019, our Credit Union was able to remain profitable and enjoyed another successful year.

Looking Forward to 2020

The new year has begun very positively and as at February 2020, our loans, savings, assets and membership were as follows:

- ✔ Assets were: $15.2b which represents 12.4% of the total Credit Union market share
- ✔ Loans were: $12.1b this represents a 15% of the total Credit Union market share
- ✔ Savings Portfolio: $11.8b which represents 12.4% of the total Credit Union savings in the Jamaican Credit Union movement
- ✔ Membership stood at 29,549

Strategic Planning

Our annual Management Planning Retreat for the year 2020 was held in November 2019, at that meeting a review of our performance of the year was done and the results of this review were detailed in the board report. Additionally, at our Management Retreat several key initiatives were discussed and accepted for the areas of Information Technology, Banking Operations, Human Resources Management, Finance and Marketing. These initiatives were designed to guide the organization and bring us closer to realizing our Vision: **To improve the lives of our members through the provision of excellent financial services delivered by a highly motivated and competent team.** The following plans are scheduled for implementation in 2020:

1. **Expanded Branch Service Delivery**

   To provide the best quality member services and to ensure improvement in our operational efficiencies. Your Credit Union has moved to establish a Member Service Representative (MSR) in all the branches. At present this new position was filled in three branches, May Pen, Mandeville, and Montego Bay, however, it is our aim to have MSRs operating at all our branches by the end of June this year.

   Each branch location will embark on greater member activities such as various promotions, competitions and give-a-ways as we seek to develop our unique relationship with the members. Local contact teacher fora are scheduled for the branches and the incentive awards will be enhanced to encourage advocacy and participation by our contact teachers.

   Members who visit our branches will also notice that we have now deployed security officers at our various locations. We have taken this step to ensure that our staff and general members are safe as they conduct businesses with us daily.

2. **Migrating Members**

   As our members continue to migrate for overseas opportunities, we recognize that there will be a need for members to easily maintain a relationship with the Credit Union. To accommodate this, we entered into partnerships with Victoria Mutual Building Society (VMBS) Remittance Services and its various money transfer services partners, such as Xoom and Ria Money Transfers Services, we are also in discussions with 2 other worldwide remittance organization to provide alternative options to members who have migrated. These discussions are almost complete, and our new partnerships will be communicated to all members as soon as possible.

3. **Mastercard Debit Card**

   The Jamaica Co-op Credit Union League is pursuing a partnership with the multinational organization MasterCard. Under this new arrangement Credit Union members will be issued a new Easi Access debit Mastercard. These new debit cards will have all the features of the existing MultiLink cards for local use but will have the capabilities of international use through the MasterCard platform. Member will be able to use the card overseas and to shop online anywhere MasterCard is accepted. Additionally, the new card will offer greater security to our members as it will be an Electronic Magnet chip card. Only a few Credit Unions were chosen to participate in the early stages of this partnership and the JTA Co-op Credit Union was selected to participate in the initial stages of the project.

4. **Membership Information Update**

   All members of the JTA Co-op Credit Union Ltd., are being urged to ensure that their addresses, telephone numbers, email addresses, personal identification card, TRN and listed beneficiaries held by the Credit Union are all current and accurate. It is imperative that the Credit Union

GENERAL MANAGER'S 2019 ANNUAL PROGRESS REPORT
TO THE 56TH ANNUAL GENERAL MEETING

have this information for our members so that we can identify and communicate with you on an ongoing basis and to be compliant with our local governmental regulations.

5. **Upgraded Website and Social Media Platforms**

   The JTA Co-op Credit Union has upgraded its website, we have created a platform that is more engaging and modern for our members to connect with us. Our improved website enables members to manage their account from anywhere, at any time. Through our website platform, members can check account balances, view transaction history, update email address and change their access code. Members can also use our online platform to transfer funds from their Easi Access accounts to their shares or regular loans. We encourage all or members to make use of our website and sign up for online access by visiting our website and complete the Digital Banking request form then submit the completed form to **ibank@jtaccreditunion.com.** Additionally, we have been maximizing the social media platforms to be more accessible to our members. We have been encouraging members to follow and subscribe to our Facebook, Instagram pages and we also have a YouTube channel. By using these platforms, we share all our new and exciting offers and also provide solutions where necessary.

