



*Jamaica Teachers' Association
Co-operative Credit Union Ltd.*

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2020 ANNUAL REPORT

Serving our Members...Impacting Lives Positively





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Credit Union Limited



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Serving Our Members... Impacting Lives Positively

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Jamaica Teachers' Association Co-operative
Credit Union Ltd.



*Where there is no counsel, the people fall;
But in the multitude of counselors there is safety.*

Proverbs 11 vs. 14



MISSION STATEMENT

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

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

VISION

CORPORATE PROFILE

The Credit Union was established in July 1959, registered on 10th October, 1959 and with Assets of \$16.4b, Savings of \$12.7b, Loans of \$12.0b and a membership of 29,905 as at December 31, 2020.



2020 ANNUAL REPORT

Contents

	Page
Notice of Meeting and Agenda	4
Minutes of the 56th Annual General Meeting	5
Obituaries - 2020	21
Tribute to Sherlock Allen	22
Board of Directors	23
JTA Credit Union Products & Services	26
Board of Directors Report	27
Treasurer's Report	33
Auditors' Report	41
Report of the Credit Committee	118
Report of the Supervisory Committee	125
Progress Report of the General Manager	130
Report of the Nominating Committee	134
Staff Photos	136
Prayer of St. Francis of Assisi	149
Social Activities	150

**NOTICE
OF
THE 57th
ANNUAL
GENERAL
MEETING
SATURDAY,
MAY 15,
2021**

NOTICE is hereby given that the 57th Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union Limited will be held on Saturday, May 15, 2021

A G E N D A

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

- 1.** Ascertainment of a Quorum
- 2.** Devotion
- 3.** President's Welcome & Opening Remarks
- 4.** Minutes of the 56th AGM held on Friday, October 2, 2020
- 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.** Closure



Jamaica Teachers' Association Co-operative Credit Union Ltd.
97A Church Street, Kingston, Tel: (876) 922-2009, (876) 618-1706
Email: info@jtacreditunion.com, Website: www.jtacreditunion.com



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
Jamaica Conference Centre, 14-20 Port Royal Street, Kingston
Commencing at 10:00am*

Call to Order

The meeting was called to order by the Board Secretary, Mr. Patrick Smith, at 10:00 a.m. It was confirmed that One Hundred and Two (102) members were in attendance hence the required quorum was achieved.

Notice Convening the Meeting

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

Devotion

Prayer was offered by Mrs. Mary Dick, Chairman for the Supervisory Committee.

Welcome & Opening Remarks

Mr. Paul Adams, President, extended a warm welcome to members present. He then welcomed the Board of Directors who were asked to stand and be recognized. Special welcome was extended to Mr. Huit Johnson who was attending the AGM for the first time in his capacity as a Director of the Board.

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	-	Board Secretary
Mrs. Ena Barclay	-	Asst. Board Secretary
Ms. Melva Humes-Johnson	-	Director
Mr. Ray Howell	-	Director
Mr. Huit Johnson	-	Director
Mrs. Karen Hewett-Kennedy	-	Director
Mrs. Lou Ann Bramwell-Shakes	-	Director
Mr. Fergus Mitchell	-	Director
M. Lincoln James	-	Director
Mr. Lebert Drysdale	-	Director

The President noted the passing of Mr. Sherlock Allen who served as a Director of the JTA Credit Union's Board with distinction. A moment of silence was observed in his honour.

Members of the Supervisory and Credit Committees were also asked to stand and be recognized to a resounding applause.

Supervisory Committee

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

Credit Committee

Mrs. Ann Geddes-Nelson	-	Chairperson
Mrs. Lena Russell	-	Secretary
Mr. Norman Allen		
Mr. Leanon Nash		
Mr. Christopher Sinclair		

Seated on the platform were:

Mr. Robert Ramsay	-	General Manager
Mrs. Lisa Taylor	-	Assistant General Manager

Special recognition was given to the General Manager and all staff members in attendance. Also, to the members on the Microsoft Teams platform.

Attendance Record of Directors

The attendance record of Directors was listed on Page 29 of the Annual Report Booklet.

The following persons were specially recognized by the President:

- Miss Vera Lindo, Business Development Manager, Jamaica Co-op Credit Union League (The League)
- Miss Kleo Errar, The League
- Mr. Winston Fletcher, President of The League
- Mr. Jasford Gabriel, President of Jamaica Teachers' Association (JTA)
- Mr. Byron Farquharson, Secretary-General of the JTA
- Mr. Wilbert Spence, KPMG – Audit Partner
- Mr. Michael-David Webb, Department of Cooperatives and Friendly Societies

Apologies

Apology was tendered on behalf of Mr. Fitz Carr who was unavoidably absent.



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Reading and Confirmation of Minutes of 55th Annual General Meeting

The Board Secretary drew the meeting's attention to the Minutes of last meeting held on May 11, 2019 on pages 5 – 20 of the Annual Report booklet; having been circulated. The Secretary asked for a motion that the Minutes be taken as read. The motion was moved by Lavern Johnson of Davis Primary School and seconded by Althea Edwards of Rousseau Primary School. All were in favour hence the motion carried.

The Minutes of the 55th Annual General Meeting was confirmed on a motion moved by Simone Pratt and seconded by Panceta Walker after the following amendments: Page 12, second paragraph, second line - remove 't' to read...however he stated....Page 14, second paragraph, first sentence to read...."The meeting was informed that the Committee met twice monthly, on second Tuesdays and fourth Thursdays". Page 14, under Matters Arising, third paragraph – Mr. Ethan McNamee to read...Mr. Eaton McNamee

Matters Arising

Response to referrals from the 55th Annual General Meeting.

The following were discussed:

- **Assignment – Member Service Representative**

Mr. Eaton McNamee of Broadleaf Primary School extended commendation to the Credit Union for assigning a Member Service Representative to the Mandeville Branch and possibly all branches which was met with a resounding applause.

- **Results of Elections**

Mr. Eaton McNamee expressed concern that he and other members were nominated to serve on committees at last year's elections however no one received any communication regarding the results of the elections.

The Board Secretary thanked Mr. McNamee for the comment and informed the meeting that the situation would exist if the ballots were not counted before adjournment. He stated that going forward the members would be advised of the outcome whenever the results were received after adjournment.

Obituaries

The Board Secretary advised the meeting that a list of colleagues who transitioned in 2019 were listed on page 146 of the booklet.

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 Pamela
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	

Greetings

The President 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 communication and for all to hear.

Mr. Jasford Gabriel, President, Jamaica Teachers' Association



MINUTES OF THE 56th ANNUAL GENERAL MEETING

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brought greetings on behalf of the organization. In his address, he congratulated the Credit Union for their exemplary performance over the years. He highlighted the challenges brought about by the Covid-19 pandemic and suggested dynamic and strategic ways in which the Credit Union could reposition to effectively support its clients.

Throughout his address, there were acknowledgements by resounding applause.

REPORT OF THE BOARD OF DIRECTORS

The President presented the report on the performance of the Credit Union for the financial year ended December 31, 2019.

Membership Growth

He stated that the Credit Union performed well in the area of membership recruitment and had surpassed the annual target of 3%. It was noted that direct promotions through school visits and the increased advocacy of the contact teachers in schools were the driving forces behind recruitment efforts.

Loan Growth

The President highlighted that the Credit Union, upon hearing the concerns by members regarding the guarantor requirement for unsecured loans has now removed this requirement from the personal loan offering making it easier for members to access this loan facility. Additionally, the maximum amount available to members for an unsecured loan was increased from \$2.5 million to \$3 million. The interest rate on this product was reduced by 1.5 percentage points. The interest rates on the Cash secured, Auto and Home Equity Loans were also reduced. These initiatives resulted in the Credit Union's total loan portfolio growing by over 16% ending the year at 12.2 billion.

Delinquency Management

He highlighted that the Credit Union's delinquency rate moved from 4.16% in April to 2.64% in March and closed the year at 2.96%, below the prudential standard of 5% and the Credit Union's internal mark of 3%. It was noted that the migration of teachers continued to pose a major challenge to delinquency management.

Member Service Improvements

The Credit Union heeded the call for improvement in the area of service delivery to members as expressed at the last Annual General Meeting. The President was proud to inform the meeting that Member Service

Representatives (MSRs) were appointed in the Mandeville, Montego Bay and May Pen branches. Other branches were projected to receive MSRs by the middle of 2020.

Economic Performance

It was highlighted that deposits, loan, assets, and revenue growth were key tenets in the economic performance and operations of the Credit Union. Deposits grew by just over 6% (\$664M). Savings portfolio stood at \$11.7 billion dollars. Loans and Investments recorded stellar performances with realization of 17% in revenue growth over the previous year.

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

Human Resource Development & Administration

During 2019, the Credit Union achieved 100% compliance in terms of staff training on the Proceeds of Crime Act and 80% compliance with the professional development courses offered online by CUNA Professional Development Online (CDP Online).

A succession planning programme was implemented with the aim of ensuring that continuity would be maintained whenever talent was lost due to retirement or career movement. The current divisional structure remained intact with Mr. Robert Ramsay, General Manager at the helm supported by the senior management team comprising: Mrs. Lisa Taylor – Assistant General Manager, Ms. Maxine Nugent – Finance Manager and Mr. Fabian Webb – Information Technology Manager. Mrs. Suezette Hemmings-Bryan joined the team in the capacity of HRD and Administration Manager replacing Mrs. Diane Daley who had migrated.

There was a total of ten (10) recruitments and nine (9) separations, three (3) of which were due to retirements. A total of eleven (11) team members were promoted – three (3) team members including Tania Shippy, Norda Brown and Shevelle Grant were appointed as Member Service Representatives. The staff complement stood at 104 as at December 2019 with five (5) vacancies being reported at the close of the year.

President Adams informed the meeting that the search would continue for suitable office space for the Kingston/Half Way Tree Branch. The Credit Union's Port Maria Branch would be relocated to the new JTA building. The expansion of the Santa Cruz Branch was



MINUTES OF THE 56th ANNUAL GENERAL MEETING

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scheduled to commence soon, and the Savanna-La-Mar Branch had been expanded to meet the needs of our members.

Sponsorship & Donations

The Credit Union continued its engagement as major sponsors or co-sponsors of the Gleaner Spelling Bee Competition, JTA/Sagcor Primary & All-Age Athletics Competition, The Gibson Relays, TVJ Jr. Schools Challenge Quiz Competition and The JTA Golden Torch Awards.

The Better Schools...Better Jamaica project continued in 2019. However, in recognition of the Credit Union's 60th Anniversary milestone celebration, three (3) schools instead of the usual two (2), were awarded grants to complete planned projects at each school.

First place winner was May Pen Primary which received \$1m to complete their Reading Room facility, second place winner was Happy Grove Primary which received \$750,000 toward an Entrepreneurial Chicken Layer Project and third place winner, New Hope Primary School received \$500,000 toward a computer room for the students.

In the area of donations, the Credit Union delivered on its commitment of \$3 million dollars to the recently established JTA Critical Illness Fund. It was noted that just under \$7 million was donated to schools and other civic groups which sought support for various projects.

Scholarships, Bursaries and Grants

As part of the Credit Union's 60th Anniversary celebrations, the tertiary scholarships and grants programme was expanded to include student teachers who were in their final year of study at teacher training institutions. A total of \$2 million dollars in scholarships and grants were awarded, with the prestigious Desmond "DC" Gascoigne Award for Excellence presented to Cedena Vickers-Forrest. The awards were made at a ceremony held at Jamaica Pegasus Hotel on August 27, 2019.

During 2019, \$1.75 million was awarded to some seventy (70) students in the inaugural JTACCUL Pep Bursary Programme which replaced the GSAT Bursary Programme. One Hundred and sixty (160) applications were received, of which seventy (70) students were selected, five (5) from each parish. The award ceremony was held at Knutsford Court Hotel on August 8, 2019.

Strategic Focus

At the Strategic Planning Retreat held during the year 2019, major strategies for 2020 were finalized with

specific focus on minimizing the risk associated with bad debt, improving service delivery, and strengthening compliance with Know Your Customer regulations.

Board Meetings

A total of sixteen (16) meetings were held in 2019 of which four (4) were joint meetings to include the Supervisory and Credit Committees. It was noted that the Board of Directors and the sub-committees played a key role in the oversight of the management and direction of the Credit Union.

Conclusion

Mr. Adams encouraged stakeholders to be ambassadors for the Credit Union. He emphasized that 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 and to take responsibility for the management of one's finances. He also urged members to continue to demonstrate their commitment and to be involved in the development and growth of the organization to ensure its success.

Acknowledgement

The President thanked the members for their loyalty, the management and staff for their diligence and faithfulness, the Board and Committees for their eye for details and resilience especially throughout the challenges of Covid-19, the Cooperative Network especially the Jamaica Co-operative Credit Union League, CUFMC Jamaica, Jamaica Co-operative Insurance Agency, CUNA Caribbean Insurance Jamaica Limited, the Department of Co-operatives and Friendly Societies, the 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

There were no matters raised for discussion.

Adoption of the Report

The motion for the adoption of the report en bloc was moved by Mr. Leanon Nash, Member of the Credit Committee seconded by Mr. Christopher Pierre from the Salvation Army School for the Blind and carried unanimously.

Treasurer's Report

Mr. Cyril Lebert, Treasurer presented the report for the year ended December 31, 2019. He stated that in the interest of time members should take time out to read



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
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the full report presented. He added that the booklet was available online for those who had not received a printed copy.

Highlights of the report presented by the Treasurer that is found on pages 31-35 of the Annual Report booklet are as follows: Unemployment fell from 8.7% in 2018 to 7.2% as at October 2019. Inflation for the 2019 calendar year was 6.2% an increase from 2.4% recorded in 2018 and slightly above the Bank of Jamaica target of 4 - 6%. Food and energy prices were higher than expected due to unfavourable weather conditions for crops locally and higher international oil prices in the last quarter. The Jamaican dollar depreciated by 3.8% with respect to the US\$ moving from a rate of \$127.72 for US\$1 to \$132.57.

The customary comprehensive business plan was developed at the Strategic Management Retreat with targets and initiatives to enable the achievement of goals. The table below showed the 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

Total assets increased by \$1.1billion to \$15 billion, a growth of 7.6% when compared to 2018. The Loan Portfolio increased by \$1.7 billion or 16.2% to \$12.2 billion 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. The consolidated loan portfolio fell by \$350 million. The investment portfolio stood at \$2.3 billion at the end of 2019, a reduction when compared to the previous year.

Members' deposits grew by \$255.5 million to \$5.5 billion, a 5% increase when compared to 2018. Voluntary Shares increased by \$408.3 million to \$6.1 billion or 7%

over the same period. Net surplus of \$377.6 million was earned on revenues of \$1.9 billion, representing an increase over the surplus of \$283M and revenues of \$1.6 billion recorded in 2018.

With regards to the Savings Portfolio, the largest components were Voluntary Shares 53%, Special Deposits 31% and Golden Harvest of 13%. The table below shows the Savings Portfolio as at December 3, 2019 when compared to 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 would continue to maintain a diversified loan portfolio. At the end of 2019, the proportion of assets represented by loans improved from 75.2% in 2018 to 81.2% despite an asset base growth of \$1.1 billion. The composition of the loan portfolio follows:

Savings Product	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 \$151million or 10% over 2018. The primary source of income was



MINUTES OF THE 56th ANNUAL GENERAL MEETING

Held on Friday, October 02, 2020,

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from loan interest which totalled \$1.62 billion in 2019. Investments contributed interest earnings of \$51 million. Additional investment income of \$133 million was realized from gains on unit trust investment during the year, bringing total income from investments to \$184 million. Other income of \$76 million was earned primarily from fees, commissions and bad debt recovery.

Operating expenses increased by \$59.3 million, a 7.3% increase when compared to a similar increase of 7.4% 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

The Credit Union's performance measured by PEARLS international prudential standards. As per the results, the Credit Union continued to meet set standards, the primary indication of financial security, maintained the required provision against potential credit losses, utilized assets productively and managed expenses prudently while maintaining optimal liquidity and capital adequacy.

Capital Adequacy

At the close of 2019, Institutional Capital stood at \$2B, an increase of \$141million. Institutional Capital to Total Assets ratio stood at 13.6%, more than the PEARLS standard of 8%. This demonstrates that the Credit Union has a strong capital base and is able to withstand adverse financial conditions.

Conclusion

The Credit Union realized a sterling performance in 2019 despite the effects of the economic and financial climate. The Team remained committed to maintain consistent excellent service and in so doing developed key initiatives to maximize the benefits to members.

Acknowledgements

The Treasurer expressed his commitment to serve in the capacity of Treasurer. He commended the management and staff for their hard 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 continue to prosper the organization.

Auditor's Report

Mr. Wilbert Spence of KPMG presented the audited financial statements of the Credit Union for the financial year 2019. The report was located in the Annual Report Booklet – pages 39 – 115. The report comprised of 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.

Mr. Spence 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, 2019 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.

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

Mr. Spence stated that it was their opinion that proper accounting records have been maintained, and the financial statements, which were in agreement therewith, were correct, duly vouched and in accordance with the provisions of the Co-operative Societies Act. The report was dated April 14, 2020 and signed by KPMG Jamaica.

Matters Arising from the Treasurer and Auditor's reports:

Dr. Garth Anderson of Church Teachers' College referred to Page 12 of the Annual Report and queried what the accumulated surplus was and whether the Board had met and reviewed the accumulated surplus with the view of determining what was reasonable to keep as a buffer.

The Treasurer, Mr. Lebert advised that the accumulated surplus was still under review. He further stated that the accumulated surplus encompassed the entire assets of the Credit Union. Dr. Anderson was not satisfied with Treasurer's response and added that the matter was of great importance and should not be part of ongoing discussions without a final decision made.

The Treasurer then requested the expertise of Mr. Wilbert Spence of KPMG and asked that he assist with providing clarity for the accumulated surplus and its interest to members. Mr. Spence agreed with Dr. Anderson.

Mr. Spence explained that companies not listed on the Stock Exchange would adopt a dividend policy. Whenever a surplus was made, a decision would be taken on what percentage would be paid out to members. He further stated that for the Credit Union a different approach would have to be taken due to the fact that the organization was regulated by the Co-operative Society. He added that the Directors should be able to make a decision and should not continue to have discussions without finalization.



MINUTES OF THE 56th ANNUAL GENERAL MEETING

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Mr. Spence further added that the Credit Union may have reasons for retaining everything (100%), for example, for capital development such as branch improvements or to cushion the effects of Covid-19. He ended by stating that due to the current situation it was not the best time to address the question however, in good times the Credit Union could give back something to which the members would much appreciate. His response was met with a resounding applause.

The President informed the meeting that, from his vantage point, the accumulated surplus was embodied in plans and projections which included the acquisition of the new Head Office building. He added that the membership would be advised of the plans and projections in place for the accumulated surplus.