Annual Staff Recognition Awards

Each year, we take great pride in recognizing the hard work and dedication of our staff, whose efforts have contributed immensely to our Credit Union's success. I would like to take this opportunity to highlight our members of staff who were awarded for their high level of service during 2019. The coveted award for Employee of the Year went to Mrs. Andrea Grant-Brown, Branch Supervisor of the Savanna-La-Mar Branch. The Savanna-La-Mar branch received the prestigious Branch of the Year Award and Mr. Mark Thomas, Regional Officer for the Savanna-La-Mar/Montego Bay branches was the recipient of both the Salesman of the Year Award and the Leadership Cup in the Middle Management group. We celebrate their achievements and congratulate them on their excellent performance.


Mrs. Andrea Grant-Brown, Employee of the Year


Savanna-La-Mar Branch staff, Branch of the Year


Mr. Mark Thomas, Salesman of the Year and Manager of the Year

GENERAL MANAGER'S 2019 ANNUAL PROGRESS REPORT TO THE 56TH ANNUAL GENERAL MEETING

During 2019, we said farewell to nine (9) staff members which included three retirements and six resignations. However, we welcomed ten (10) new team members to our staff family whose positions varied across our organizational structure. Among our new recruits were Mrs. Suezette Hemmings-Bryan, HRD & Administration Manager, Ms. Toni-Ann Fraser, Member Services Coordinator and Mrs. Kerene Griffiths, Branch Supervisor, Linstead Branch.

We are grateful to our members for the trust, loyalty and confidence that they have placed in this organization.


Mrs. Suezette Hemmings-Bryan


Ms. Toni-Ann Fraser


Mrs. Kerene Griffiths

We extend special thanks to our Contact Teachers and Principals for their invaluable support. We convey our appreciation to the faithful volunteers (directors and members of committees) and our committed staff for their contribution to our success over the years.

All thanks go to the Almighty God who has continued to be faithful in providing us with wisdom, guidance and direction.

Robert Ramsay
General Manager

(l-r) *Dr. Margaret Bailey, Mrs. Lisa Taylor, Ms. Angela Edwards and Ms. Molly Russell*

REPORT OF THE NOMINATING COMMITTEE TO THE 56th ANNUAL GENERAL MEETING

The Nominating Committee met at the Jamaica Teachers' Association Co-operative Credit Union Limited, 97A Church Street, Kingston, on Monday August 31, 2020.

Present were:

Dr. Margaret Bailey	-	*Chairman*
Ms. Molly Russell	-	*Member*
Mrs. Althea Edwards	-	*Member*
Mrs. Lisa Taylor	-	*Asst. General Manager, Advisor to the Committee*

The Chairman welcomed all to the meeting, she outlined the responsibilities of the Committee and the objectives of the meeting. The main objective was to nominate persons who are to serve on the Board and Committees, as well as to nominate the delegates to the Jamaica Co-operative Credit Union League's Annual General Meeting.

The said Nominating Committee reports as follows:

Retiring members are:

Board of Directors

Mrs. Ena Barclay	-	*Region 2 (Portland & St. Thomas)*
Mr. Lebert Drysdale	-	*Region 2 (Portland & St. Thomas)*
Mr. Fergus Mitchell	-	*Region 3 (St. Mary, St. Ann, Trelawny)*
Mr. Fitz Carr	-	*Region 4 (St. James, Hanover, Westmoreland)*
Mr. Lincoln James	-	*Region 4 (St. James, Hanover, Westmoreland)*

REPORT OF THE NOMINATING COMMITTEE TO THE 56th ANNUAL GENERAL MEETING

The Committee nominated the following persons to serve for three (3) years:

Mrs. Ena Barclay - Region 2 (Portland & St. Thomas)

Mr. Lebert Drysdale - Region 2 (Portland & St. Thomas)

Mr. Fergus Mitchell - Region 3 (St. Mary, St. Ann, Trelawny)

Mrs. Sancia Stewart-Williams ***(replaces Fitz Carr)*** - Region 4 (St. James, Hanover, Westmoreland)

Mr. Lincoln James - Region 4 (St. James, Hanover, Westmoreland)

Credit Committee

Retiring members are:

Mr. Leaon Nash
Mrs. Lena Russell

Members nominated to serve for two (2) years are:

Mr. Leaon Nash
Mrs. Lena Russell

Supervisory Committee

All members are retiring:

Mrs. Mary Dick
Ms. Angela Chaplain
Mr. Wentworth Gabbidon
Mrs. Dawn Steel
Mr. Aston Messam
Mrs. Glecia Beckford
Mr. Clayton Hall

Members nominated to serve for one year are:

Mrs. Mary Dick
Mr. Wentworth Gabbidon
Mrs. Dawn Steel
Mr. Aston Messam
Mrs. Glecia Beckford
Mr. Clayton Hall
Mr. Rudolph Sewell ***(replaces Angela Chaplain)***

Delegates to the League's Annual General Meeting

Delegates nominated are as follows:

Delegates	President and Treasurer
Alternate Delegates	To be named by the Board of Directors

Volunteers Retiring in the Year 2021

Volunteers retiring will be as follows:

Board of Directors

To Retire In 2021

Dr. Margaret Bailey - Region 1 (Kingston, St Andrew, St Catherine)

Mr. Morris Stewart - Region 3 (St Mary, St Ann, Trelawny)

Mr. Patrick Smith - Region 5 (St Elizabeth, Manchester, Clarendon)

Mr. Paul Adams - Region 5 (St Elizabeth, Manchester, Clarendon)

Mrs. Karen Hewett-Kennedy - At Large

Credit Committee

Mrs. Anne Geddes Nelson
Mr. Christopher Sinclair
Mr. Norman Allen

Supervisory Committee

(All persons nominated in 2020)

Dr. Margaret Bailey
Chairman

Profiles

HUIT JOHNSON

Mr. Huit Johnson has been a member of the Jamaica Teachers' Association Co-operative Credit Union Limited for 17 years and joined March 2003. He is also a member of Jamaica Teachers' Association (J.T.A.).

Mr. Johnson is currently retired but has been a teacher and principal at various schools in St. Catherine. Such as Eccleston Primary School September 2007 – August 2009. St. John's Primary School September 2009 – August 2014; Principal, Tulloch Primary School. September 2014 - August 2017 and Project Officer, Technical Vocational Education and Training TVET with the MOE. November 2017 to October 2019

He holds a:

- Bachelor's Degree in Physical Education & Sport - GC Foster College of Physical Education & Sport
- Diploma in Physical Education & Sport - GC Foster College of Physical Education & Sports
- Trained Teacher's Certificate Sam Sharpe Teachers' College

Mr. Johnson has served on many committees such as:

- Chairperson and member Properties and Investment. 2015 -2016; 2018 – 2019 and 2019 - JTA
- Member Primary Committee. 2015 – 2016 - JTA
- Chairman National Sports Committee. 2007 – 2015 - JTA
- Executive member General Council
- Executive member Central Executive

His involvement at the community level:

- Chairman Bog Walk Development Area Committee 2017
- Mentoring and providing cash and kind for several children from Basic, Primary and Secondary schools and at the Tertiary Level (ongoing)

Involvement at the international level: -

- I have been a member of Kiwanis International since 1997 (23) Years
- Lieutenant Governor, Division 23West, Middlesex South, Eastern Canada and the Caribbean 2019
- Distinguished President, Kiwanis Club of Spanish Town 2007
- Served as Chairman, Director, Vice President, President and Advisor in the Kiwanis Club of Spanish Town (over a 19 yr. period)
- Kiwanian of the year, Kiwanis Club of Spanish Town (twice)

Mr. Johnson is being recommended to serve as a member of the Board of Directors to replace Mr. Sherlock Allen who is deceased.

Sancia Stewart-Williams

Mrs. Sancia Stewart-Williams has been a member of the Jamaica Teachers' Association Co-operative Credit Union Limited for 13 years, having joined in March 2007. She is also a member of Jamaica Teachers' Association (J.T.A.).

Sancia Stewart-Williams is a hardworking, outspoken and well-rounded individual. She believes that children should be rounded and so makes it her point of duty to expose students to more than academics.

Educational background:

Mrs. Stewart-Williams received her high school education at Manning's School. After which she attended The Mico College where she attained a Diploma in Double Option English (a three years programme in two years). She holds a Bachelor of Science Degree in Mathematics and Science with first class honours from Western Carolina University and Masters Degree in Literacy Instruction at the University of the West Indies Open Campus.

Professional Career:

Mrs. Stewart-Williams was a classroom teacher at Maud McLeod High School and taught English in 2004.

In 2017 she became the Principal of Bethel Town All Age School in Westmoreland.