Mrs. LaSonja Harrison of St. Faith's Primary queried Page 34 of the Treasurer's report which noted that the Golden Harvest investment decreased by \$159 million. She asked whether any analysis had been done to ascertain the reason for the decrease of such treasured instrument of the Credit Union.

The General Manager, Mr. Robert Ramsay addressed the concerns raised by Mrs. Harrison. He stated that the Golden Harvest had been the flagship product over the years. He explained that the decrease in the portfolio was due to matured investments contracted for 5 years, 8 years, 10 years which started during the strong growth years when interest rates was between 10% to 14%. He added that interest rates move from 14% to 11% and was at 5.25%.

Mr. Eaton McNamee of Broadleaf Primary, Manchester asked about the plans in place to make the Credit Union more competitive when compared to others in the market. He stated that he had been a loyal member of the Credit Union and noted the attractive financial reports presented however other institutions offered better rates.

Mr. Ramsay informed the meeting that the question posed was a matter reviewed every month. He stated that he conducted a survey of rates offered by other institutions and the result revealed that no other institution provided interest rates beyond 2%. He added that the Credit Union offered 6% on savings product and 5.25% on Golden Harvest. He disagreed with the comment that the Credit Union was uncompetitive. Mr. Ramsay's comments were met with a resounding applause.

Mr. McNamee added a follow-up question. He stated that the recommended 5% growth in membership may

be unachievable because there are teachers who expressed no interest in joining the Credit Union simply because they opined that the Credit Union was unattractive. He added that the long-standing clients were more loyal however the younger generation was the opposite and would look for better rates; hence, go elsewhere.

Mr. Ramsay stated that the email service was launched which allow members to access the services by sending an email with guaranteed follow through response. He added that the services were well received. He further added that the Credit Union would make every effort to do more to ensure that the organization was the foremost choice of all members.

Ms. Nicola Grant from St. Aloysius Primary School stated that she had been trying to convince a very good friend who lives in Manchester to stay with the Credit Union however it had been a challenge due to customer service issues experienced by the member. She stated that had it not been for the Church Street branch she would have left the Credit Union and provide bad report to prospective members. She further stated that the services at the Mandeville branch was not up to standard and lacked professionalism. She added that information on her friend was leaked and the situation had affected her very badly. She lauded the team at the Kingston branch and urged the leadership to develop creative ways to address customer service issues at branches.

The President thanked Ms. Grant for her comments. He stated that the Credit Union had appointed Member Service Representatives at some locations to address some of the issues she highlighted. He further stated that the information would be addressed by the Board, management in a special way. He added that all cases and situations would be assessed and make the necessary adjustments accordingly. The President asked that Ms. Grant meet with Mr. Ramsay or Mrs. Taylor and furnish whatever information she could. Ms. Grant cooperated accordingly.

Mr. Christopher Pierre of Salvation Army queried the rates for the Christmas Savings Club and whether something could be done to improve the product. He stated that the product started very well however was not encouraging at the moment and neither his colleagues at the school were impressed.

Mr. Ramsay informed the meeting that the interest rate paid last year was 3.75%. It was expressed that the interest rate was taxable. He stated that the product was very attractive for the type of savings it was indicating



MINUTES OF THE 56th ANNUAL GENERAL MEETING

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that it was just for a year. He added that the product would be reviewed as per usual and the maximum offering paid accordingly.

Ms. Margaret Harris of Duckenfield Primary made reference to a concern previously raised by Mr. McNamee about interest rates on some loans. She queried why the interest rates on the Auto Loan was so high. She stated that other institutions were offering more lucrative and lower rates.

Mr. Ramsay explained that the auto loan market was the fiercest market in existence. He stated that the car dealers had cartelized in certain banks by providing discounts and sale prices as well as other initiatives to attract clients thus the Credit Union and other credit unions could not compete with banks especially in the auto loan sector. He further stated that the JTA Cooperative Credit Union charge zero fees and no fine prints while banks and other non-regulated financial institutions treat with loans on a different basis.

Ms. LaSonja Harrison of St. Faith's Primary expressed concern that representatives were not doing enough to generate revenue for the Credit Union. She expressed her loyalty to the organization and informed the meeting that she had a Golden Harvest investment with the Credit Union however when it matured, she was surprised that the representative had not even convinced her to re-enter another contract. She made reference to other Credit Unions who would have applied other strategies in the interest of the organization. She suggested that the Credit Union develop attractive products in order to retain members and woo new members. The President thanked Ms. Harrison for her contribution.

Dr. Garth Anderson reinforced contributions previously made regarding auto loans. He stated that smaller Credit Union had been able to offer much more competitive rates for auto loans and mortgage. He emphasized that the Credit Union reported the largest asset base therefore the members should benefit fully. He urged the leadership to revisit the market and make the requisite improvements for the next AGM. His comments were met with a resounding applause.

Mr. Clayton Hall of the Supervisory Committee provided insights in support of the Credit Union. He stated that the Committee had examined the loan products and realized that the Christmas Savings product was a very challenging one to offer increased benefits. He explained that January's contribution would be invested for eleven months, February's contribution for ten months, etc. therefore interest rates paid would be

applied on a moving target with less accumulated time with the Credit Union hence it was a challenge to provide better rates.

With regards to auto loans, he cautioned members seeking such loans outside of the JTA Credit Union. He encouraged members to enquire and read fine prints because research had proven that many of the institutions offered fixed interest rates for the first 6-12 months after which the rates would vary.

The President reiterated the importance of financial education. He urged the membership to educate themselves, listen and share knowledge.

Ms. Sheryl Munroe of George Headley Primary queried the efforts employed by the Credit Union to find delinquent members. She stated that she was familiar with persons who signed as guarantors and their assets have been frozen resulting in hardships being experienced. Ms. Munroe explained that the guarantors have not been able to access loans and have children in schools. She opined that the Credit Union was not doing enough to find delinquent members.

The President informed the meeting that within the limitations of the law, the Credit Union had tried even embarrassing methods of getting persons to honour their obligations. He was very empathetic to guarantors and emphasized that the team had exhausted all available options, except overseas travel, to find delinquent persons. He urged Ms. Munroe to assist the Credit Union and the guarantor team by providing information on the whereabouts of the delinquent person in order to assist accordingly.

Adoption of the Auditors & Treasurer's Report

A motion to adopt the Auditor's and Treasurer's report en bloc was moved by Dr. Garth Anderson of Church Teachers' College seconded by Ms. Althea Richards of Rousseau Primary and carried unanimously.

Report of the Credit Committee

Mrs. Anne Geddes-Nelson, Chairperson of the Credit Committee presented the report for year ended December 31, 2019. It was noted that the Committee consisted of five (5) members and convened weekly meetings to review loan applications, meet with members experiencing challenges, conduct interviews, carry out spot checks and approve loans.

A report on the attendance record of each committee member at regular and ad hoc meetings during the period was presented.



MINUTES OF THE 56th ANNUAL GENERAL MEETING

Held on Friday, October 02, 2020,

Jamaica Conference Centre, 14-20 Port Royal Street, Kingston

Commencing at 10:00am

Loan Activities

Mrs. Geddes-Nelson informed the meeting that during the period of under review, 426 loan applications were received, averaging 35 applications monthly. She presented a table which showed monthly breakdown of applications received. It was highlighted that May, June, July and August recorded the largest number of applications received. The meeting was informed that of the 426 applications; 332 were requests for loans and 93 for rescheduling of loan repayments. It was highlighted that 80 retired members requested rescheduling on loans based on gratuity to be received upon retirement.

She highlighted the business activity for the period 2018 – 2019. When compared to 2018, there was an increase of 18.3% in the number of applications processed in 2019. One Hundred and Eighty (180) waivers were granted in 2019 which showed a 74.8% increase over 2018. Ninety-three (93) loans were rescheduled up from 85 reported in 2018, an increase of 9.4%. Thirty-two (32) loans were recommended for Board approval, a decrease of 13.5% when compared to 2018. Seven (7) loans were deferred in 2019, a decrease of 36% when compared to 2018. Two (2) loans were refused and remained at 0.4%. Three (3) interviews were conducted, and two (2) spot checks carried out.

Mrs. Geddes-Nelson reported that a total of three hundred and twenty-one (321) new loans were issued, a 56% increase when compared to last year. Total value of loans approved was \$585,474,558.18, an increase of 12% when compared to 2018. It was highlighted that Debt Consolidation accounted for 42% of the loan portfolio and represented the largest category of loans issued. Auto Loans issued was 19%, Home Improvement 10% and represented the second and third largest categories respectively. Of note, Motor Vehicle purchases, Education, Mortgage payments accounted for 21% while all other loans accounted for the remaining 8%.

The figures presented showed Debt Consolidation value of \$245,463,830.57, Home Improvement of \$59,198,312.77, Auto Loans of \$110,841,667.75, Motor Vehicle Loans of \$51,728,500.35 and Education of \$27,022,851.65, an increase of 66%.

For the period of 2019, mortgage payments increased to \$21,954,811.66 up from 2018 figures of \$1,197,789.06 while house and property purchases showed a decrease of 19% and 40% respectively.

Conclusion

Mrs. Geddes-Nelson expressed profound gratitude on

behalf of the Credit Committee for being able to contribute to the success of the Credit Union. She extended thanks to the Management and Staff of the Credit Union for the support provided. Special thanks to the Almighty for bestowing on the team the time, talent and the opportunity to serve the institution.

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

Matters Arising

Ms. Simone Pratt of Belmont Academy queried whether the percentage on Debt Consolidation Loans was 46% as previously reported or 42% as recorded in the booklet. The President confirmed that the figure was 42%.

Ms. Julia Johnson, Rhodes Hall High School queried the figure presented for loans denied in April 2019. She stated that she applied for a loan the same period and was told her loan was denied however the figure showed that no loan was denied. She sought clarity on the matter.

The President queried whether the loan was a branch loan or a Credit Committee Loan and advised that not all loans would go to the Credit Committee. Ms. Johnson responded that she was advised by the representative that the loan would go to the Credit Committee. She added that she was given the run-around and thereafter informed that the loan was denied. The President was at a loss for words and requested that the matter be investigated. He suggested that Ms. Johnson communicate with Mr. Ramsay and divulge all information which she indicated was reserved.

Mr. Glenroy Williams of St. Andrew Technical High School queried the variation from the information presented on the slide by Mrs. Geddes-Nelson and the information recorded in the booklet. He stated that she reported that no loan was refused in 2019 however two (2) was reflected in the booklet. He further stated that she reported that no spot checks and interviews were done however the booklet reflected two and three respectively. He asked for clarity on the matter.

The President confirmed that the information reflected in the booklet was correct. He apologized for the error in the script. Dr. Garth Anderson queried the percentage paid on dividend in light of the delay in the hosting of the AGM as a result of the unprecedented situation. The President stated that the information would be presented at Item 9 on the Agenda.



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
Jamaica Conference Centre, 14-20 Port Royal Street, Kingston
Commencing at 10:00am*

Adoption of the Report

A motion for the Adoption of the Report en bloc was moved by Ms. Simone Pratt of Belmont Academy seconded by Ms. Monica Robinson of Greater Portmore High School.

Report of the Supervisory Committee

Mrs. Mary Dick, Chairperson presented the report of the Supervisory Committee. The meeting was informed that the Committee comprised of seven (7) members with the objective to audit the Credit Union's operations for compliance to regulations, establish industry standards and company policies and to ensure the safeguard of members' assets.

The Committee had twelve (12) regular monthly meetings, attended Joint Board and Committee meetings, participated in Round Robin meetings and attended monthly work sessions at the Head Office. The record of attendance was highlighted.

It was reported that the Committee participated in various training sessions facilitated by the Credit Union League which included Proceeds of Crime Act, Audit Report Writing, Risk Management and the Role of the Supervisory Committee.

During the year under review, all eleven (11) 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 among other things. The Committee played an integral role in ensuring that the Credit Union's brand image and identity were consistent across all locations.

Of note, general repairs and maintenance at branches and head office were recommended to include improved security, more visible signage and appointment of Member Service Representatives at branches; a move which would improve service delivery and member perception of confidentiality.

Mrs. Dick informed the meeting that their findings revealed that the Credit Union have adhered to sound risk management practices and were financially compliant. She lauded the management team for promptness in their response to correct errors and implement worthwhile recommendations.

It was reported that Volunteers total savings was \$106,729,959.81 while Total Loans was \$93,417,155.65. Total Savings for Staff was \$114,811,099.72 and Total Loans of \$285,173,244.65.

The Committee congratulated staff members who were awarded for outstanding performance for the year. The Savanna-la-Mar branch copped the award for Branch of the Year; Ms. Andrea Grant-Brown, Employee of the Year and Mr. Mark Thomas, Manager of the Year.

Special commendation was extended to the Board of Directors, the Credit Committee and the Supervisory Committee. Sincere appreciation was extended to the management and staff for the continued display of commitment and professionalism in carrying out their responsibilities for the success of the Credit Union.

A note of gratitude was extended to the membership for the trust and confidence placed in the stewardship of the team having been elected to service. The Team would continue to work assiduously to positively impact the lives of members.

Matters Arising

Dr. Garth Anderson queried about the specific steps taken to address or enhance observations made during visits to branches. He stated that challenges faced by members were clearly articulated and whether the sentiments were aligned to the observations of the Supervisory Committee.

The President explained the procedures in place with regards to the operations of the Supervisory Committee after branch visits. He then invited Mrs. Dick to respond to the query.

Mrs. Dick presented information as follows:

OBSERVATION	RECOMMENDATION
HEART Trainees at the Front Desk	Replaced by Member Service Representatives at branches
Branches crammed for space	Areas for expansion ongoing
Certain day-to-day practices undertaken at branches in contrary to guaranteed standards	Certain things put in place to ensure smooth operations in each branch in a standardized way.

Adoption of the Report

The adoption of the report of the Supervisory Committee en bloc was moved by Ms.



MINUTES OF THE 56th ANNUAL GENERAL MEETING

Held on Friday, October 02, 2020,

Jamaica Conference Centre, 14-20 Port Royal Street, Kingston

Commencing at 10:00am

Veronica Robinson of Greater Portmore High School seconded by Ms. Kaydian Scott of Christian Moravian Primary and Infant and unanimously carried.

General Manager's Progress Report

The Progress Report of Mr. Robert Ramsay was tabled. The report was located in the booklet on Pages 127-130. In the interest of time the report was not presented to the membership.

It was noted that during 2019 the Credit Union was able to control the delinquent loan portfolio; implemented a new loan processing system and removed the guarantor requirement for the unsecured personal loan. Despite challenges the Credit Union remained profitable and stood out among its peers as the largest Credit Union in Jamaica.

The report indicated that as at February 2020 assets were at \$15.2B which represented 12.4% of the Credit Union market share, Loans were \$12.1B and represented 15% market share while Savings Portfolio was \$11.8B, 12.4% of the total Credit Union savings in the Jamaica Credit Union Movement. Membership stood at 29,549.

Strategic Planning

The Annual Management Planning Retreat was held in November 2019 at which time, a review of the performance for the year was done and results detailed in a Board Report. Several key initiatives were discussed and accepted in the areas of Information Technology, Banking Operations, Human Resources Management, Finance and Marketing. Plans scheduled for implementation in 2020 were as follows:

1. Expanded Branch Service Delivery

In order to provide excellent service and to improve operational efficiencies, Member Service Representatives (MSR) would be assigned in all branches. Representatives were already appointed in the May Pen, Mandeville and Montego Bay branches as at December 2019. All other branches would have MSRs by the end of June 2020.

In a move to ensure the safety of staff and members as they conduct business at the various Credit Union locations, security officers have been deployed to some of our branch offices.

2. Migrating Members

To maintain easy relationship with members who continue to migrate and for overseas opportunities, the Credit Union entered into partnerships with Victoria Mutual Building Society (VMBS) Remittance Services and its various money transfer services partners, such as Zoom and Ria Money Transfers.

Discussions were being held with one other world wide remittance agency to provide alternative options to members who migrated.

3. Mastercard Debit Card

The Jamaica Co-op Credit Union League would be pursuing a partnership with Mastercard, a multinational organization. Under the new arrangement, members would be issued a new Easi Access debit Mastercard. The cards would have all features of the existing Multilink cards for local use but would also have the capabilities of international use through the Mastercard platform. Members would be able to utilize the card overseas and to shop online. The Card would also offer greater security to members as it would be an Electronic Magnet Chip card. It was noted that the JTA Credit Union was among the few Credit Unions chosen to participate in the initial stages of the project.

4. Membership Information Update

All members of the Credit Union were encouraged to ensure that their addresses, telephone numbers, email addresses, personal identification card, TRN and listed beneficiaries retained by the Credit Union were current and accurate.

5. Upgraded Website and Social Media

The website was upgraded thus creating a more engaging and modern platform for members to connect with the Credit Union team. The new website platform would allow members to check account balances, view transaction history, update email addresses, change access code and transfer funds from their Easi Access accounts to their Voluntary Shares or regular loan account. Members were encouraged to sign up for online access by visiting the website, completing the Digital Banking request form and submitting the completed form to ibank@jtacreditunion.com

Social Media platforms have been maximized to enable more accessibility to members. Members were encouraged to follow and subscribe to the Facebook and Instagram pages as well as the YouTube channel.

Annual Staff Recognition Awards

Members of staff were awarded for exemplary 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 also 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 Salesman of the Year Award and the Leadership Cup in the Middle Management group. Commendations were extended to all awardees.



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
Jamaica Conference Centre, 14-20 Port Royal Street, Kingston
Commencing at 10:00am*

Human Resource Development

During 2019, nine (9) staff members departed the organization. Of the numbers, three (3) retired and six (6) resigned. Ten (10) new team members joined the dynamic team in varying positions across the organizational structure. Among the 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.

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, directors, members of committees and committed staff for their contribution to the success of the organization over the years.

Thanks to the Almighty God who continued to be faithful in providing wisdom, guidance and direction.

Appropriation of Surplus

The Treasurer, Mr. Cyril Lebert informed the meeting that the Board had recommended that interest in the amount of \$175 million to be paid on Voluntary Shares, an award of 3%. Dividend of 5% to be paid on Permanent Shares amounting to \$4.3 million. Dr. Garth Anderson requested that Treasurer explain to the membership why it was concluded that 3% was the best rate that could be awarded.

The Treasurer advised that with the imponderables of the Covid-19 pandemic, it was prudent to be more cautious in the award as preservation of the Credit Union for the future was of utmost importance. He added that going forward if the Credit Union continue to be prosperous the Board would do its best as done in the past.

He then moved the motion for the acceptance of the appropriation of surplus which was seconded by Ms. Monica Robinson of Greater Portmore High School. All were in favour.

Fixing of Maximum Liability

The Treasurer also 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 \$31.2 Billion for the year 2020. The motion was seconded by Ms. Monica Robinson of Greater Portmore High School. All were in favour.