Community involvement

- President of the Westmoreland Baptist Association Youth Arm where she prepares the young people in her church community and her school for poetry, song, bible quiz and public speaking competitions.
- She initiates and coordinates fundraising activities for school and her community and she assists youth and young adults to better themselves academically, socially, financially and spiritually.

She always strives for excellence and believes that with hard work, success is a paved pathway.

Mrs. Stewart-Williams is being recommended to serve as a member of the Board of Directors for Region 4 (St. James, Hanover, Westmoreland) to replace Mr. Fitz Carr who has decided not to seek re-election.

Profiles

Rudolph Anthony Sewell

Mr. Rudolph Sewell has been a member of the Jamaica Teachers' Association Co-operative Credit Union Limited for 20 years, having joined in March 2000. He is also a member of Jamaica Teachers' Association (J.T.A.).

CAREER SUMMARY:

An educator and administrator with experience in facilitating technology and management courses; leading curriculum development activities; assessing students on behalf of established examination bodies; as well as managing executive positions, departments, programmes budgets and projects.

EDUCATION:

Executive Masters in Educational Management (Distinction) Mona School of Business & Mico University College, 2010

Bachelor of Science in Trade and Industrial Education (Honours) University of Arkansas, 1989

Teachers' Diploma in Industrial Arts (Honours) The Mico College, 1984

CAREER EXPERIENCE:

Acting Vice President, Administration, The Mico University College, September 2017 – Present

Acting Dean, Faculty of Education, The Mico University College, September 2014 – December 2015

Head of Industrial Technology Department, The Mico University College, September 2001 – 2017

Acting Head of Science and Technical Education Department, The Mico College, January – August 2002 & January – April 2003

Lecturer in Industrial Technology, The Mico College & The Mico University College, September 1989 – present

Lecturer in Project and Programme Management, The Mico University College, September 2005 - Present

Lecturer in Information Technology, The Mico College & The Mico University College, September 1999 – December, 2009

Staff Representative, Mico University College Board of Directors, 1998 – 2001

Chairman of Industrial Technology Board of Studies, Joint Board of Teacher Education, September 2001 – August 2010

Moderator for Electrical Technology, Caribbean Examinations Council (CXC), September 2002 – March 2006

Teacher of Industrial Arts, Jonathan Grant High School, September 1984 – August 1989

CONSULTANCY:

- Member of the technical committee that developed a strategic plan for the mainstreaming of TVET in secondary schools (2007-2008).
- Reviewer of 2 textbooks on Resource and Technology published by McMillan.
- Resource person for the review of the Resource and Technology curriculum (1997).
- Resource person for the Government of the Cayman Islands training programme for teachers implementing the CXC curriculum in Industrial Technology. (August 1992)

PUBLICATION:

Introduction to Electrical Circuits (A booklet published through a JBTE/ROSE Project)

Mr. Sewell is being recommended to serve as a member of the Supervisory Committee to replace Ms. Angela Chaplain who is unable to serve for another year.

THE SENIOR MANAGEMENT TEAM

(Standing l-r) ***Suezette Hemmings-Bryan, Maxine Nugent, Fabian Webb,***
(Seated l-r) ***Robert Ramsay, Lisa Taylor***

CREDIT DEPARTMENT

(Standing l-r) ***Faith Hull, Dane Lazarus, Alicia Tyrell, Carol Ringrose, Nadine Blackwood, Pethrel Green-Lynch, Shannia Sloley, Rushane Daley, Caloo Pinnock, Denesha Gibson, Jordan Idehen,***
(Seated l-r) ***Dave Blackwood, Marie Morgan*** *(Manager),* ***Vera Sharpe.***

BANKING OPERATIONS DEPARTMENT

(Standing l-r) ***Shaniek Mayne-Jones, Shawna Symister, Ronaldinho Morgan, Jayson Barnett, Lisa Taylor*** *(Manager),* ***Alicia Simpson, Rodgewayne Williams, Reisha Reid, Fletcher Jacobs.***
(Seated l-r) ***Pauline Stewart-Tibby , Toni-Ann Fraser, Jemilah Freckleton***

GENERAL MANAGER DEPARTMENT

(l-r) ***Andrea Reeves, Gertline White, Audrey Fung, Tiffanni Robinson, Robert Ramsay*** *(General Manager),* ***Denise Walker & Althea Simms.*** *Missing:* ***Feleisha Gordon-Outar***

(l-r) ***Damion Campbell, Fabian Webb*** *(Manager),* ***David Waite***

IT DEPARTMENT

HRD & ADMINISTRATION DEPARTMENT

Standing (l-r) ***Melrose Byfield, Norval Gordon, Heather Higgins, Latoya Gooden-Reid, Laurel Bruff, Robert Murray, Dorothy Henry*** *(Seated l-r)* ***Shirley Levene, Suezette Hemmings-Bryan*** *(Manager),* ***Nickeisha Vermonth.***

Standing (l-r) ***Lisa Smith, Opal Carty, Maxine Nicholson, Alexia Williams, Vanessa Farquharson, Andre Johnson, Maxine Nugent*** *(Manager),* ***Anecia Campbell-Fyne, Malique Barnaby, Sherine Gooden-Blount.*** *(seated l-r)* ***Tiffany Clarke, Ayshea Robinson, Marcia McIntyre-Thomas.***

FINANCE DEPARTMENT

REGIONAL OFFICERS

l-r) ***Millicent Westcarr***, *Portmore & Morant Bay*, ***Mark Thomas,*** *Montego Bay & Savanna-La-Mar,* ***Royan McFarlane,*** *May Pen & Linstead,* ***Joel Scott,*** *Port Maria, Browns Town & Port Antonio,* ***Maise Hayles,*** *Santa Cruz & Mandeville.*

PORTMORE BRANCH

Standing (l-r) ***Kimberly Mattis, Kerin Galway, Ingrid Lackish, Nakita Smith,***
(Seated) ***Millicent Westcarr*** *(Regional Officer)*

MORANT BAY BRANCH

(l-r) ***Millicent Westcarr*** *(Regional Officer),* ***Donna Hamilton, Chenecka Williams-Louza, Glenda Cole, Mellissa Marshalleck***

LINSTEAD BRANCH

(l-r) ***Michelle Rodney, Fayona Edwards, Rowan McFarlane*** *(Regional Officer),* ***Kerene Griffiths,***
Missing: ***Kerrisha Facey***

(l-r) ***Shevelle Grant, Alderene Roye, Rowan McFarlane*** *(Regional Officer),*
Latawny Gordon, *Missing:* ***Tyrone Pinnock, Malola Taylor***

MAY PEN BRANCH

SANTA CRUZ BRANCH

(l-r) ***Kishann Dyer, Sandralee Allie-Bent, Maise Hayles*** *(Regional Officer),* ***Mellody Kerr, Leonard Smith***

MANDEVILLE BRANCH

Standing (l-r) ***Vennel Tai, Kharey Gayle, Nova Swaby-Wright.***
Seated (l-r) ***Maise Hayles,*** *(Regional Officer),* ***Norda Morgan-Brown,***
Missing: ***Tanae Burns-Foster***

MONTEGO BAY BRANCH

(l-r) ***Sylvia Mullings, Claudia Smith, Mark Thomas*** *(Regional Officer),* ***MarjorieAnn Brown, SwabyAnn Steadman-Erskine, Tania Shippy***

(l-r) ***Jodian Johnson, Kay-Ann Baxter, Andrea Grant-Brown, Giffett Shakes,*** *(Seated)* ***Mark Thomas*** *(Regional Officer)*