Appointment of Auditors

Mr. Lebert, Treasurer moved that KPMG be retained as Auditors for the Jamaica Teachers' Association Co-operative Credit Union for the year 2020. The motion was seconded by Mr. Eaton McNamee of Broadleaf Primary. All were in favour.

Report of the Nominating Committee

Dr. Margaret Bailey, Chairperson presented the report of the Nominating Committee. A warm welcome was extended to all. The Committee comprised of Dr. Margaret Bailey, Mrs. Althea Edwards, Ms. Molly Russell and Mrs. Lisa Taylor, Assistant General Manager, advisor to the Committee.

The responsibilities of the Committee and the objectives of the meeting were clearly outlined. Dr. Bailey informed the meeting that the Committee was tasked with the responsibility to seek a replacement for the late Director Sherlock Allen. The Committee nominated Mr. Huit Johnson who would continue to serve the tenure left vacant by Director Sherlock Allen. The profile and photograph of Mr. Huit Johnson was included in the booklet on Page 133.

The Retiring Members were:

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)

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 (replaced Mr. Fitz Carr)	Region 4 (St. James, Hanover, Westmoreland)
Mr. Lincoln James	Region 4 (St. James, Hanover, Westmoreland)



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
Jamaica Conference Centre, 14-20 Port Royal Street, Kingston
Commencing at 10:00am*

All persons were asked to stand and be recognized. It was highlighted that Mrs. Sancia Stewart-Williams replaced Mr. Fitz Carr. Her profile and photograph were included in the Booklet on Page 133.

Credit Committee

The retiring members of the Credit Committee were:

- Mr. Leاون Nash
- Mrs. Lena Russell

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

- Mr. Leاون Nash
- Mrs. Lena Russell

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
- Mr. Wentworth Gabbidon
- Mrs. Dawn Steele
- Mr. Aston Messam
- Mrs. Glecia Beckford
- Mr. Clayton Hall
- Mr. Rudolph Sewell (replaced Angela Chaplain)

It was highlighted that Mr. Rudolph Sewell replaced Ms. Angela Chaplain. His profile and photograph were included in the Booklet on Page 134.

Volunteers Retiring in the Year 2021

Volunteers retiring were 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

The Chairman Adams thanked Dr. Margaret Bailey for her contribution.

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

Board of Directors

Persons recommended by the Nominating Committee were Mrs. Ena Barclay, Mr. Lebert Drysdale, Mr. Fergus Mitchell, Mrs. Sancia Stewart Williams and Mr. Lincoln James. There were no nominations from the floor.

The following persons were duly elected to serve:

- Mrs. Ena Barclay
- Mr. Lebert Drysdale
- Mr. Fergus Mitchell
- Mrs. Sancia Stewart-Williams
- Mr. Lincoln James

Credit Committee

Members nominated were Mr. Leاون Nash and Mrs. Lena Russell. Nominations were invited from the floor.

1. Ms. Petal Williams nominated by Dr. Garth Anderson seconded by Nicola Grant.

The name of the nominee was added to the ballot hence the names increased to three. There were only two vacancies and members were provided with instructions on voting procedures. Ms. Petal Williams was asked to introduce herself to the membership.

Supervisory Committee

Members nominated were Mrs. Mary Dick, Mr. Wentworth Gabbidon, Mrs. Dawn Steel, Mr. Aston Messam, Mrs. Glecia Beckford, Mr. Clayton Hall and Mr. Rudolph Sewell.



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
Jamaica Conference Centre, 14-20 Port Royal Street, Kingston
Commencing at 10:00am*

Nominations were invited from the floor.

1. Ms. Nicola Grant nominated Ms. Kaydian Scott seconded by Dr. Garth Anderson.
2. Mrs. Stephanie Wright-Grant nominated Mr. Eaton McNamee seconded by Mr. Glenroy Williams.

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. Members were provided with instructions on voting procedures. Ms. Kaydian Scott and Mr. Eaton McNamee were invited to introduce themselves to the membership.

Delegates to the League's Annual General Meeting

Delegates nominated were as follows:

- Delegates

President and Treasurer

It was noted that the Board was empowered to elect the President and the Treasurer's delegates and alternate delegates to be named by the Board of Directors.

Mr. Webb reminded the Board of Directors that within 10 days following the election a meeting should be held to elect respective officers and their names, contacts and particulars submitted to the Department of Cooperatives.

Commendation was extended to Mr. Webb for presiding over the elections.

Mr. Paul Adams, President informed the meeting that due to time constraints and in light of Covid-19 situation, the Department of Co-operatives would take the ballots, count and present the results by the following Tuesday. It was highlighted that the general membership would be advised of the outcome of the elections.

Ms. Paula Greenwood of Charlemont High School queried the difficulty in counting the ballots thus announcing the results before the end of the meeting. She stated that the process should not be lengthy. Ms. Greenwood suggested that an observer should be assigned at the counting of the ballots along with nominees from the floor for transparency.

The President informed the meeting that consultations were held and persons expressed varying opinions with respect to Covid-19. He stated that the Department of Co-operatives were consulted because they were responsible for counting the ballots. He emphasized that the ballots were not counted by Credit Union officials. He added that in light of the current situation it was reasonable to allow for time for the results to be provided.

Resolution

Mr. Smith, Secretary made reference to the Resolution as indicated on Page 19 of the Minutes of the Annual General Meeting held May 11, 2019. The Resolution was presented by Mrs. LaSonja Harrison seconded by Ms. Kaydian Scott. The Notice of Motion was approved for debate at this AGM.

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".

Mr. Smith invited members to participate in the debate. Mrs. LaSonja Harrison of St. Faith's Primary School stated that the teaching profession had always been a stressful job which unfortunately resulted in members developing lifestyle and other chronic illnesses. Many teachers have neglected their health for the benefit of students. In light of the Covid-19 pandemic, stress levels would increase due to the hours required to prepare for online classes, engaging students, parents and participating in training sessions. She expressed thanks to the Credit Union for its initial commitment of \$3 million to the fund in a sustained effort by contributing the 1% to Jamaica Teachers' Association Critical Illness Fund. Mrs. Harrison added that the facility would be beneficial to the in-service and retired teachers given the inadequate assistance accessed by the GEASO and GPASO Plans. She urged the members and the Credit Union to support the Resolution.

Dr. Garth Anderson, Principal of Church Teachers' College reiterated sentiments expressed by Mrs. LaSonja Harrison. He was in full support of the Resolution and urged all Directors to endorse the proposal.

Ms. S. Pratt expressed full support of the Resolution. She recommended that the amount be increased from 1%. She explained that the proposed 1% could be wiped out by maybe ten (10) teachers in less than a week because some illnesses can be very costly. Ms. Pratt was advised that her recommendation would constitute an



MINUTES OF THE 56th ANNUAL GENERAL MEETING

Held on Friday, October 02, 2020,

Jamaica Conference Centre, 14-20 Port Royal Street, Kingston

Commencing at 10:00am

amendment to the Resolution and would delay the effect of the Resolution. The recommendation was then withdrawn.

Ms. Audrey Blake of Manchester expressed support for the Resolution. There being no other contribution to the Debate on the Resolution, members were asked to vote on the Resolution. The voting exercise was conducted, after which, it was announced that 100 members voted for the Resolution, zero (0) against and four (4) abstained. The Resolution was carried.

ANY OTHER BUSINESS

Mrs. LaSonja Harrison of St. Faith's Primary School requested information on the procedures in place for members living overseas desirous of honouring their financial obligation to the Credit Union.

The General Manager, Mr. Ramsay informed the meeting that the Credit Union's Delinquency Unit have done its best by staying in touch with every member who migrated and they have been maintaining their status with the Credit Union successfully. He stated that about five (5) years ago the Credit Union negotiated a remittance through Victoria Mutual Building Society which would allow members to remit monies directly to their accounts. Mr. Ramsay further stated that arrangements were in place with NCB and BNS which would allow members to send money to those banks and they remit the funds to the Credit Union to be posted to the members' accounts.

Mr. Ramsay asked that Mrs. Harrison provide him with information on the affected member so that he/she could be guided accordingly. Mr. Christopher Pierre of Salvation Army queried the procedural difference in getting a loan which allow for ID and payslip and the funds remitted to account in less than 2 mins versus to get dividend require proof of address, formal application and remitted to account in two (2) days.

Mr. Pierre also queried whether the position of the camera at branches could be set at standard height in order to easily capture images instead of the person being asked to look up into the camera. He also asked that communication be heightened at all branches.

Mr. Ramsay informed the meeting that, with regards to the proof of address issue, the regulations that governs the Proceeds of Crime Act demand that financial institutions "Know Your Customer" and have proof on record for auditing purposes by BOJ officials. One such proof is a bona fide address and confirmation that the person lives at the location. He stated that the financial landscape has change and Credit Unions must conform

accordingly. With regards to the two (2) days wait time, Mr. Ramsay stated that due to the current pandemic and the protocols contained therein, procedures were established accordingly. He added that often times the process would be completed before the two (2) days stipulated. He further added that efforts have been made to improve communication at all branches especially during this difficult time of Covid-19.

With regards to the query about the position of the camera, Mr. Ramsay stated that the cameras were installed about two (2) years ago, before Covid-19 and some were placed high in the ceiling. He asked for cooperation from the members.

Mr. Eaton McNamee suggested that an ongoing incentivize process could be introduced whereby members could visit the branch to provide information in order to keep their records current. He explained that he was at the Mandeville Branch and met an elderly man who visited to collect money. He was so upset because he was unaware of the requirement to provide proof of address.

Mr. Ramsay advised that the sensitization programme for members to provide information to keep their account current had been ongoing for the past two (2) years. Dr. Garth Anderson made reference to his comments at last year's AGM regarding the use of technology to drive efficiency. He requested an update on the progress.

Mr. Ramsay informed the meeting that the Credit Union had invested in an IT System that was at the cutting edge of technology. He stated that survey have shown that the JTA Co-operative Credit Union have been in the top percentile for turnaround time for loans, savings and all business conducted within the Movement. Mr. Ramsay also stated that the IT Department and Operations would be converged for improved efficiency. He added that the Credit Union had plans in the pipeline which were conducive to the current operations in light of Covid-19 and would transition to those plans. A few of the plans were outlined.

The President, Mr. Adams advised that the Credit Union must have the measures and control systems in place to protect the organization from any fallout which may threaten technological efficiency and convenience. His comments were acknowledged by a resounding applause. Ms. Pratt queried the operations of the online banking platform. She stated that she tried to log in to the system without success.

Mr. Adams supported the sentiments expressed by Ms. Pratt. He shared his own challenges with the technology



MINUTES OF THE 56th ANNUAL GENERAL MEETING

*Held on Friday, October 02, 2020,
Jamaica Conference Centre, 14-20 Port Royal Street, Kingston
Commencing at 10:00am*

which was not unique to the Credit Union but across organizations and other online platforms. He however asked that the management make an effort to address the situation.

Mrs. LaSonja Harrison suggested that, in light of the current pandemic situation, clients should be screened to ensure that they join the correct line whether for loan processes or for teller services. She also expressed concern at the extended period of waiting time elderly persons had to endure. It was noted that her observations, were while conducting business at the Head Office.

The President advised that due to the current pandemic situation, the staff complement was reduced to skeletal, therefore the customary member services would not be the same. He emphasized that Covid-19 was a game changer and normal times were not the order of the day. He added that the pandemic had caused one branch to be closed however management had been doing its best to improve the service. He apologized for the inconveniences caused and urged members to cooperate.

Mrs. LaSonja Harrison raised concern regarding a form that members were required to sign when conducting transactions over the phone in light of the pandemic. She stated that the form began with the words, "I... (member's name) irrevocably". Mrs. Harrison queried if after the pandemic members would be able to reverse the arrangement. Mr. Ramsay explained that the form mentioned was the Indemnity Form which would provide authority for the Credit Union to act on a member's behalf.

Mrs. Lisa Taylor, Assistant General Manager explained that for persons to conduct business remotely and in a seamless fashion, it was necessary to obtain their official permission for the Credit Union to accept instructions by emails, telephone or fax hence the indemnity form. The implications of doing business without the form was explained. She stated that the wording was standard for all indemnity and authority forms and was checked by the Credit Union's legal team. She added that the instructions could be revoked by written request.

Ms. Debbie Meek suggested that the procedures in relation to the salary deduction form for new members, especially for bursar paid schools should be reviewed to allow for Contact Teachers to have the form signed by the Bursar and then take to the Credit Union for processing which would be completed within a month. Ms. Meek outlined the current procedure which involved the form being sent to the Credit Union, taken to meeting and sometimes after two months the form would then be

sent to the school for signing. She explained that the current process was time consuming and often cause frustration. Ms. Meek also queried the timeline for distribution of the new Easi Access card.

Mrs. Taylor advised; after a lengthy discussion with Ms. Meek, that going forward redesigning of the form to allow Contact Teachers to sign in order to speed up the process could be considered.

With regards to the query regarding the MasterCard, Mrs. Taylor advised that a definite timeline could not be decided as the Credit Union was signatory to a project that involved other players, other Credit Unions and other suppliers. She added that the Credit Union would work closely with the project and provide the requisite monitoring accordingly.

The President advised that Bursars were not standardized in their business operations. He added that the Bursar would, often times, follow the written instructions provided.

Distribution of Tokens

Mr. Ramsay facilitated the distribution of the gate prize which was a weekend at Royalton Blue Waters. The winners were Ms. Pauline Richards, Ticket number 365517.

Mr. Ramsay informed the meeting that the 2020, "Better Schools...Better Jamaica Project" was finalized and the first-place winner was Mount Peto Primary School and second place Port Antonio High School. Commendation was extended to both institutions by a resounding round of applause.

CLOSURE

The President, Mr. Paul Adams thanked the members for attending the AGM and for their participation. He asked that Covid-19 protocols be observed at lunch areas.

Mr. Clayton Hall offered prayer.

The meeting adjourned at 1:25pm.

Patrick R. Smith
Board Secretary



OBITUARIES 2020

Allen	Rosan	Johnson	Llewelyn
Allen	Sherlock	Jones	Everton
Bent	Eton	Kerr	Marva
Bernard-Powell	Norma	Kitson	Joan
Blair-Scott	Pearline	Levy	Stephen
Brown	Genevieve	Lindsay	Violet
Brown	Jeniene	Lyons	Samuel
Brown	Veronica	McConnell	Stacey-Ann
Buchanan	Evelyn	McKenaie	Veronica
Campbell-Brown	Hazel	Mitchell	Yvette
Coke-Josephs	Joyce	Morgan	Tazmarie
Cooper-Bernard	Sonia	Mortimer	Stanbury
Creightney-Smith	Esmeralda	Mullings	Wayne
Daley	Juliet	Needham	Delores
Davis	Nalda	Notice	Verona
Duncan	Desme	Perry-Higgins	Euletta
Duncan	Hyacinth	Reid	Elaine
Ellis	Gloria	Reid	Samuel
Ellis	Robert	Rowe	Donald
Feraria	Rubilyn	Seivwright	Christine
Francis	Rowena	Sheriff-Joseph	Nadrea
Francis-Mason	Beverley	Small	Daphne
Fullerton	Granville	Smith-Simms	Georgious
Gayle-Henry	Denise	Spence-Palmer	Michele
Gentles-Brown	Jillian	Stern	Doris
Gilmore	Jennifer	Stevens	Cynthia
Gordon	Tensie	Tatham	Clovis
Green	Jeanette	Taylor	Felecia
Green	Oritheneer	Thompson-Haye	Alvia
Grey	Denzil	Trail	Dexter
Hastings-Brown	Veronica	Villious	Veronica
Henry	Shereen	Watson	Hopeton
Henry-Grant	Cherise	Whyte	Herfa
Higgins	Allison	Wilks	Juliet
Higgins	Euletta	Williams	Yvonne
Holgate	Hazel	Williams-Reid	Susan
Hunter-Holness	Deta	Wittaker	Kingsley
Hutchinson	Theresa	Wright-McLean	Dahlia
James-Adams	Vinette		

A portrait of Sherlock Allen, a Black man with short hair, smiling. He is wearing a dark blue suit jacket over a pink shirt and a red and black striped tie. The background is a light yellow gradient with white orchids at the top and bottom right.

Tribute to **SHERLOCK ALLEN** *from the JTA Co-op Credit Union Ltd.*

A profound sense of sadness and of deep loss permeated the Credit Union when we heard of the passing of our former Board Director Sherlock Allen. Mr. Allen began his service to the members of the Credit Union as a director on May 27, 2000 and demitted office after almost twenty years on February 21, 2020.

Mr. Allen was always the voice of reason at board meetings and though he never gave up ground on matters he firmly believed in; he was never too proud to admit when he erred in judgement. However, such occasions were few and far between. Mr. Allen used the tremendous experience he gained as a school principal and a technical educator to help guide the board in its deliberations and agitated for changes he knew would benefit each member of the Credit Union. In 2012 when the purchase of a new banking system was being pursued by the Credit Union, Mr. Allen was appointed to the Oversight Committee that supervised the procurement process. This resulted in the purchase of one of the best banking systems available.

Mr. Allen was never comfortable to only attend meetings but was vocal and vociferous at our Board Meetings and at our Annual Strategic Management Retreats. His eagerness to help shape the organization was seen in the level of preparedness he displayed at all the meetings he attended. His mantra was whatever is decided must benefit the members. However, his fervor was tempered by warmth and approachability.

During his tenure as a Director of the Board, Mr. Allen also sat on the Finance Committee and was the Chairman of the Delinquency Committee. He is described by staff members of the Credit Union as knowledgeable, punctual, a stickler for detail and financially prudent.

As a member of the Board of Directors, Mr. Allen had the opportunity to represent the Credit Union at the annual Caribbean Conference of Credit Unions on several occasions and as a delegate to various Annual General Meetings of affiliated organizations in the Credit Union movement .

Sherlock Allen's candor, fairness and passion will be noticeably absent from all our board meetings. However, we will not mourn his passing, instead we will celebrate a life that was well lived. And as we celebrate, we pause to say thank you. Thank you to his wife, his children, other family members and friends for supporting Sherlock Allen and allowing this noble and outstanding man to serve this organization he loved, the JTA Co-op Credit Union Ltd.



Jamaica Teachers' Association Co-operative
Credit Union Ltd.