SAVANNA-LA-MAR BRANCH

BROWN'S TOWN BRANCH

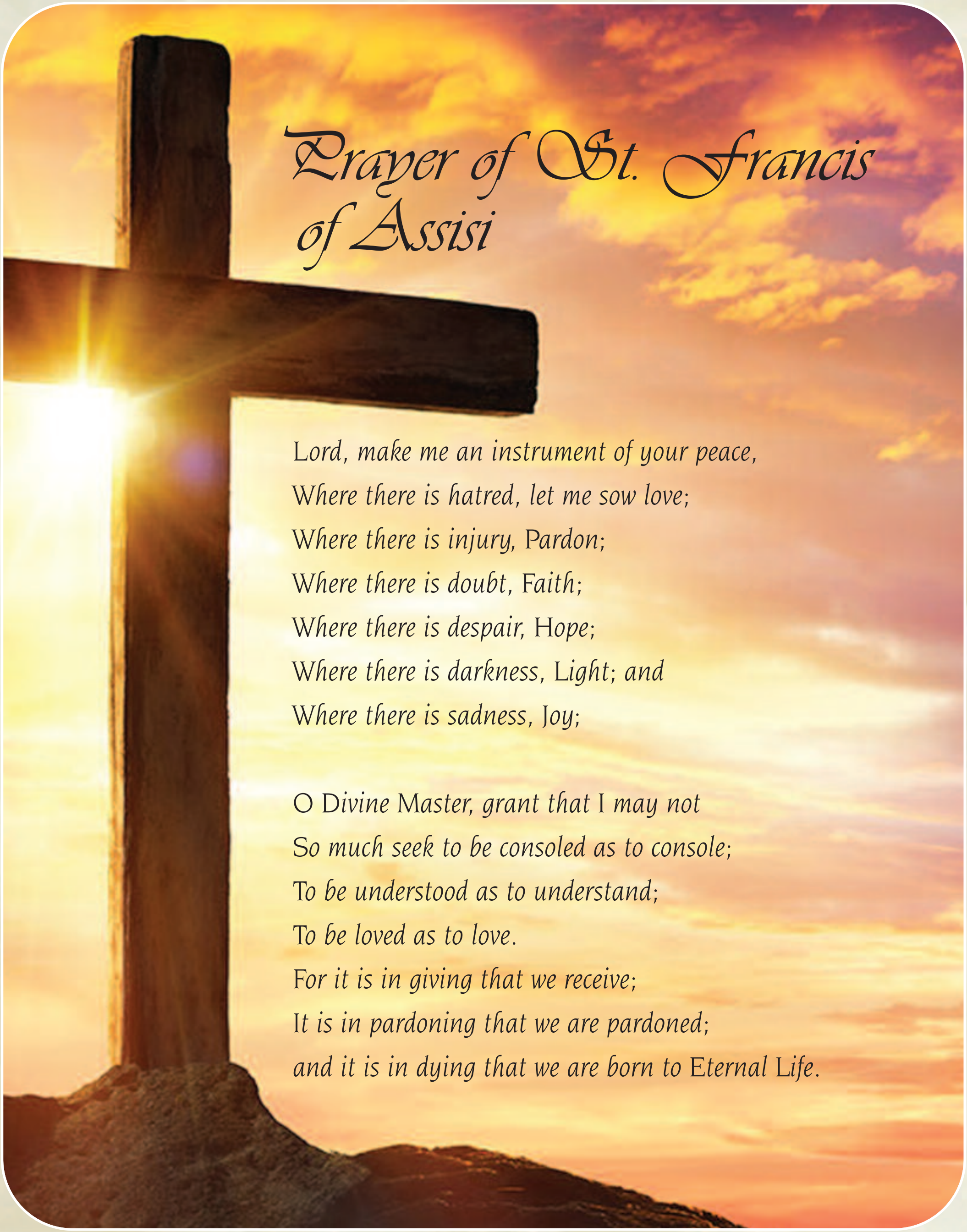
(l-r) ***Cutilyn Bowen, Lotoya Allison, Joel Scott,*** *(Regional Officer),* ***Nicole Lawrence, Shaiekia Bowers-Black***

PORT ANTONIO BRANCH

(l-r) ***Karen White-Cassie, Tanisha Scott, Angella Hartley, Joel Scott*** *(Regional Officer),* ***Danessa Mair-Ramnought***

(l-r) ***Tatlyn Anderson, Joan Somireddy, Veron Weston***
(Seated) ***Joel Scott*** *(Regional Officer),*
Missing: ***Karen Flynn***

PORT MARIA BRANCH



Prayer of St. Francis of Assisi

Lord, make me an instrument of your 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.

OBITURIES 2019

Bailey	Glenroy	**Leon**	Karlene
Baxter-Samuels	Kereka	**Lewis-Richards**	Joy
Benjamin	Phyllis	**Levy**	Jennifer
Bent	Carolyn	**Lowe-Grant**	Carol
Bernard-Grant	Elaine	**Lyons**	Maxleen
Brown-Campbell	Ingrid	**Martin**	Samuel
Brady	Michael	**Mendez-Harley**	Vivia
Brown E.	Patrick	**McDonald**	Leonie
Brown	Ruth	**McKoy**	Dennis
Bryan	Brinetta	**McTaggart**	Darren
Chambers-Edwards	Brenda Lee	**Mike**	Ileen
Chin-Sue -Bing	Lesing	**Morrison-Manning**	Pamella
Codrington-Allen	Tanya	**Myers**	Beverley
Crossman	Pearl	**Powell-Smith**	Donna
Davis	Beverley	**Ramsay**	Imolyn
Davis-Campbell	Carolyn	**Reid**	Norma
Duncan	Sharon	**Robinson**	Stacy-Ann
Dunkley	Leta	**Smith**	Tasania
Fernandez	Maureen	**Stephenson**	Sophia
Gentles-Brown	Jillian	**Taylor**	Andrea
Goodall	Clifton	**Tomlin**	Vivinne
Grant-Henry	Cherise	**Thompson**	Hyacinth
Hart	Ariane	**Wallace-Meredith**	Angella
Hibbert	Annabell	**Watson**	Shirley
Jarrett-Gentles	Barbara	**Whyte**	Herfa
Joseph-Coke	Joyce		
King	Claudette		
Kitson	Joan		