BOARD OF DIRECTORS

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



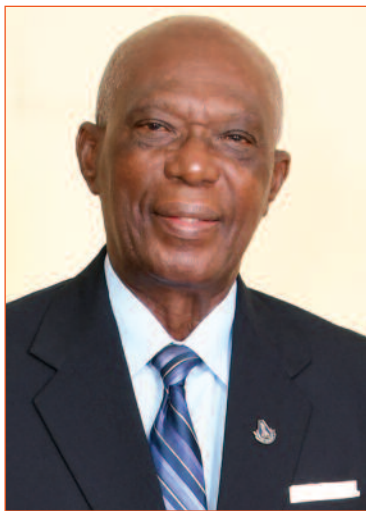
Morris Stewart
1st Vice President,
Serving Region 3.
St. Mary, St. Ann
& Trelawny



Ena Barclay
2nd Vice President,
Serving Region 2. Portland
& St. Thomas



Cyril Lebert
Treasurer,
Serving at large



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



BOARD OF DIRECTORS

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



Karen Hewett-Kennedy
Assistant Board Secretary
Serving at Large



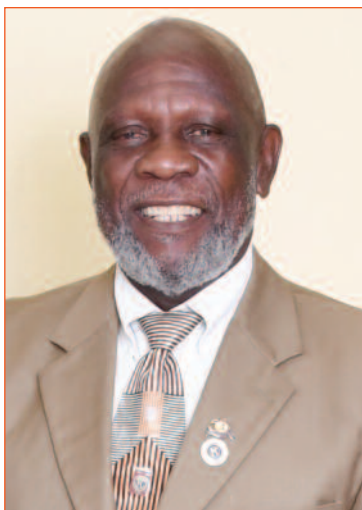
Lincoln James
Director,
Serving Region 4.
St. James, Hanover
& Westmoreland



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



Huit Johnson
Director
Serving Region 1. Kingston,
St. Andrew & St. Catherine



BOARD OF DIRECTORS

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



Ray Howell
Director,
Serving at Large



Sancia Stewart-Williams
Director
Serving Region 4.
St. James, Hanover &
Westmorland



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



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





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



Jamaica Teachers' Association Co-operative Credit Union Ltd.
2020 ANNUAL REPORT



Report of the BOARD OF DIRECTORS to the 57th 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. The board of directors comprises of educators past and present, reflective of the membership of the Credit Union.

This is in keeping with the co-operative principle of democratic member control, a unique feature of co-operative entities.

Members, by being able to nominate and elect persons from among their peers to serve on the board, are given the opportunity to play a crucial role in charting the direction of their Credit Union.

The board of directors meet at least once per month and use these meetings to oversee the management and performance of the Credit Union. In performing its oversight function, the Credit Union's board of directors focuses on specific areas of performance and governance. These include the management of the Credit Union's financial assets, policy development, risk and compliance management and oversight of other regulatory matters.

YEAR IN REVIEW

Market Trends

The year 2020 was a true test of the resilience and strength of organizations operating in all industries globally. Maintaining stability during the COVID-19 pandemic called for a high level of agility and problem-solving capabilities.





REPORT OF THE BOARD OF DIRECTORS **to the 57th Annual General Meeting**

The Jamaican financial services market moved quickly to reduce in branch traffic and face to face interaction between employees and customers. Several services that traditionally required in branch visits were either partially or completely migrated to online platforms.

Increasingly, the main players in the financial services sector transformed their retail banking model from one which relies heavily on face-to-face interaction to a 'self-serve' model. This resulted in closure of several commercial bank branches and the conversion of others into self-serve stations where customers interact with smart ABMs instead of bank tellers and other personnel.

The practice of remote loan processing and customer onboarding made significant advances in 2020, a year which saw a common service such as cheque encashment being essentially outlawed in the banking hall of the major commercial banking entities. These developments are all aimed at reducing in-branch traffic and realigning organizational resources.

Membership Growth

Over the years, the Credit Union's membership recruitment machinery relied heavily on face-to-face meetings and large gatherings. With the onset of the COVID-19 pandemic and the closure of schools and restrictions on gatherings, the recruitment efforts of the Credit Union were severely hampered. Despite these challenges, the Credit Union adjusted its recruitment strategy and was still able to grow its membership base by 1.7% (499 new members) to 29,905 members by the end of 2020.

Loan Growth

Our members have consistently demonstrated a healthy appetite for loans in general. This trend was disrupted in 2020 as the onset of the pandemic and its effect on the economy dealt a significant blow to consumer confidence. Demand for consumer loans fell as a consequence. The demand for Motor vehicle loans, however, remained buoyant and the Credit Union capitalized on this trend by reducing rates and increasing the loan terms of this product. Despite being able to generate approximately \$3 billion in new loans, the Credit Union's loan portfolio fell by \$207M or 1.73% to \$11.98 billion by the end of 2020.

Delinquency Management

Non-performing loans present one of the greatest risks faced by a financial institution. The delinquency rate indicates the general health of the Credit Union's loan portfolio, its biggest asset.

The Credit Union's delinquency rate went from a high of 4.50% in April to a low of 2.25% in March, closing out 2020 at 3.45%, below the prudential standard of 5% and slightly above the Credit Union's internal marker of 3%.

The main contributors to the Credit Union's non-performing loan portfolio continue to be in the retired teachers' segment and teachers who work/reside overseas. In the case of the latter, payments coming to the Credit Union from overseas were disrupted as a result of lockdowns and increased unemployment in these jurisdictions. Our members in the independent school sector faced the same dilemma. In response, the Credit Union offered moratoria on loan payments between May and July of 2020 to assist members whose incomes were directly impacted by the pandemic.

Rigorous monitoring and following up on delinquent accounts at the earliest sign of default continued to be the most effective strategy in maintaining a manageable level of delinquency during the year.

New Member Service Channels

Compliance with the restrictions on gatherings meant that the Credit Union had to adjust the way service was delivered to members coming in to our locations. Strategies were implemented to manage the number of members gathered in any one location at any given time. To mitigate the impact this would have on our members, a special email platform was established as a new service delivery channel to complement our usual face to face service delivery method. This platform allowed members to access essential Credit Union services such as transfers and withdrawals from the comfort of their home.

In addition to being on the BNS bill payment platform, the Credit Union added the NCB bill payment platform to its suite of remote payment options in 2020.



REPORT OF THE BOARD OF DIRECTORS to the 57th Annual General Meeting

KEY AREAS OF PERFORMANCE - 2020

The Financial year 2020 still saw the Credit Union growing in its key performance areas. Assets grew by 9.16% (\$1.4B) to a total of \$16.4B. An operating surplus of \$398M were realized from our productive assets in 2020.

Savings (Shares and Deposits) also grew in 2020. The Loan portfolio and gross income, however, saw marginal decreases during the year. The illustration below shows the growth in all key areas of performance over the past four (4) years (2017-2018).



HUMAN RESOURCE DEVELOPMENT & ADMINISTRATION

The year started out with customer service improvement and human resource capacity building as the primary focus. However, with the onset of the pandemic, the HRD and Administration department had to redirect resources to ensure that our staff worked in a safe environment, in keeping with occupational health and safety standards.

Staffing

The divisional structure of organization remains complete, with the General Manager, Mr. Robert Ramsay at its helm. His senior management team comprises: Assistant General Manager, Mrs. Lisa Taylor; Finance Manager, Ms. Maxine Nugent; Information Technology Manager Mr. Fabian Webb, and the

HRD and Administration Manager, Mrs. Suezette Hemmings-Bryan.

There was a total of fourteen (14) new recruits for 2020 and four (4) separations. We also had ten (10) promotions during the year. We are also happy to report that eight were the new Member Service Representatives, namely: Melissa Marshalleck: Morant Bay, Nakita Smith: Portmore, Kerrisha Facey: Linstead, Kay-Baxter: Savanna-la-mar, Tanisha Scott: Port Antonio, Latoya Simpson-Allison: Brown's Town and Tatlyn Anderson: Port Maria.

The staff complement stood at 114 as at the end of December 2020 and the staff assigned to each Division/Department is outlined at the end of the book.

Administration

We were strident during the period to source a suitable office space for the Kingston/Halfway Tree Branch; however, was unsuccessful, as some of the locations identified were utilizing vacant spaces to allow for their new social/physical distancing requirement implemented during the genesis of the COVID-19 Pandemic. Our pursuit will continue for 2021.

The new Port Maria building belonging to the Jamaica Teachers' Association (JTA) was completed in the latter part of 2020 and the lease was secured for the Credit Union's relocation. Build out works commenced with a projected occupation date for early 2021.

REGIONAL SERVICES

The Credit Union's Regional Services comprises of five (5) Regional Managers who manage 11 branches island wide. The Covid-19 pandemic presented a unique challenge to our branches and their managers who depended primarily on school visits and large gatherings to grow business in their respective regions.

To adapt to the demands of this new business environment, the Credit Union increased its presence on digital platforms, participating in virtual conferences and organizing virtual meetings with prospects. Small face to face meetings were also arranged with the help of Contact Teachers and school principals.



REPORT OF THE BOARD OF DIRECTORS **to the 57th Annual General Meeting**

Corporate Social Responsibility

Better Schools...Better Jamaica

The Covid-19 pandemic may have successfully slowed the pace of a number of activities for the Credit Union and other businesses; however, it did not deter us from giving back in a big way.

In 2020, the Credit Union awarded two schools; Mount Peto Primary and Port Antonio High, a total of \$1.5M in the Better Schools Better Jamaica Programme which first began in 2018. Mount Peto Primary was awarded \$1M to complete an agricultural project that was geared at helping students understand and appreciate the various aspects of operating a successful farm. Port Antonio High received \$500,000 to undertake a project to purchase information technology equipment to outfit a technology laboratory. This lab will improve the teaching and learning activities at the school.

Donations and Sponsorships

The Credit Union continues to play an active role as a corporate citizen and during 2020 donated upwards of \$3.3M to educational institutions and other civic groups seeking support for various projects right across Jamaica. The Credit Union also made good on its commitment to support the JTA Critical Illness Fund a contribution of One Million Dollars (\$1M) for 2020.

We continued our support of the JTA Golden Torch Awards and was a major sponsor of this event in 2020. We also maintained our presence as a key sponsor of the TVJ Jr. Schools Challenge Quiz Competition.

Tertiary Scholarships & Grants

The JTA Credit Union's annual Tertiary Scholarships

and grants were awarded in 2020. A total 12 members were awarded grants and scholarships with Mrs. Lissa Francis-Davis, Vice Principal of Robert Lightbourne High school copping the prestigious **Desmond "DC" Gascoigne Award For Excellence**.

PEP Bursary

In 2020, the Credit Union awarded over \$1.2 million to 66 students in the JTACCUL Pep Bursary Program. Applications were received from all 14 parishes and five winners were selected from every parish except Hanover, which only had one applicant.

Strategic Focus - 2021

In our pursuit of sustainable growth and development, the Credit Union participates in an annual management retreat aimed at crafting a strategic plan for implementation going forward. The plans for 2021 were finalized at the strategic retreat held on January 29, 2021 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 an ongoing activity at the Credit Union in years to come.

Board Meetings

The Board of Directors and the sub-committees play a key role in the oversight of the management and direction of the Credit Union. They represent the direct interests of our members in the decision-making process. In 2020, twelve (12) meetings were held.



REPORT OF THE BOARD OF DIRECTORS to the 57th Annual General Meeting

NAMES	POSITION	POSSIBLE ATTENDANCE	ATTENDED	NUMBER EXCUSED
Mr. Paul Adams	President	12	12	0
Mr. Fitz Carr (retired October 2020)	1st V/President	7	6	1
Mr. Morris Stewart	2nd V/President	12	12	0
Mr. Cyril Lebert	Treasurer	12	11	1
Dr. Margaret Bailey	Asst. Treasurer	12	11	1
Mr. Patrick Smith	Secretary	12	12	0
Mrs. Ena Barclay	Asst. Secretary	12	12	0
Mr. Lincoln James	Executive Officer	12	12	0
Mrs. Lou Ann Bramwell-Shakes	Member	11	10	1
Mrs. Melva Humes-Johnsons	Member	11	10	1
Mr. Lebert Drysdale	Member	11	6	5
Mr. Fergus Mitchell	Member	11	11	0
Mr. Ray Howell	Member	11	9	2
Mrs. Karen Kennedy	Member	11	11	1
Mr. Huit Johnson	Member	11	10	1
Mrs. Sancia Stewart-Williams	Member	5	3	2



REPORT OF THE BOARD OF DIRECTORS to the 57th Annual General Meeting

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 the institution. For the Credit Union's success to continue, your commitment and involvement in its development and growth are 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 2020, it is with a heightened sense of gratitude that we make the following acknowledgements:

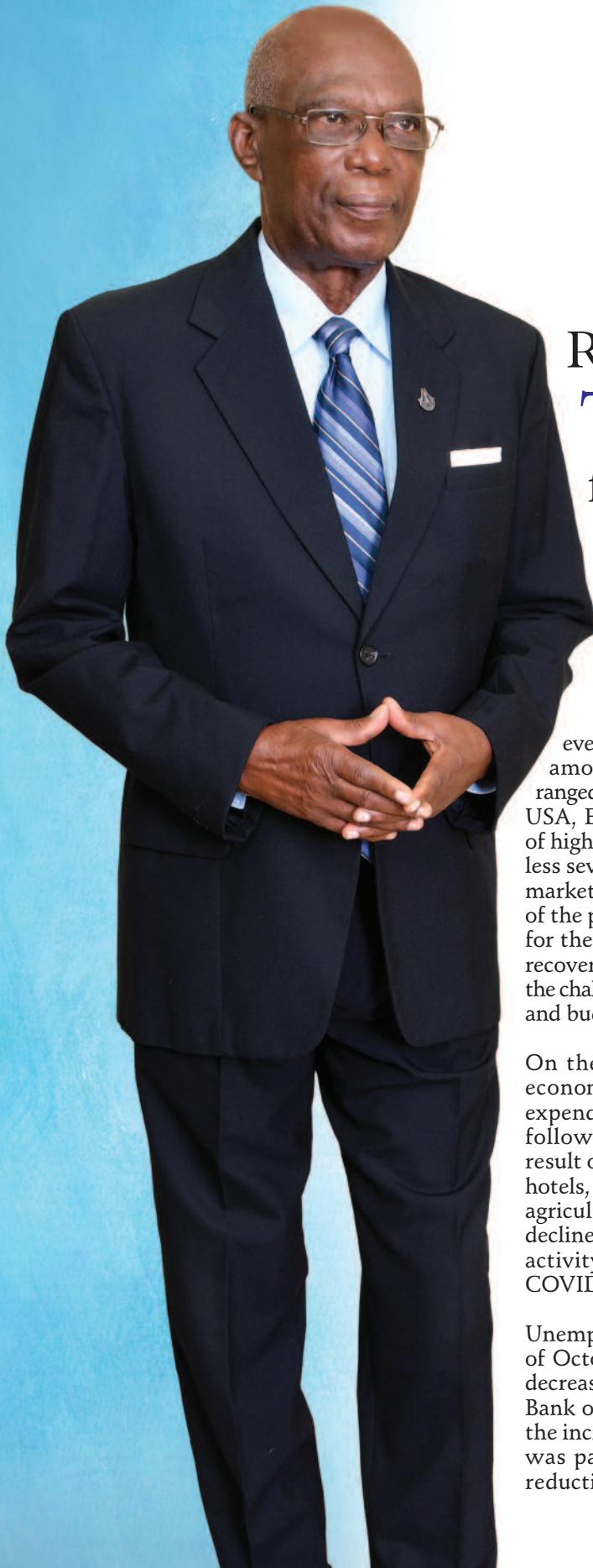
1. All members who continue to be loyal to the vision you believed in some 60 years ago;
2. The management and staff who worked diligently and faithfully to provide the best possible service to our members;
3. The Board and Committees for their careful attention to detail and their painstaking support 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, Jamaica Cooperative Insurance Agency, CUNA Caribbean Insurance Jamaica Ltd and the National Union of Co-operatives Societies;
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



Report of the **TREASURER** for the Year ended December 31, 2020

It is with pleasure that I present the Treasurer's Report for the year 2020, a unique year of unprecedented challenges in which the world faced the COVID -19 pandemic. Economies were severely affected as the nature of the disease meant that countries had to scale back economic activity, social and sporting events and indeed all activities which involved close interaction among citizens. Economic growth, already modest in 2019, ranged between 2.6% and 7.4% in the large economies including the USA, Europe and China. Financial markets collapsed in the face of highly contracted economic activity. Advanced economies were less severely impacted, and saw a greater recovery, than emerging markets and developing economies. It is expected that the effects of the pandemic will continue to greatly impact economic activity for the next two to three years. The sustainability of the level of recovery seen in the later months of 2020 will depend on how well the challenges of public health, vaccine distribution, structural reforms and budget policies are implemented by leaders and policymakers.

On the local landscape, 2020 saw a sharp contraction in the economy with steep falloffs in merchandise imports and capital expenditure. The economy contracted by an estimated 10.2%, following growth of less than 1% in 2019. This was largely a result of the reduction in activity in the services sector, specifically hotels, restaurants, transportation and travel. The manufacturing, agriculture, construction, electricity and retail trade sectors also declined because of lower domestic demand and reduced business activity as the government took steps to stem the spread of COVID-19.

Unemployment increased from 8.0% in 2019 to 10.7% at the end of October 2020. Inflation for the 2020 calendar year was 5.2%, decreasing from the 6.2% recorded in 2019 and falling within the Bank of Jamaica (BOJ) target of 4 - 6%. The movement reflected the increase in prices for health and personal care products, which was partially offset by lower inflation in food prices and the reduction in international oil prices.



REPORT OF THE TREASURER

for the Year ended December 31, 2020

The BOJ employed policies to maintain low market interest rates and a stable foreign exchange rate. Several measures were also implemented to mitigate the effects of the pandemic. The central bank held its policy rate at 0.5% for the year and intends to maintain that rate until there are clear indications that economic activity is returning to pre-pandemic levels. The cash reserve requirement for banks was reduced and foreign currency was sold directly through the Foreign Exchange Intervention Trading Tool (B-FXITT) and to users in the energy sector.

During the year, the Jamaican dollar depreciated by 7.6% with respect to the US\$, moving from a rate of \$132.57 to \$142.65.

The competition in the financial sector was acute during the year. Lending institutions increased focus on credit options which targeted the increased demand for private transportation and home improvement. The utilization of online banking was further promoted, and in-branch transactions were curtailed by the commercial banks as they enhanced their internet and mobile banking facilities.

The credit union is committed to focusing on enhancing the services offered to our members while continuing to provide a range of loans and savings products at competitive rates designed to meet members' diverse needs.

FINANCIAL RESULTS

Despite the unprecedented nature of 2020, it was a 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. It became necessary to revise some targets during the year in response to the pandemic and its effect on our members, our operations and the entire economy. Indicated in the table below are the major goals established, and the actual results achieved:

OBJECTIVE	GOAL	ACTUAL
Increase Total Assets	8.0%	9.2%
Increase Savings to Assets Ratio	80.0%	77.6%
Institutional Capital to Total Assets Ratio	15.0%	15.0%
Operating Expense to Average Assets Ratio	7.0%	5.7%
Delinquency Ratio	3.0%	3.46%
Increase Loans to Total Assets Ratio	80.0%	73.1%
Attain Revenues of	\$1.714B	\$1.807B

This indicates that while the credit union fell short of some of the strategic targets, particularly the Net Loans ratio, prudent management saw the Operating Expenses coming in at a commendable 5.7% of average assets, on revenues that surpassed the revised target. Asset growth was over 9%, well above the inflation rate.



REPORT OF THE TREASURER for the Year ended December 31, 2020

Key performance criteria are highlighted below:

Comparative Analysis of Key Financial Indicators

Financial Indicators	2020 \$M	2019 \$M	2018 \$M	2017 \$M	Increase 2019-2020	% Change 2020/2019	% Change 2019/2018	% Change 2018/2017
Total Assets	16,393.7	15,009.3	13,948.3	13,067.8	1,384.4	9.2	7.6	6.7
Loans	11,981.5	12,189.0	10,491.0	9,342.5	- 207.5	- 1.7	16.2	12.3
Investments	3,861.7	2,286.5	2,975.7	2,963.2	1,575.2	68.9	-23.2	0.4
Voluntary Shares	6,733.3	6,174.5	5,766.1	5,476.5	558.8	9.1	7.1	5.3
Members Deposits	5,953.1	5,544.8	5,289.3	4,892.1	408.3	7.4	4.8	8.1
Total Savings	12,686.4	11,719.3	11,055.5	10,368.6	967.1	8.3	6.0	6.6
Institutional Capital	2,546.3	2,040.5	1,899.3	1,784.2	505.8	24.8	7.4	6.5
Operating Expenses	900.8	877.0	817.7	761.6	23.8	2.7	7.3	7.4
Net Interest & Other Income	1,298.7	1,254.6	1,100.6	869.6	44.1	3.5	14.0	26.6

In 2020, the credit union's Total Assets increased by \$1.4B, to \$16.4B, a growth of 9.2%. This commendable growth was achieved despite the challenges brought about by the pandemic and continued strong competition from all players in the financial sector.



The Loan Portfolio decreased by \$207M, or 1.7%, to \$11.98B at the end of 2020. Loan demand was adversely affected by the pandemic. Of note is that the usual summer peak period for back-to-school and vacation loans was not realized. Most teaching has been conducted remotely since March of 2020 and thus the need for some of the usual items for students was greatly reduced. In addition, local and international vacations were severely curtailed because of restrictions imposed to control the spread of COVID-19.



REPORT OF THE TREASURER for the Year ended December 31, 2020

The Investment portfolio stood at \$3.9B at the end of 2020, an increase of \$1.6B from the end of the previous year. This was a reversal of the movement in the prior year, as 2020 saw a reduction in loan disbursement, resulting in an increase in liquid funds available for investment.

Members' Deposits grew by \$408M to \$6.0B, a 7.4% increase over the balance at the end of 2019. Voluntary Shares increased by \$559M, or 9.1%, to \$6.7B for the year. Members' direct contributions to savings via salary deductions continued throughout the year. For members who had disposable income for new investments, the credit union's rates on savings, term deposits and voluntary shares remained very competitive.

Net Surplus of \$397.9M was earned on revenues of \$1.8B, an increase over the surplus of \$377.6M and revenues of \$1.9B recorded in 2019.

SAVINGS

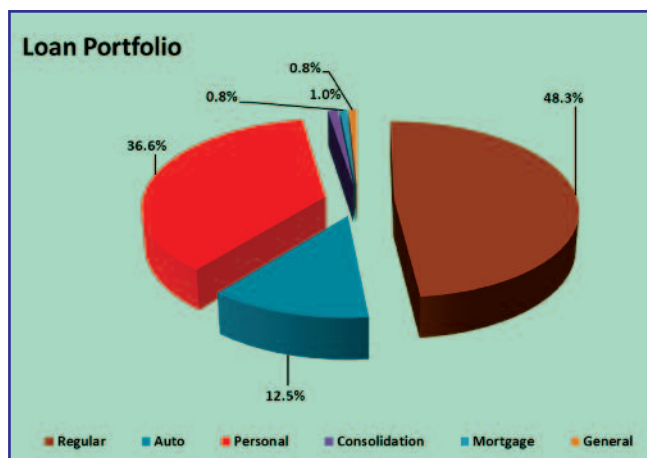
The credit union continues to offer savings products with highly competitive interest rates, including the long-term tax-free product, the Teacher Optimiser Plus. During the year, the various savings products were regularly reviewed to assess the rates and terms relative to the market and to our earning assets. The largest components are Voluntary Shares, Special Deposits and Golden Harvest, which represent 53%, 31% and 12% 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 at December 31, 2020 compared with 2019.

Product	2020 \$M	2019 \$M	Increase / (decrease) \$M
Voluntary Shares	6,733.3	6,174.5	558.8
Special Deposits	4,073.1	3,653.3	419.8
Golden Harvest	1,562.1	1,523.3	38.8
Other Deposits	317.9	368.2	-50.3
Total	12,686.4	11,719.3	967.1

LOAN PORTFOLIO

The credit union continued to maintain a diversified loan portfolio aimed at addressing the specific requirements of our members and undertook several initiatives during the year aimed at stimulating growth in the auto and mortgage loan segments. At the end of 2020, the proportion of our assets represented by loans moved from 81.2% in 2019 to 73.1% as loan disbursement was reduced and the asset base grew by \$1.4B. The composition of the loan portfolio is shown in the following table:

Loan Type	2020 \$M	2019 \$M	Increase/ (decrease) \$M
Regular Loan	5,890.9	6,022.5	-131.6
Auto Loan	1,530.1	1,451.6	78.5
Personal Loan	4,459.9	4,461.8	-1.9
Consolidation Loan	124.0	252.8	-128.8
Easi Loan/ Line of Credit	10.4	12.8	-2.4
Mortgage Loan	91.8	61.8	30.0
Others	85.9	89.6	-3.7





REPORT OF THE TREASURER for the Year ended December 31, 2020

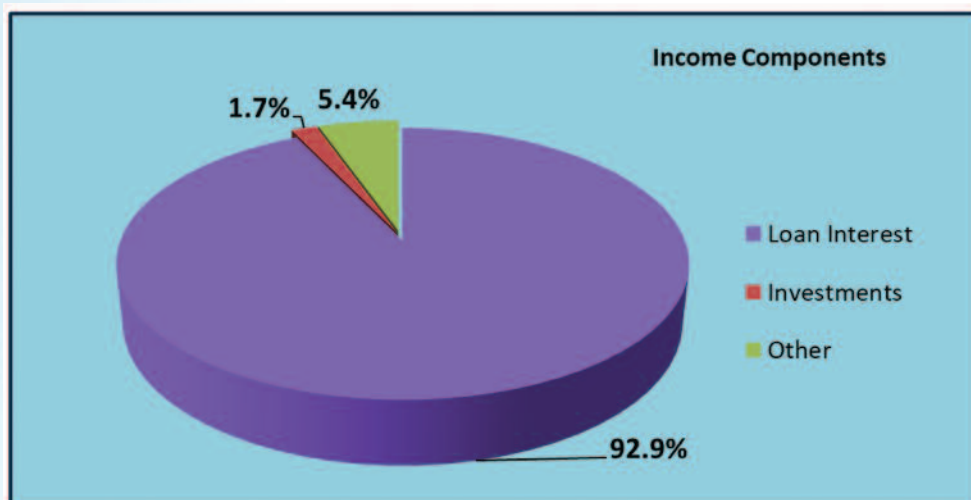
INCOME & EXPENDITURE

Interest income for the year was \$1.8B, an increase of \$77.6M or 4.6 %, over 2019. Our primary source of income is from the loan interest, which totalled \$1.68B in 2020. Investments contributed interest earnings of \$71.7M in the low interest rate environment referenced above. There was a loss of \$41M on our equity-based unit trust investments during the year, a result of the collapse of the stock market. Sustained

recovery of the financial market began towards the end of the third quarter of the year. Other Income of \$97.9M was earned primarily from fees, commission and bad debt recovery.

Operating expenses increased by \$23.8M, a 2.7% increase compared to a 7.4% increase the previous year. Some activities were curtailed because of the pandemic, resulting in reduced expenditure, and the Jamaica Cooperative Credit Union League reduced the rate of Stabilization Dues paid by credit unions.

The Operating Expense to Average Assets ratio for the year was 5.7%, well within the prudential standard of 8%.



Category	2020 \$M	2019 \$M	2018 \$M	Increase 2019-20	% Change 2020/2019	% Change 2019/2018
Personnel	422.9	396.9	373.5	23.4	6.5	6.3
Members' Security	90.3	84.1	75.2	8.9	7.3	11.9
General Expenses	300.7	303.1	249.5	53.6	-0.8	21.5
Affiliation	36.1	47.0	46.0	1.0	-23.1	2.1
Establishment	50.8	45.9	73.5	- 27.6	10.6	-37.5
Total Operating Expenses	900.8	877.0	817.7	59.3	2.7	7.3



REPORT OF THE TREASURER for the Year ended December 31, 2020

PRUDENTIAL STANDARDS

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 2020, Institutional Capital stood at \$2.5B, an increase of \$0.5B. Our Institutional Capital to Total Assets ratio was increased from 14% to 16%, well ahead 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.

The Credit Union's performance in 2020 was commendable despite the effects of the pandemic and the ongoing economic and financial challenges. We remain committed to serving our members and will continue to develop suitable initiatives to maximize the benefits to our members while seeking to preserve

the strength of our credit union and spur further growth.

ACKNOWLEDGEMENTS

It has been an honour and pleasure to serve the JTACCUL as Treasurer this year 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 bless this great organization.

Cyril Lebert
Treasurer



REPORT OF THE TREASURER

for the Year ended December 31, 2020

Appendix 1

PERFORMANCE IN 2020 & 2019 MEASURED BY PEARLS PRUDENTIAL STANDARDS

INDICATOR	STANDARD	2020-12-31	2019-12-31
PROTECTION	%	%	%
Provision for loan losses	100%	100%	100%
EFFECTIVE FINANCIAL STRUCTURE			
Net Loans / Total Assets	60%-80%	73.1%	81.2%
Total Savings / Total Assets	70%-80%	77.6%	78.1%
Institutional Capital / Total Assets	>8%	15.5%	13.6%
ASSET QUALITY			
Delinquent Loans > 30 days/ Total Loans	< 5%	3.46%	2.95%
Non-earning assets / Total Assets	< 7%	3.3%	3.5%
RATES OF RETURN & COST			
Operating Expense/Average Assets	< 8%	5.7%	6.1%
Net Income /Average Assets	to maintain capital ratio	2.5%	2.6%
LIQUIDITY			
Liquidity Reserves / Withdrawable Savings	> 10%	24.4%	13.5%
GROWTH			
Growth in Total Assets	> Inflation rate	9.2%	7.6%
Growth in Membership	=> 5%	1.7%	3.1%
Growth in Savings	> Inflation rate	8.3%	6.0%



JTA CO-OP CREDIT UNION LIMITED

Retired Members

you are special to us

*...that is why we give you above average returns
on your fixed deposit investments.*

EXTRA
0.75%
on your savings

When you invest with the JTA Co-op Credit Union you earn an extra 0.75% on your savings. Talk with us and let us show you how.



This is the time to
Be Your next Best!



922-2009, 618-1706, 922-9594



www.jtacreditunion.com



info@jtacreditunion.com



97a Church Street, Kingston, Jamaica. W.I.



2020 Annual Report



I N D E X

	Page
Independent Auditors' Report to the Registrar	43 - 45
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	46
Statement of Profit or Loss and Other Comprehensive Income	47
Statement of Changes of Equity	48
Statement of Cash Flows	49
Notes to the Financial Statements	50 - 117



Jamaica Teachers' Association Co-operative Credit Union Ltd.

2020 Annual Report



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

CHARITIES AUTHORITY, JAMAICA

Ministry of Industry, Investment, and Commerce

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
R233/450/04/20

April 23, 2021

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

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the financial year ended December 31, 2020.

The Annual General Meeting (AGM) must be convened under **Regulation 19, 21 and 25 a-f** of the Co-operative Societies (Amendment) Regulations, 2021. 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.

An AGM Protocol Documents developed by the Department should be used as a guide in preparing for the Meeting, along with the **Exceptions to Prohibition on Public Gathering Exceeding Specified Number of Persons** available to Societies under the Disaster Risk Management (Enforcement Measures) Order, 2021.

Kindly advise the Department of the date of the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

Lavern Gibson-Eccleston (Mrs.).
(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) 615-9083

MONTEGO BAY, ST. JAMES

10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913



2020 Annual Report



KPMG
Chartered Accountants
P.O. Box 436
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 46 to 117, which comprise the statement of financial position as at December 31, 2020, 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, 2020, 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 International Code of Ethics for Professional Accountants including International Independence Standards (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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R. Tarun Handa	Nigel R. Chambers	Wilbert A. Spence
Cynthia L. Lawrence	Nyssa A. Johnson	Rochelle N. Stephenson
Rajan Trehan	W. Gihan C. de Mel	Sandra A. Edwards
Norman O. Rainford		



2020 Annual Report



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)

Other Information (continued)

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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:



2020 Annual Report



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)

- 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.
- 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.

Chartered Accountants
Kingston, Jamaica

April 16, 2021




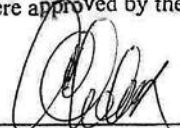
2020 Annual Report


JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED*(A Society Registered Under the Co-operative Societies Act)***Statement of Financial Position****December 31, 2020**

	<u>Notes</u>	<u>2020</u> \$'000	<u>2019</u> \$'000
ASSETS			
EARNING ASSETS			
Liquid assets	8	1,883,472	1,337,572
Resale agreements	9	1,124,138	196,906
Loans	10	11,981,497	12,189,034
Financial investments	11	854,037	751,977
Investment property	12	<u>7,636</u>	<u>7,910</u>
Total earning assets		<u>15,850,780</u>	<u>14,483,399</u>
NON-EARNING ASSETS			
Cash and cash equivalents	13	51,674	43,152
Other assets	14	109,513	74,865
Property, plant and equipment	15	145,303	142,853
Intangible assets	16	30,359	32,147
Employee benefits asset	17	181,702	202,030
Right-of-use assets	18(i)	<u>24,355</u>	<u>30,879</u>
Total non-earning assets		<u>542,906</u>	<u>525,926</u>
TOTAL ASSETS		<u>16,393,686</u>	<u>15,009,325</u>
LIABILITIES AND EQUITY			
INTEREST BEARING LIABILITIES			
Leases liabilities	18(ii)	18,156	23,722
Members' deposits	19	5,953,102	5,544,835
Members' voluntary shares	20	6,733,342	6,174,464
External credits	21	<u>1,324</u>	<u>1,769</u>
Total interest bearing liabilities		12,705,924	11,744,790
NON-INTEREST BEARING LIABILITY			
Other liabilities, being total non-interest bearing liability	22	<u>186,927</u>	<u>144,449</u>
TOTAL LIABILITIES		<u>12,892,851</u>	<u>11,889,239</u>
EQUITY			
Institutional capital	23	2,546,293	2,040,540
Non-institutional capital	24	<u>954,542</u>	<u>1,079,546</u>
TOTAL EQUITY		<u>3,500,835</u>	<u>3,120,086</u>
TOTAL LIABILITIES AND EQUITY		<u>16,393,686</u>	<u>15,009,325</u>

The financial statements on pages 46 to 117 were approved by the Board of Directors on April 15, 2021 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.



2020 Annual Report

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, 2020

	<u>Notes</u>	<u>2020</u> \$'000	<u>2019</u> \$'000
INTEREST INCOME, CALCULATED USING THE EFFECTIVE INTEREST METHOD			
Loans		1,678,149	1,621,162
Liquid assets, resale agreements and financial investments		<u>71,654</u>	<u>51,038</u>
		<u>1,749,803</u>	<u>1,672,200</u>
INTEREST EXPENSE			
Members' deposits		245,074	250,000
External credits		211	1,131
Members' voluntary shares		174,930	274,750
Lease liabilities	18(iii)	2,246	2,549
Other finance costs		<u>7,930</u>	<u>10,668</u>
		<u>430,391</u>	<u>539,098</u>
NET INTEREST INCOME		1,319,412	1,133,102
Impairment gains on liquid assets, resale agreements and financial investments		2,143	7,560
Impairment losses on loans, net of recoveries	10(c)	(79,704)	(95,171)
Net interest income after impairment gains and losses		1,241,851	1,045,491
Loss/(gain) on unit trust investments		(41,016)	133,071
Other income	25	<u>97,894</u>	<u>76,050</u>
NET INTEREST AND OTHER INCOME		<u>1,298,729</u>	<u>1,254,612</u>
OPERATING EXPENSES			
Staff costs	26	422,894	396,919
Other operating expenses	27	<u>477,902</u>	<u>480,130</u>
		<u>900,796</u>	<u>877,049</u>
SURPLUS FOR THE YEAR		<u>397,933</u>	<u>377,563</u>
OTHER COMPREHENSIVE INCOME			
Item that will never be reclassified to surplus or deficit			
Remeasurement of employee benefits asset	17(f)	(23,917)	26,548
Item that may be reclassified to surplus or deficit			
Change in fair value of debt instruments at fair value through other comprehensive income (FVOCI)		<u>10,478</u>	<u>8,850</u>
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME		<u>(13,439)</u>	<u>35,398</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>384,494</u>	<u>412,961</u>

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



2020 Annual Report

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

Statement of Changes in Equity December 31, 2020

Institutional capital			Non-institutional capital					
Notes	Permanent shares \$'000 [note 23(a)]	Statutory reserve \$'000 [note 23(b)]	Accumulated surplus \$'000 [note 24(a)]	Employee benefits reserve \$'000 [note 24(b)]	Fair value reserve \$'000 [note 24(c)]	Revaluation reserve \$'000 [note 24(e)]	Permanent share reserve \$'000 [note 24(f)]	Total \$'000
Restated balances at January 1, 2019	86,201	1,813,273	559,720	173,726	67,921	9,430	2,329	2,712,600
Total comprehensive income for the year	-	-	377,563	-	-	-	-	377,563
Other comprehensive income:								
Remeasurement of employee benefits asset	17(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	23	-	(140,646)	-	-	-	-	-
Dividends	28	-	(5,895)	-	-	-	-	(5,895)
Entrance fees	23	-	-	-	-	-	-	11
Balances at December 31, 2019	86,610	1,953,930	788,986	202,030	76,771	9,430	2,329	3,120,086
Total comprehensive income for the year		-	397,933	-	-	-	-	397,933
Other comprehensive loss:								
Remeasurement of employee benefits asset	17(f)	-	(23,917)	-	-	-	-	(23,917)
Change in fair value of debt instruments at FVOCI		-	-	-	10,478	-	-	10,478
Total other comprehensive loss		-	(23,917)	-	10,478	-	-	(13,439)
Total comprehensive income for the year		-	374,016	-	10,478	-	-	384,494
Issue of permanent shares	527	-	-	-	-	-	-	527
Transfer to employee benefits asset reserve	-	-	20,328	(20,328)	-	-	-	-
Transfer to statutory reserve:								
From current year surplus	23	-	(205,032)	-	-	-	-	-
From prior year undistributed surplus	23	-	(300,186)	-	-	-	-	-
Dividends	28	-	(4,280)	-	-	-	-	(4,280)
Entrance fees	23	-	-	-	-	-	-	8
Balances at December 31, 2020	87,137	2,459,156	673,832	181,702	87,249	9,430	2,329	3,500,835