2019 Highlights

Minister Karl Samuda in conversation with Mr. Paul Adams Board President & JTAACUL General Manager Mr. Robert Ramsay at the Annual General Meeting.

Board President Mr. Paul Adams choosing the day's winners at the Credit Union's Annual General Meeting.

The JTA Co-op Credit Union began its yearlong 60th anniversary celebrations with a church service held at the Boulevard Baptist Church January 20, 2020.

Principals from winning schools in the 2019 Better Schools… Better Jamaica competition share a photograph with JTA Credit Union representative, JTA Secretary General and the 2018 winner.

Principal of May Pen Primary receives his prize of $1m toward school project other winners were New Hope Primary & Happy Grove High.

2019 Highlights

2019 Tertiary Scholarship Awardees with Mr. Cyril Lebert, Board Treasurer (far left), Mr. Paul Adams, Board President (centre) and Mr. Robert Ramsay, General Manager (far right).

The 2019 PEP Bursary Awardees with them are Mrs. Dawn Steele, Promotions & Education Committee Member (far left), Mr. Cyril Lebert, Board Treasurer (Centre) and Mr. Paul Adams, Board President.

2019 Highlights

60th anniversary Regional Fair Montego Bay.

Local Artiste Jermaine Edwards thrills members in attendance at the 60th Anniversary Regional Fair

Members enjoying the music at the JTA Credit Union's Regional Fair

Spinning the winning wheel on Credit Union Day

Members enjoy activities at 2019 Credit Union Day

Members were treated to a free movie on Credit Union Day

NOTES


The Best Credit Union
The Best You
Our members
enjoy FREE Creditor Life
insurance of up to $6M
Debt
97a Church Street, Kingston
876-922-2009/876-618-1706
info@jtacreditunion.com
www.jtacreditunion.com
JTA Co-operative
Credit Union Limited

JTA Co-operative Credit Union Ltd.
97A Church Street, Kingston, Jamaica
Tel: 876-922-2009, 876-618-1706' Fax: 876-922-9595
Website: www.jtacreditunion.com
Email: info@jtacreditunion.com

BRANCHES

BROWNS TOWN
Court Street
Tel: 876-975-9616, Fax: 876-975-9616

SAVANNA-LA-MAR
110 Great George Street, Leeds Plaza
Tel: 876-955-2977, Fax: 876-955-2977

MONTEGO BAY
Straddle Drive, Lot 3 Bogue Estate
Tel: 876-952-5205, 876-619-0797
Fax: 876-971-8437

PORTMORE
#25A Portmore Mall
Tel: 876-988-7439, Fax: 876-939-2497

MANDEVILLE
51/2 Caledonia Road
Tel: 876-962-1318, Fax: 876-625-1201

KINGSTON
97A Church Street, Kingston
Tel: 876-922-2009, 876-618-1706
Fax: 876-922-9594

PORT ANTONIO
Shop #8, West Harbour Plaza
Tel: 876-993-3346, Fax: 876-715-1700

MAY PEN
Shadrok Business Center
2 Bryans Crescent
Tel: 876-986-2150, Fax: 876-986-1224

MORANT BAY
2 Georges Street, Morant Bay
Tel: 876-982-2468, Fax: 876-703-6823

PORT MARIA
Stennet Street
Tel: 876-944-2525, Fax: 876-725-0184

LINSTEAD
Shop #1&2
26 Kings Street, Linstead, St. Catherine
Tel: 876-985-2721, Fax: 876-985-7993

SANTA CRUZ
La Beadle Plaza
Tel: 876-966-2481, Fax: 876-966-3575