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



2020 Annual Report

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

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

Statement of Cash Flows

December 31, 2020

	<u>Notes</u>	<u>2020</u> \$'000	<u>2019</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		397,933	377,563
Adjustments for:			
Interest income		(1,749,803)	(1,672,200)
Interest expense		428,145	536,549
Interest expense on lease liabilities	18(iii)	2,246	2,549
Depreciation	12,15	17,227	16,315
Amortisation	16	7,335	6,780
Depreciation - right-of-use assets	18	17,927	7,720
Impairment gain on liquid assets, resale agreement and financial investments		(2,143)	(7,560)
Impairment losses on loans, net of recoveries	10(c)	79,704	95,171
Employee benefits asset	17(e)	<u>11,645</u>	<u>13,531</u>
Operating cash flows before movements in working capital		(789,784)	(623,582)
Changes in operating assets and liabilities			
Loans		127,833	(1,793,229)
Other assets		(24,002)	3,247
Pension contributions	17(b)	(15,234)	(15,287)
Members' deposits		408,267	255,521
Members' voluntary shares		558,878	408,326
Other liabilities		<u>41,466</u>	(34,188)
		307,424	(1,799,192)
Interest received		1,739,157	1,689,941
Interest paid		(427,133)	(535,627)
Net cash generated from /(used by) operating activities		<u>1,619,448</u>	(644,878)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15	(19,403)	(16,584)
Purchase of intangible asset	16	(5,547)	(4,800)
Liquid assets		(531,806)	(502,060)
Resale agreements		(928,312)	1,423,350
Financial investments		(91,703)	(243,230)
Net cash (used)/provided by investing activities		<u>(1,576,771)</u>	<u>656,676</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Permanent shares (net)		527	409
External credit		(445)	(715)
Dividends paid	28	(4,280)	(5,895)
Entrance fees		8	11
Payment of lease liabilities	18(iv)	(19,215)	(17,426)
Net cash used by financing activities		<u>(23,405)</u>	<u>(23,616)</u>
Net increase/(decrease) in cash and cash equivalents		19,272	(11,818)
Cash and cash equivalents at beginning of year		<u>45,790</u>	<u>57,608</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	13(a)	<u>65,062</u>	<u>45,790</u>

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



2020 Annual Report

JAMAICA TEACHERS' ASSOCIATION CO-OPERATIVE CREDIT UNION LIMITED

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

Notes to the Financial Statements

December 31, 2020

1. Identification

Jamaica Teachers' Association Co-operative Credit Union Limited ("Co-operative") is incorporated and domiciled in 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 23(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. Basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with the relevant provisions of the Co-operative Societies Act.

New and amended standards adopted during the year

Certain new and amended standards which were in issue came into effect during the year. The adoption of those standards did not have any impact on the amounts recognised or disclosures in the financial statements.



2020 Annual Report

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, 2020

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Co-operative has not early-adopted. The Co-operative has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IFRS 16 *Leases* is effective for annual reporting periods beginning on or after June 1, 2020, with early application permitted. It provides guidance for COVID-19 related rent concessions.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2022; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.



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, 2020

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet effective (continued):

- Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022.
 - (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
 - (ii) IFRS 16 *Leases* amendments removes the illustration of payments from the lessor relating to leasehold improvements.
 - (iii) The amendments to IAS 41 *Agriculture* remove the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*.



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, 2020

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that an entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The Co-operative does not expect these amendments to have a significant impact on its financial statements when they become effective.

(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 7. 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 4(d)(ii).



2020 Annual Report

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, 2020

3. 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. 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.

(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



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

- 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.

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;



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, 2020

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

- 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.

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).



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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.

(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.



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(iii) Derecognition (continued)

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.

(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 less any expected credited loss allowance.

(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.



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vi) Specific financial instruments (continued)

(2) Resale agreements (continued)

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.

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 instruments 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 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.



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(a) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

The Co-operative considers a debt 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.



2020 Annual Report

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, 2020

4. 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 instruments 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, 2020

4. 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.



2020 Annual Report

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, 2020

4. 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 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.



2020 Annual Report

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, 2020

4. 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.



2020 Annual Report

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, 2020

4. 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 26(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, 2020

4. 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

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.

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, 2020

4. 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 surplus or deficit 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.



2020 Annual Report

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, 2020

4. 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'.

(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 and 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.

(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.



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, 2020

4. Significant accounting policies (continued)

(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.

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.



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(i) Revenue recognition (continued)

(i) Interest income (continued)

Effective interest rate (continued)

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 amount.

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:



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(i) Revenue recognition (continued)

(ii) Fees and commission (continued)

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15.
Service fees	<p>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.</p> <p>Transaction-based fees such as credit bureau fees are charged to the members' accounts when the transaction takes place.</p> <p>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.</p>	<p>Revenue related to transactions is recognised at the point in time when the transaction takes place.</p> <p>Service fees are recognised at the point in time when the service is delivered.</p>

(iii) Dividends

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

(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.



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(j) Interest expense (continued)

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%.

(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.



2020 Annual Report

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, 2020

4. Significant accounting policies (continued)

(n) Impairment of non-financial assets (continued)

(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.

5. 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, 2020

5. 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.

6. 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.



2020 Annual Report

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, 2020

6. 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, 2020

6. 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.



2020 Annual Report

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, 2020

6. 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.

	2020 \$'000			
	Stage 1	Stage 2	Stage 3	Total
Performing	11,769,699	204,051	-	11,973,750
Non-performing	-	-	219,066	219,066
	11,769,699	204,051	219,066	12,192,816
Allowance for impairment losses	(70,749)	(6,166)	(134,404)	(211,319)
Carrying amount	<u>11,698,950</u>	<u>197,885</u>	<u>84,662</u>	<u>11,981,497</u>
	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	<u>11,840,644</u>	<u>226,078</u>	<u>122,312</u>	<u>12,189,034</u>

(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.



2020 Annual Report

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, 2020

6. 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.

	2020 \$'000 Stage 1	2019 \$'000 Stage 1
Financial investments at FVOCI		
Non-investment grade, being total gross carrying amount	<u>219,750</u>	<u>206,929</u>
Loss allowance	<u>708</u>	<u>865</u>
Financial investments at amortised cost		
Non-investment grade	38,469	37,104
Loss allowance	(352)	(939)
Carrying amount	<u>38,117</u>	<u>36,165</u>
Resale agreements at amortised cost		
Non-investment grade	1,125,299	196,987
Loss allowance	(1,161)	(81)
Carrying amount	<u>1,124,138</u>	<u>196,906</u>

(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.



2020 Annual Report

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, 2020

6. 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:

	<u>2020</u> \$'000	<u>2019</u> \$'000
	Stage 1	Stage 1
Total gross carrying amount	1,833,576	1,341,020
Loss allowance	(104)	(3,448)
Carrying amount	<u>1,833,472</u>	<u>1,337,572</u>

(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.



2020 Annual Report

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, 2020

6. **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

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Against past due but not impaired financial assets		
Properties	143,444	386,770
Shares and deposits	71,469	68,152
Liens on motor vehicles	<u>28,980</u>	<u>30,602</u>
	<u>243,893</u>	<u>485,524</u>
Impaired financial assets		
Properties	224,208	11,500
Shares and deposits	48,421	34,028
Liens on motor vehicles	<u>18,168</u>	<u>20,258</u>
	<u>290,797</u>	<u>65,786</u>
Total	<u>534,690</u>	<u>551,310</u>

(vi) **Impairment**

Inputs, assumptions and techniques used for estimating impairment

See accounting policy at note 4(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.



2020 Annual Report

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, 2020

6. 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.



2020 Annual Report

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, 2020

6. 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;



2020 Annual Report

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, 2020

6. 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, 2020

6. 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, 2020 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 properties, 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.



2020 Annual Report

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, 2020

6. 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:

	2020			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Loans				
Balances at January 1, 2020	56,315	5,754	109,076	171,145
New financial assets originated or				
Purchased Recognised During the Year	43,174	1,943	19,305	64,422
Transfer from Stage 1 to Stage 2	-	469	-	469
Transfer from Stage 2 to Stage 3	-	-	161	161
Transfer from Stage 1 to Stage 3	-	-	173	173
Transfer from Stage 2 to Stage 1	3,170	-	-	3,170
Transfer from Stage 3 to Stage 2	-	24,339	-	24,339
Financial assets derecognised during the period	(31,910)	(26,339)	5,689	(52,560)
Balances at December 31, 2020	<u>70,749</u>	<u>6,166</u>	<u>134,404</u>	<u>211,319</u>



2020 Annual Report

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, 2020

6. **Financial risk management (continued)**

(b) **Credit risk (continued)**

Credit review process (continued)

(vi) **Impairment (continued)**

Loss allowance (continued)

	2019			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Loans				
Balances at January 1, 2019	74,973	8,547	94,520	178,040
New financial assets originated or Purchased Recognised 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	<u>56,315</u>	<u>5,754</u>	<u>109,076</u>	<u>171,145</u>
			2020	2019
			\$'000	\$'000
Financial investments			Stage 1	Stage 1
Balance at January 1			939	1,217
Recognised during the year			<u>121</u>	(278)
Balance at December 31			<u>1,060</u>	<u>939</u>
Resale agreements				
Balance at January 1			81	8,123
Recognised during the year			<u>1,080</u>	(8,042)
Balance at December 31			<u>1,161</u>	<u>81</u>
Liquid assets				
Balance at January 1			3,448	2,831
Recognised during the year			(3,344)	<u>617</u>
Balance at December 31			<u>104</u>	<u>3,448</u>

(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.



2020 Annual Report

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, 2020

6. 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:

	<u>2020</u> \$'000	<u>2019</u> \$'000
Construction and real estate	820,058	113,311
Education	2,198	7,260
Personal	6,166,303	8,102,243
Motor vehicle	1,581,060	1,519,733
General	<u>3,623,197</u>	<u>2,617,632</u>
	12,192,816	12,360,179
Less: Allowance for impairment losses	(<u>211,319</u>)	(<u>171,145</u>)
	<u>11,981,497</u>	<u>12,189,034</u>

Debt securities

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

	<u>2020</u> \$'000	<u>2019</u> \$'000
Government of Jamaica	211,182	198,257
Financial institutions	<u>1,125,299</u>	<u>196,987</u>
	1,336,481	395,244
Less: Allowance for impairment losses	(<u>1,161</u>)	(<u>81</u>)
	<u>1,335,320</u>	<u>395,163</u>

(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, 2020

6. **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, 2020 was approximately 24% (2019: 13%) 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 risk during the year.



2020 Annual Report

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, 2020

6. **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, 2020						
Lease liabilities	-	9,239	10,577	-	19,816	18,156
Members' deposits	4,329,039	354,011	1,311,377	209,400	6,203,827	5,953,102
Members' voluntary shares	6,733,342	-	-	-	6,733,342	6,733,342
External credits	-	-	275	1,458	1,733	1,324
Other liabilities	186,927	-	-	-	186,927	186,927
Total financial liabilities	11,249,308	363,250	1,322,229	210,858	13,145,645	12,892,851
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

(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\$.



2020 Annual Report

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, 2020

6. 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:

	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Liquid assets - earning	8	20
Resale agreements	399	369
Financial investments	<u>310</u>	<u>310</u>
	<u>717</u>	<u>699</u>

The exchange rate of the US\$ to the J\$ at the reporting date was US\$1.00 to J\$140.7687 (2019: J\$129.78).

Foreign currency sensitivity

The effect of a 6% (2019: 6%) 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\$6,056,000 (2019: J\$5,443,000). A 2% (2019: 4%) weakening in the exchange rate would, on the same basis, have resulted in a decrease in surplus of J\$2,018,000 (2019: J\$3,629,000).

(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.



2020 Annual Report

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, 2020

6. 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.

	2020					
	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	-	-	-	-	51,674	51,674
Liquid assets	544,525	1,338,947	-	-	-	1,883,472
Resale agreements	790,115	334,023	-	-	-	1,124,138
Financial investments	28,984	-	-	219,503	605,550	854,037
Loans	34,440	115,479	5,403,067	6,428,511	-	11,981,497
Other assets	-	-	-	-	109,513	109,513
Total assets	<u>1,398,064</u>	<u>1,788,449</u>	<u>5,403,067</u>	<u>6,648,014</u>	<u>766,737</u>	<u>16,004,331</u>
Liabilities						
Lease liabilities	-	9,239	8,917	-	-	18,156
Members' deposits	4,178,268	333,642	1,239,934	201,258	-	5,953,102
Members' voluntary shares	6,733,342	-	-	-	-	6,733,342
External credits	-	-	63	1,261	-	1,324
Other liabilities	-	-	-	-	186,927	186,927
Total liabilities	<u>10,911,610</u>	<u>342,881</u>	<u>1,248,914</u>	<u>202,519</u>	<u>186,927</u>	<u>12,892,851</u>
Total interest sensitivity gap	<u>(9,513,546)</u>	<u>1,445,568</u>	<u>4,154,153</u>	<u>6,445,495</u>	<u>579,810</u>	<u>3,111,480</u>
Cumulative interest rate sensitivity gap	<u>(9,513,546)</u>	<u>(8,067,978)</u>	<u>(3,913,825)</u>	<u>2,531,670</u>	<u>3,111,480</u>	<u>-</u>



2020 Annual Report

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, 2020

6. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2019					Total \$'000
	Within 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'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	<u>534,564</u>	<u>1,177,331</u>	<u>5,305,722</u>	<u>6,931,491</u>	<u>644,398</u>	<u>14,593,506</u>
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	<u>10,073,041</u>	<u>325,296</u>	<u>1,142,746</u>	<u>203,707</u>	<u>144,449</u>	<u>11,889,239</u>
Total interest rate sensitivity gap	<u>(9,538,477)</u>	<u>852,035</u>	<u>4,162,976</u>	<u>6,727,784</u>	<u>499,949</u>	<u>2,704,267</u>
Cumulative interest rate sensitivity gap	<u>(9,538,477)</u>	<u>(8,686,442)</u>	<u>(4,523,466)</u>	<u>2,204,318</u>	<u>2,704,267</u>	<u>-</u>

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.



2020 Annual Report

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, 2020

6. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity (continued)

	2020		2019	
	Effect on surplus \$'000	Effect on equity \$'000	Effect on surplus \$'000	Effect on equity \$'000
Change in basis points:				
- 100 (2019: - 100)	(297)	7,875	(297)	8,013
+ 100 (2019: + 100)	<u>297</u>	<u>(8,665)</u>	<u>297</u>	<u>(8,874)</u>

	2020				
	Within 3 months %	3 to 12 months %	1 to 5 years %	Over 5 years %	Weighted average %
Loans	16.76	11.65	13.17	14.13	13.44
Liquid assets	3.86	0.74	-	-	1.64
Resale agreements	3.09	3.15	-	-	3.11
Financial investments	2.70	-	-	6.25	5.83
Members' deposits	3.61	6.11	5.76	4.05	4.26
External credits	<u>-</u>	<u>-</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
	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	<u>-</u>	<u>-</u>	<u>7.96</u>	<u>8.00</u>	<u>7.97</u>

(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.



2020 Annual Report

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, 2020

6. 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 15% (2019: 14%) which is in compliance with the requirements.



2020 Annual Report

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, 2020

6. 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.

	2020		2019	
	<u>Actual</u> \$'000	<u>Required</u> \$'000	<u>Actual</u> \$'000	<u>Required</u> \$'000
Total regulatory capital	<u>2,546,293</u>	<u>1,311,495</u>	<u>2,040,540</u>	<u>1,200,746</u>
Total capital ratio	<u>16%</u>	<u>8%</u>	<u>14%</u>	<u>8%</u>

7. 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.



2020 Annual Report

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, 2020

7. 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 amount of financial assets measured at fair value, 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 amount is a reasonable approximate of fair value.

	2020					
	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	219,750	596,878	816,628	816,628	-	816,628
Liquid assets	-	1,333,635	1,333,635	1,333,635	-	1,333,635
	<u>219,750</u>	<u>1,930,513</u>	<u>2,150,263</u>	<u>2,150,263</u>	<u>-</u>	<u>2,150,263</u>
	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
	<u>206,929</u>	<u>1,566,368</u>	<u>1,773,297</u>	<u>1,754,670</u>	<u>18,627</u>	<u>1,773,297</u>

There were no transfers between levels during the year.



2020 Annual Report

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, 2020

7. 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Prices of bonds at reporting date as quoted by broker/dealer
Units in unit trusts	<ul style="list-style-type: none"> Obtain prices quoted by unit trust managers
Unquoted equities	<ul style="list-style-type: none"> Net asset valuation method

8. Liquid assets

	<u>2020</u> \$'000	<u>2019</u> \$'000
Earning assets at amortised cost:		
Deposits		
National Commercial Bank Jamaica Limited	-	1,532
JMMB Bank Jamaica Limited	531,241	274,109
JCCUL - Cuets settlements	5,312	5,256
Savings account balances		
The Bank of Nova Scotia Jamaica Limited [note 13(a)]	<u>13,388</u>	<u>2,638</u>
	549,941	283,535
Financial assets at fair value through profit or loss		
Units in unit trust funds:		
JCCUL - Cumax money market fund	<u>1,333,635</u>	<u>1,057,485</u>
	1,883,576	1,341,020
Less: Allowance for impairment losses [note 6(b)(vi)]	(<u>104</u>)	(<u>3,448</u>)
	<u>1,883,472</u>	<u>1,337,572</u>



2020 Annual Report

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, 2020

9. 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.

	<u>2020</u> \$'000	<u>2019</u> \$'000
Principal	1,125,299	196,987
Less: Allowance for impairment [note 6(b)(vi)]	(1,161)	(81)
	<u>1,124,138</u>	<u>196,906</u>

The fair value of the underlying securities used to collateralise the resale agreements was \$1,410,556,000 (2019: \$206,875,000).

10. Loans

	<u>2020</u> \$'000	<u>2019</u> \$'000
Balance at beginning of year	12,189,034	10,669,016
Add: disbursements and transfers	<u>3,414,739</u>	<u>5,061,804</u>
	15,603,773	15,730,820
Less: repayments and transfers	(3,410,957)	(3,370,641)
	12,192,816	12,360,179
Less: allowance for impairment losses [note 6(b)(vi)]	(211,319)	(171,145)
	<u>11,981,497</u>	<u>12,189,034</u>

The amounts are expected to be recovered as follows:

	<u>2020</u> \$'000	<u>2019</u> \$'000
Within 12 months	149,919	149,188
Over 12 months	<u>11,831,578</u>	<u>12,039,846</u>
	<u>11,981,497</u>	<u>12,189,034</u>



2020 Annual Report

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, 2020

10. Loans (continued)

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

	<u>2020</u> \$'000	<u>2019</u> \$'000
Neither past due nor impaired	11,437,675	11,140,199
Past due but not impaired:		
Less than 2 months	445,992	976,195
2 to 3 months	92,017	89,334
	<u>538,009</u>	<u>1,065,529</u>
Individually impaired	<u>217,132</u>	<u>154,451</u>
	12,192,816	12,360,179
Less: Allowance for impairment losses [note 6(b)(vi)]	(211,319)	(171,145)
	<u>11,981,497</u>	<u>12,189,034</u>

(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:

2020						
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	389	445,993	222,369	223,624	-	-
2 - 3 months	62	92,018	27,296	64,722	9,202	10
4 - 6 months	110	92,069	50,248	41,821	27,621	30
7 - 12 months	102	110,354	37,936	72,418	66,212	60
13 months and over	23	14,710	5,585	9,125	14,710	100
	<u>686</u>	<u>755,144</u>	<u>343,434</u>	<u>411,710</u>	<u>117,745</u>	
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
	<u>1,450</u>	<u>1,219,980</u>	<u>667,551</u>	<u>552,429</u>	<u>78,025</u>	

The interest in respect of non-performing loans which had not been recognised in the surplus for the year was \$10,977,000 (2019: \$13,766,000). Loans on which interest is suspended amounted to \$217,132,000 (2019: \$154,451,000).



2020 Annual Report

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, 2020

10. Loans (continued)

(c) Allowance for impairment

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

	<u>2020</u> \$'000	<u>2019</u> \$'000
Balance at January 1	171,145	178,040
Charged to surplus during the year	79,704	95,171
Amounts written off during the year	(39,530)	(102,066)
	<u>211,319</u>	<u>171,145</u>

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 24(d)].

11. Financial investments

	<u>2020</u> \$'000	<u>2019</u> \$'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	3,200
Government of Jamaica securities:		
Benchmark Investment Notes	140,151	136,521
Global bonds	<u>70,927</u>	<u>61,736</u>
	<u>219,750</u>	<u>206,929</u>
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	40,212	41,354
Units held with Barita Investments Limited	464,026	405,511
Units held with Sagicor Investments Limited	<u>82,685</u>	<u>52,063</u>
	<u>596,878</u>	<u>508,883</u>
Sub-total carried forward	<u>816,628</u>	<u>715,812</u>



2020 Annual Report

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, 2020

11. Financial investments (continued)

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Sub-total brought forward	<u>816,628</u>	<u>715,812</u>
Investment securities at amortised cost		
JCCUL - Mortgage funds [note (e)]:	9,050	8,826
The Victoria Mutual Building Society Mortgage deposit	<u>29,419</u>	<u>28,278</u>
	38,469	37,104
Less: Allowance for impairment losses [note 6(b)(vi)]	<u>(1,060)</u>	<u>(939)</u>
	<u>37,409</u>	<u>36,165</u>
	<u>854,037</u>	<u>751,977</u>

The amounts are due to be recovered as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Within 12 months	616,238	535,980
Over 12 months	<u>237,799</u>	<u>215,997</u>
	<u>854,037</u>	<u>751,977</u>

- (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.

12. Investment property

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost		
At beginning and at end of year	<u>12,816</u>	<u>12,816</u>
Depreciation		
At beginning of year	4,906	4,632
Charge for the year	<u>274</u>	<u>274</u>
At end of year	<u>5,180</u>	<u>4,906</u>
Carrying amount	<u>7,636</u>	<u>7,910</u>



2020 Annual Report

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, 2020

12. Investment property (continued)

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

<u>Date of valuation</u>	<u>Surveyor</u>	<u>Location of property</u>	<u>Fair value</u>
November 28, 2019	Oliver's Property Services	North Street	<u>\$33.0M</u>
August 18, 2020	Oliver's Property Services	May Pen Shop #26	<u>\$ 6.0M</u>
November 12, 2016	Oliver's Property Services	May Pen Shop #25	<u>\$ 5.5M</u>

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
<p>Market based approach. This model takes into account:</p> <ul style="list-style-type: none"> • 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 sale (hypothetical); • The property will be freely exposed to the market; and • Potential rental value of the property in the current investment climate. 	<ul style="list-style-type: none"> • 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. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • 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 \$859,000 (2019: \$1,225,000) (see note 25). Direct operating expenses arising from the properties during the year amounted to Nil (2019: \$112,900).



2020 Annual Report

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, 2020

13. Cash and cash equivalents

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash in hand	4,428	2,699
Bank balances	<u>47,246</u>	<u>40,453</u>
	<u>51,674</u>	<u>43,152</u>

(a) Cash and cash equivalents in the statement of cash flows is represented by:

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances (above)	51,674	43,152
Liquid assets – savings account balances (note 8)	<u>13,388</u>	<u>2,638</u>
	<u>65,062</u>	<u>45,790</u>

(b) At the reporting date, cash and cash equivalents included amounts totaling \$4,365,000 (2019: \$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 22).

14. Other assets

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Deposits and prepayments (i)	30,221	27,600
Interest receivable	52,189	41,543
Sundry receivables	<u>27,103</u>	<u>5,722</u>
	<u>109,513</u>	<u>74,865</u>

(i) Deposits and prepayments include the sum of \$6,665,000 (2019: \$2,707,000) which represents deposits on property, plant and equipment (see note 32).



2020 Annual Report

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, 2020

15. Property, plant and equipment

	Freehold land \$'000	Buildings \$'000	Leasehold improvements \$'000	Office furniture and equipment \$'000	Total \$'000
Cost					
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
Additions	-	578	3,516	15,309	19,403
Disposals	-	-	-	(1,282)	(1,282)
December 31, 2020	<u>3,381</u>	<u>83,042</u>	<u>63,370</u>	<u>218,886</u>	<u>368,679</u>
Depreciation					
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	-	<u>14,678</u>	<u>33,089</u>	<u>159,938</u>	<u>207,705</u>
Charge for the year	-	2,075	4,608	10,270	16,953
Disposals	-	-	-	(1,282)	(1,282)
December 31, 2020	-	<u>16,753</u>	<u>37,697</u>	<u>168,926</u>	<u>223,376</u>
Net book values					
December 2020	<u>3,381</u>	<u>66,289</u>	<u>25,673</u>	<u>49,960</u>	<u>145,303</u>
December 2019	<u>3,381</u>	<u>67,786</u>	<u>26,765</u>	<u>44,921</u>	<u>142,853</u>
December 2018	<u>3,381</u>	<u>69,848</u>	<u>29,017</u>	<u>40,064</u>	<u>142,310</u>



2020 Annual Report

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, 2020

16. Intangible assets

	Software rights \$'000
Cost	
December 31, 2018	63,004
Additions	<u>4,800</u>
December 31, 2019	67,804
Additions	<u>5,547</u>
December 31, 2020	<u>73,351</u>
Amortisation	
December 31, 2018	28,877
Charge for the year	<u>6,780</u>
December 31, 2019	35,657
Charge for the year	<u>7,335</u>
December 31, 2020	<u>42,992</u>
Net book values	
December 31, 2020	<u>30,359</u>
December 31, 2019	<u>32,147</u>
December 31, 2018	<u>34,127</u>

17. 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 employees 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:

	<u>2020</u> \$'000	<u>2019</u> \$'000
Present value of funded obligations (note c)	(935,930)	(853,236)
Fair value of plan assets [note d(i)]	<u>1,117,632</u>	<u>1,055,266</u>
Asset in the statement of financial position	<u>181,702</u>	<u>202,030</u>

- (b) Movement in the amounts recognised in the statement of financial position

	<u>2020</u> \$'000	<u>2019</u> \$'000
Balance at beginning of year	202,030	173,726
Contributions paid	15,234	15,287
Pension expense recognised in surplus	(11,645)	(13,531)
Remeasurement recognised in other comprehensive income	<u>(23,917)</u>	<u>26,548</u>
Balance at end of year	<u>181,702</u>	<u>202,030</u>



2020 Annual Report

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, 2020

17. Employee benefits asset (continued)

(c) Movement in the present value of funded obligations

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	853,236	801,140
Service costs	19,800	19,701
Interest cost	63,544	55,213
Employees' contributions	13,246	13,397
Benefits paid	(25,202)	(38,154)
Actuarial losses/(gains) arising from:		
Experience adjustments	21,245	22,827
Changes in financial assumptions	(9,939)	(28,576)
Changes in demographic assumptions	-	7,688
Balance at end of year	<u>935,930</u>	<u>853,236</u>

(d) (i) Movement in fair value of pension plan assets

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Fair value of plan assets at beginning of year	1,055,266	974,866
Employees' contribution	13,246	13,397
Employer's contribution	15,234	15,287
Interest income	79,268	67,909
Benefits paid	(25,202)	(38,154)
Administrative expenses	(7,569)	(6,526)
Actuarial (losses)/gains	(12,611)	28,487
Fair value of plan assets at end of year	<u>1,117,632</u>	<u>1,055,266</u>

(ii) Plan assets consist of the following

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Quoted equities	227,465	256,258
Real estate investment trust	12,188	11,036
Government of Jamaica securities	349,698	352,143
Resale agreements	23,126	45,861
Investment in property	271,084	235,025
Global bonds	176,674	49,616
USD certificates of deposit	32,221	30,186
Units in Unit Trust	47,166	125,614
Other	(21,990)	(50,473)
	<u>1,117,632</u>	<u>1,055,266</u>



2020 Annual Report

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, 2020

17. Employee benefits asset (continued)

(e) Expense recognised in surplus

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Current service cost	19,800	19,701
Interest cost on obligation	63,544	55,213
Interest income on plan assets	(79,268)	(67,909)
Administrative expenses	<u>7,569</u>	<u>6,526</u>
Net pension expense included in staff costs [note 26]	<u>11,645</u>	<u>13,531</u>

(f) Amounts recognised in other comprehensive income

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Remeasured losses on obligation	11,306	1,939
Remeasured losses/(gains) on plan assets	<u>12,611</u>	<u>(28,487)</u>
	<u>23,917</u>	<u>(26,548)</u>

(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 \$25.23 million (2019: \$22,930,000).

(h) The principal actuarial assumptions (expressed as weighted averages) used were as follows:

	<u>2020</u>	<u>2019</u>
Discount rate	9.0%	7.5%
Expected future salary increases	6.5%	5.0%
Expected future pension increases	<u>4.5%</u>	<u>3.0%</u>

(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.

	<u>2020</u>		<u>2019</u>	
	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>
	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Discount rate	160,985	(126,370)	154,058	(120,103)
Future salary increases	(43,953)	50,801	(45,043)	52,217
Future pension increases	<u>(81,723)</u>	<u>95,746</u>	<u>(74,618)</u>	<u>87,383</u>



2020 Annual Report

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, 2020

17. Employee benefits asset (continued)

(j) Liability duration

	<u>2020</u> Years	<u>2019</u> Years
Active members	19.3	20.1
Deferred pensioners	17.8	16.6
Retirees	8.7	8.9
All participants	<u>15.9</u>	<u>16.4</u>

- (k) The estimated pension contributions expected to be paid into the plan during the next financial year is \$15,090,000 (2019: \$14,850,000).

18. 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.

	<u>2020</u> \$'000	<u>2019</u> \$'000
Balance at January 1	30,879	38,599
New right of use assets	11,403	-
Depreciation charge for the year	(17,927)	(7,720)
Balance at December 31	<u>24,355</u>	<u>30,879</u>

(ii) *Lease liabilities:*

Undiscounted cashflows of lease liabilities

	<u>2020</u> \$'000	<u>2019</u> \$'000
Less than one year	9,409	17,230
One to five years	<u>12,418</u>	<u>8,238</u>
Total undiscounted lease liabilities	21,827	25,468
Discount	(3,671)	(1,746)
Carrying amount of lease liabilities	<u>18,156</u>	<u>23,722</u>



2020 Annual Report

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, 2020

18. Leases (continued)

Leases as lessee (IFRS 16)

(iii) Amounts recognised in profit or loss

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Interest on lease liabilities	<u>2,246</u>	<u>2,549</u>

(iv) Amounts recognised in statement of cash flows

Total cash outflow for leases	<u>19,215</u>	<u>17,426</u>
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(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.

19. Members' deposits

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Ordinary deposits		
At beginning of year	292,939	329,218
Add: savings and interest	<u>519,498</u>	<u>578,951</u>
	812,437	908,169
Less: withdrawals and transfers	<u>(494,581)</u>	<u>(615,230)</u>
At end of year	317,856	292,939
Golden Harvest Plan	1,562,060	1,523,309
Special fixed deposits	<u>4,073,186</u>	<u>3,728,587</u>
	<u>5,953,102</u>	<u>5,544,835</u>

The amounts are due to be settled as follows:

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Within 12 months	4,511,910	4,207,935
Over 12 months	<u>1,441,192</u>	<u>1,336,900</u>
	<u>5,953,102</u>	<u>5,544,835</u>



2020 Annual Report

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, 2020

20. Members' voluntary shares

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
At beginning of year	6,174,464	5,766,138
Add: Savings	1,730,604	1,657,442
Interest	<u>174,930</u>	<u>274,750</u>
	8,079,998	7,698,330
Less: withdrawals and transfers	<u>(1,346,656)</u>	<u>(1,523,866)</u>
At end of year	<u>6,733,342</u>	<u>6,174,464</u>

21. External credits

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
JCCUL: Mortgage loans	<u>1,324</u>	<u>1,769</u>

The loans from the JCCUL are secured by registered titles. Interest is repayable at 8% (2019: 7½% to 8%) per annum on the reducing balance method.

The amounts are due to be settled as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Over 12 months	<u>1,324</u>	<u>1,769</u>

22. Other liabilities

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Accrued charges	59,664	36,219
Interest payable	16,183	15,172
Withholding tax	5,122	5,196
Ministry of Education, Youth & Information refunds [note 13(b)]	4,365	3,880
JTA Housing savings deposits	8,111	8,108
Youth savings deposits	3,987	3,902
Insurance	12,731	11,374
Other payables	<u>76,764</u>	<u>60,598</u>
	<u>186,927</u>	<u>144,449</u>

23. Institutional capital

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Members' permanent shares (a)	<u>87,137</u>	<u>86,610</u>
Statutory reserve (b)		
Balance at beginning of year	1,953,930	1,813,273
Transfer from current year surplus	205,032	140,646
Transfer from prior year undistributed surplus	300,186	-
Entrance fees	<u>8</u>	<u>11</u>
Balance at end of year	<u>2,459,156</u>	<u>1,953,930</u>
	<u>2,546,293</u>	<u>2,040,540</u>



2020 Annual Report

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, 2020

23. 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, 2020, an additional amount was transferred from undistributed surplus, so as to maintain a statutory reserve of 15% (2019: 13%) of total assets, as agreed at the Annual General Meeting.

24. Non-institutional capital

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
(a) Accumulated surplus	673,832	788,986
(b) Employee benefits asset reserve	181,702	202,030
(c) Fair value reserve	87,249	76,771
(d) Loan loss reserve [note 10(c)]	-	-
(e) Revaluation reserve	9,430	9,430
(f) Permanent share reserve	<u>2,329</u>	<u>2,329</u>
	<u>954,542</u>	<u>1,079,546</u>

(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.



2020 Annual Report

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, 202025. Other income

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Fees	36,640	30,062
Bad debt recovery	46,152	33,229
Exchange gains/(losses) on foreign currency deposits	6,724	(652)
Dividend income	353	150
Operating lease income [note 12(b)]	859	1,225
JCCUL grant income	-	3,231
Miscellaneous income	<u>7,166</u>	<u>8,805</u>
	<u>97,894</u>	<u>76,050</u>

26. Salaries and other staff costs

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and wages	257,892	241,976
Payroll taxes	36,712	33,655
Pension expense [note 17(e)]	11,645	13,531
Staff welfare	30,293	29,348
Other staff benefits	<u>86,352</u>	<u>78,409</u>
	<u>422,894</u>	<u>396,919</u>

	<u>2020</u>	<u>2019</u>
The number of persons employed during the year:		
Permanent staff	114	107
Temporary staff	<u>12</u>	<u>19</u>
	<u>126</u>	<u>126</u>

- (i) The Co-operative's contribution to the defined contribution pension plan for the year amounted to \$4,064,000 (2019: \$2,861,000).



2020 Annual Report

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, 2020

27. Nature of expenses

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Administrative		
ABM	6,155	6,347
Advertising and publicity	46,598	50,767
60 th anniversary expense	-	13,811
Amortisation	7,335	6,780
Annual general meeting	5,746	10,174
Auditors' remuneration (inclusive of GCT)	7,698	9,415
Board and committee meetings	11,312	13,556
Board and committees' travelling	11,951	15,305
Ceremonies	1,742	2,147
Consultancy fees	3,281	2,436
Data processing	44,188	38,340
Depreciation	34,568	23,761
Entertainment	89	98
General office	10,307	8,528
Insurance	5,070	4,395
Motor vehicle upkeep for travelling officers	28,537	25,878
Motor cycle repairs	210	240
Postage and telegrams	3,543	5,641
Repairs and maintenance	16,173	8,616
Security	22,708	17,153
Stationery and printing	13,934	14,127
Staff and board retreat	4,859	2,585
Travelling	10,349	15,891
Donations	<u>4,367</u>	<u>6,832</u>
	<u>300,720</u>	<u>302,823</u>
Affiliation		
League fees	24,423	22,523
League and other meetings	-	7,888
Stabilisation dues	<u>11,718</u>	<u>16,583</u>
	<u>36,141</u>	<u>46,994</u>
Establishment		
Cleaning and sanitation	5,485	4,108
Electricity and telephone	33,061	29,577
Janitorial services	7,500	8,109
Rates and taxes	4,718	3,886
Rental	<u>-</u>	<u>247</u>
	<u>50,764</u>	<u>45,927</u>
Members' security		
Loans and savings insurance	80,815	75,703
Golden harvest savings insurance	<u>9,462</u>	<u>8,409</u>
	<u>90,277</u>	<u>84,112</u>
Total other operating expenses	<u>477,902</u>	<u>480,130</u>



2020 Annual Report

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, 2020

28. Dividends

At the Annual General Meeting held on October 2, 2020 (2019: May 11, 2019), the members moved a motion to pay dividends of \$4,280,000 (2019: \$5,895,000).

29. 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 \$100,000 (2019: \$201,000).

(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 \$80,815,000 (2019: \$75,703,000).

(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 \$9,462,000 (2019: \$8,409,000).

These policies remained in force throughout the year with all premiums being paid promptly.

30. 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.



2020 Annual Report

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, 2020

30. 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:

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Loan balances	10,780	11,062
Members' deposits	23,840	13,662
Permanent Shares	19	230
Voluntary Shares	7,395	4,653
Interest earned from loans	746	589
Interest paid on deposits	<u>643</u>	<u>613</u>

(b) At the reporting date, 15 (2019: 14) members of the Co-operative's Board of Directors and 11 (2019: 17) committee members had balances and transactions with the Co-operative as follows:

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Members' deposits	91,406	106,730
Permanent Shares	228	17
Voluntary Shares	34,347	33,366
Loans including accrued interest	101,487	93,417
Interest paid on deposits	3,100	3,633
Interest earned from loans	<u>11,536</u>	<u>11,129</u>

During the year, no director, committee member or staff received loans which necessitated waiver of the loan policy. At December 31, 2020, all loans to directors, committee members and staff were being repaid in accordance with their loan agreements.



2020 Annual Report

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, 2020

30. 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:

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Salaries and other short-term benefits	45,226	39,787
Post-employment benefits (*)	<u>3,171</u>	<u>2,536</u>
	<u>48,397</u>	<u>42,323</u>

*This represents employer's contributions to the multi-employer defined benefit and defined contribution plans.

31. 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:

	<u>Loans to</u> <u>members</u> \$'000	<u>Members'</u> <u>deposits</u> \$'000	<u>Members'</u> <u>voluntary</u> <u>shares</u> \$'000
Balance as per general ledger	12,192,816	5,953,102	6,733,342
Balance as per members' ledger	12,192,816	5,953,102	6,733,342
Variances at December 31, 2020	<u>-</u>	<u>-</u>	<u>-</u>
Variances at December 31, 2019	<u>-</u>	<u>-</u>	<u>-</u>

32. Capital commitment

As at December 31, 2020, the Co-operative entered into contracts for capital expenditure in the amount of \$9,798,000 (2019: \$4,783,000) in respect of which deposits amounting to \$6,665,000 (2019: \$2,707,000) have been made [see note 14(i)].

33. Covid-19 impact

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. The Co-operative saw reduced levels of business activities during the year, most notably regarding the volume of new loans, which resulted in a reduction of \$167 million (1.4%) in the portfolio. Delinquency was not significantly impacted during the year. However, recognising the economic impact on members, the credit union granted moratoria totalling \$171 million of principal balances. In addition, the performance of the investment portfolio was negatively affected by the fallout in the financial markets. This resulted in the unit trust investments, which are primarily equity-based, experiencing a loss of \$41 million. However, the co-operative's liquidity position was not negatively affected during the year.



2020 Annual Report

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, 2020

33. Covid-19 impact (continued)

The credit union enacted the Disaster Risk Management policy which provided guidance in mitigating the impact of the pandemic. Initiatives taken included: the establishment of a crisis management committee to plan for and respond to the challenges arising, the implementation of safety and sanitisation protocols with respect to the protection of staff and members, preparation for a work from home mandate, enhancement of the technical capacity of the virtual network and the expansion of member online and email services.

There could be further 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 until the virus is controlled through vaccination, (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 at this time.



REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2020



(l-r) Norman Allen, Anne Geddes-Nelson, Leao Nash and Lena Russell (missing) Christopher Sinclair

The JTA Co-op Credit Union like all other financial institution was impacted in 2020 from the pandemic. The Credit Committee however, stated committed to meeting the needs of the credit union throughout this juncture.

The Credit Committee of the Jamaica Teachers' Cooperative Credit Union Limited comprised of five (5) volunteers, with a quorum of three (3), met on a weekly basis to carry out their responsibilities. The committee reviewed loan applications, met with members experiencing challenges with their loan, conducted interviews, carried out spot checks, and approved loans. During the 2020 financial year, the committee processed over 374 loan applications, requests for waiver and restructured some loans. The committee exercised sensibility and sensitivity in arriving at decisions on the various requests. In reviewing the loans, consideration was given to the

members' credit history, the collateral presented, purpose of the loan and the ability to repay. The Committee endeavored to meet the needs of the membership whilst upholding the lofty traditions of the Jamaica Teachers' Association Co-op Credit Union while complying with lending regulations and the Credit Union policies. Additionally, we reviewed all special lending products and made appropriate recommendations to the Board of Directors.

MEMBERS OF THE CREDIT COMMITTEE

Mrs. Anne Geddes-Nelson (*Chairman*)

Mrs. Lena Russell (*Secretary*)

Mr. Norman Allen

Mr. Leao Nash

Mr. Christopher Sinclair



REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2020

At the 56th Conference, both Mrs. Russell and Mr. Nash whose positions were retired, after the two-year tenure, were duly reelected; Mrs. Nelson, Mr. Sinclair, and Mr. Allen continued to serve for the second half of a two (2) year stint. At the first board meeting after the Annual General Meeting, Mrs. Nelson and Mrs. Russell were nominated to serve as chairman and secretary, respectively.

Regular Weekly Meetings

Table 1 shows the attendance record of each committee member at Regular and Ad Hoc meetings held during the period of January 1 – December 31, 2020.

Table 1

Members	No of possible meetings	No of meetings attended	No of excuses
Mrs. Anne Geddes-Nelson	63	63	0
Mrs. Lena Russell	63	55	8
Mr. Norman Allen	63	59	4
Mr. Leanon Nash	63	57	6
Mr. Christopher Sinclair	63	43	20

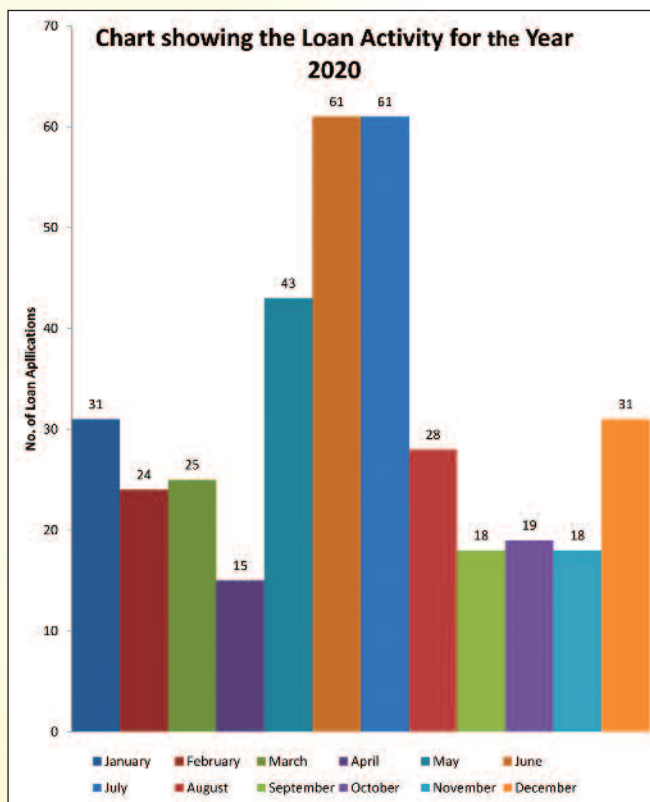
Loan Applications

A total of 374 loan applications were brought before the committee. Below in Table 2, this number is disaggregated in terms of monthly requests. On average, thirty-one (31) loan applications were processed each month. The data showed an increase in activity from mid-year, during the months of May to July. The greatest uptick being conducted in June & July, three months into the Covid 19 Pandemic. The usual back to school period was not as busy as in former years since schools were reopened in the virtual space in October 2020. Chart 1 gives a graphical picture of the loans processed for the period 2020.

Table 2

Months	No. of Loan Applications
January	31
February	24
March	25
April	15
May	43
June	61
July	61
August	28
September	18
October	19
November	18
December	31
Total	374

Chart 1





REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2020

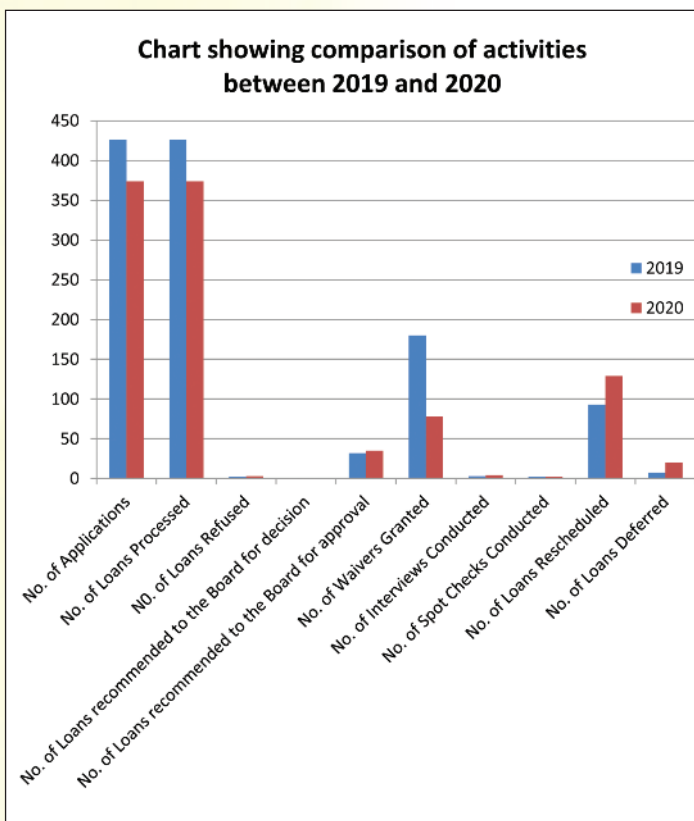
Loan Processing Activities

Of the 374 loan applications presented to the Credit Committee, 245 were requests for loan approvals while 129 were for rescheduling of loan repayment. Majority of the requests (77) for rescheduling were from members facing extenuating circumstances occasioned by the Covid 19 Pandemic; the remaining requests (52) came from retired members awaiting their gratuity and pension benefits. Table 3 gives a detailed breakdown of the business activities for the period 2020 and Chart 2 will provide a visual picture of the comparison between 2019 and 2020.

Table 3

Activities	2019	2020
No. of Applications	426	374
No. of Loans Processed	426	374
No. of Loans Refused	2	3
No. of Loans recommended to the Board for decision	0	0
No. of Loans recommended to the Board for approval	32	35
No. of Waivers Granted	180	78
No. of Interviews Conducted	3	4
No. of Spot Checks Conducted	2	2
No. of Loans Rescheduled	93	129
No. of Loans Deferred	7	20

Chart 2





REPORT OF THE CREDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

When compared to 2019, there was a decrease of 12.2% in the number of loan applications submitted and processed by the committee during the 2020 period.

The number of waivers granted in 2020 (78), showed a 56.6% decrease over the 2019 period where 180 waivers were granted. 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.

Rescheduling of loans showed an increase of 38.7% from the 93 in 2019 to a total of 129 in the 2020 period.

In terms of loans referred to the Board of Directors for ratification, this increased nominally by 9.37% from a total of 32 in 2019 to 35 in 2020.

Loans deferred this year increased from seven (7) in 2019 to twenty (20) in 2020. This figure represents over a 200% increase when compared to the previous year. Loans are usually deferred until members submit additional documentation or acquire insurance to secure loan.

Loans refused remained at an infinitesimal 0.5%.

Table 4 shows the breakdown of the monthly loan activities of the period Jan – Dec. 2020

Table 4

Month	Applications	Approvals	Approvals with Waiver	Applications Pending	Rescheduled	Recommended to board	Interview	Deferral	Denied
JAN	31	11	7	0	6	0	0	7	0
FEB	24	6	5	0	7	5	0	1	0
MAR	25	8	6	0	6	3	0	2	0
APR	15	2	4	0	6	2	0	1	0
MAY	43	11	2	0	25	1	1	1	2
JUNE	61	8	10	0	36	4	0	3	0
JULY	61	19	11	1	20	4	2	4	0
AUG	28	9	12	0	3	3	1	0	0
SEP	18	12	0	0	5	0	0	1	0
OCT	19	3	5	0	6	5	0	0	0
NOV	18	3	6	0	4	4	0	0	1
DEC	31	10	10	2	5	4	0	0	0
TOTAL	374	102	78	3	129	35	4	20	3



REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2020

Loan Analysis

The table 5 below gives a visual of loans issued during the year as well as a comparison between 2019 and 2020. A total of two hundred and forty-two (242) new loans were approved, which is seventy-nine (79) loans lower than last year or 24.6% decrease from 2019. The total value of loan approved by the committee in 2020 was \$484,176,145.86 representing a decrease of 16.4% from the \$585,474,558.18 approved in 2019.

Auto Loans

Auto loans which ranked third in 2019 represents the largest category of loans approved by the committee in 2020.

Although members displayed keen interest in consolidating their debts, the acquisition of this asset held primacy.

This category accounts for approximately 34% of the loan portfolio with a total value of one hundred and sixty-eight million, two hundred and twenty-four thousand, eight hundred and seventy-six dollars and twenty-two cents (\$168,224,876.22)

Debt Consolidation

One Hundred and Thirty-Eight Million, Two Hundred and Sixty-Three Thousand, Four Hundred and Fifty-Five Dollars and Ninety-Eight Cents (\$138,263,455.98), approximately 28% of all loans approved by the committee were for the purpose of consolidating debts. When compared to 2019, the above figure is just about 50% of the amounts approved for this facility in 2020. However, this product continues to offer members the option of combining all their loans under one portfolio enabling them greater flexibility in their disposable income.

Home Improvement

This loan type accounts for approximately 12% or Fifty-Seven Million, Eight Hundred and Eighty-Seven Thousand, Nine Hundred and Fifty-Three Dollars and Seventy-Two Cents (\$57,887,953.72) of the total value of loans approved by the committee. This figure represents a minimal decrease of 1.8% when compared to 2019.

Property Purchase/Mortgage Payment

The amounts disbursed for the purchase of property (\$28,554,667.06) doubled in 2020 when compared to

2019. This represents approximately 6% of the loans approved by the committee. Combined with Mortgage payment, (\$21,539,630.30) they account for 10%. This is a clear indicator that home ownership remains a priority for the membership.

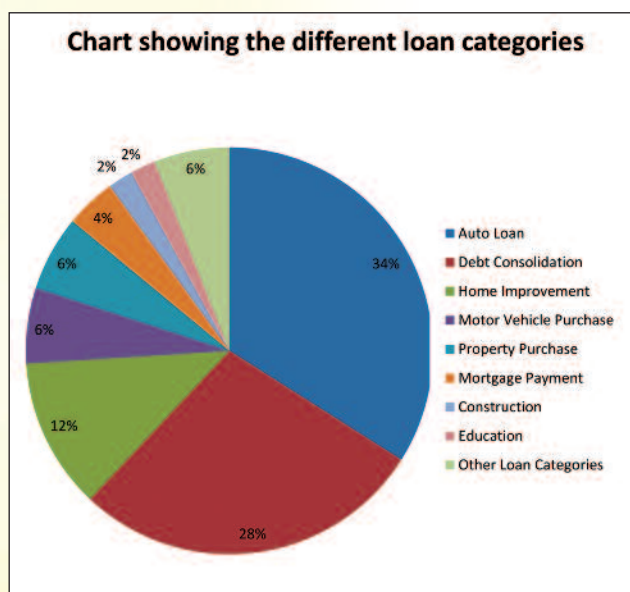
Construction

Construction, another loan product closely linked to home ownership experienced over 100% increase, from Four Million, Eight Hundred Thousand (\$4,800,000.00) in 2019 to Ten Million, Five Hundred and Forty-Eight Thousand, Two Hundred and Ninety Dollars and Fifty-Two Cents (\$10,548,290.52) in 2020.

All other category of loans account for the remaining 6% of total loans.

With teaching and learning held virtually, application for the education loan facility lowered significantly in 2020. The amounts approved fell from twenty-seven million, twenty-two thousand, eight hundred and fifty-one dollars and sixty-five cents (\$27,022,851.65) to eight million, eight hundred and forty-two thousand, one hundred and twenty-two dollars and forty-four cents (\$8,842,122.44) in 2020.

Chart 3





REPORT OF THE CREDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

LOAN TYPE	NO. OF LOAN APPLICATIONS		NO. OF LOANS APPROVED		CASH APPROVED	
	2019	2020	2019	2020	2019	2020
Debt Consolidation	121	65	115	64	245,463,830.57	138,263,455.98
Auto Loan	31	52	31	51	110,841,667.75	168,224,876.22
Home Improvement	32	38	32	38	59,198,312.77	57,887,953.72
Motor Vehicle Purchase	25	20	24	20	51,728,500.35	28,006,806.40
Education	36	17	36	17	27,022,851.65	8,842,122.44
Mortgage Payment	8	6	8	6	21,954,811.66	21,539,630.30
House Purchase	7	2	7	2	21,491,877.07	4,990,424.63
Property Purchase	2	8	2	8	14,275,000.00	28,554,677.06
Personal	24	8	24	7	9,291,748.94	4,645,780.00
Debt Payment	8	1	8	1	5,183,718.84	300,000.00
Construction	4	6	4	6	4,800,000.00	10,548,290.52
Medical	7	4	7	4	4,659,297.69	3,021,000.00
Other (Student Loan Repayment)	1	0	1	0	2,700,000.00	-
Business Investment	1	2	1	2	1,650,000.00	7,300,000.00
Motor Vehicle Repairs	3	3	3	3	1,622,000.00	1,263,667.35
Funeral Expenses	5	0	5	0	1,254,940.89	-
Vacation	3	0	2	0	835,000.00	-
Other (Legal Fees)	2	1	2	1	700,000.00	373,065.66
Purchase Appliance/ Furniture	2	1	2	1	430,000.00	200,000.00
Bill Payment	1	2	1	2	300,000.00	1,276,742.84
Other (Domestic)	2	0	2	0	300,000.00	-
Motor Vehicle Insurance	1	1	1	1	175,000.00	272,000.00
Back to School	2	0	2	0	96,000.00	-
Deposit on House	0	1	0	1	-	1,253,838.92
Land Purchase Fee	0	1	0	1	-	1,100,000.00
Property Insurance	0	1	0	1	-	400,000.00
Credit Card	0	2	0	2	-	2,111,813.82
Rescheduled	93	129	-	-		
Deferred	3	-	-	-		
Denied	2	3	1	3	-500,000.00	-6,200,000.00
Total	426	374	321	242	585,474,558.18	484,176,145.86



REPORT OF THE CREDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

Conclusion

Though impacted by the downturn in the economy with the emergence of the Covid 19 pandemic, the Jamaica Teachers' Association Cooperative Credit Union continues to uphold its mantra:

"Serving Our Members....Impacting Lives Positively"

The Credit Committee is particularly pleased that it was able to serve the varied needs of the membership during these unprecedented times.

We thank the Almighty for bestowing us with time, talent, and the opportunity to serve the institution and our colleagues.

Much appreciation to the Management for the support afforded us as we executed our responsibilities.

Thanks to the various categories of Staff for their cooperation throughout this unusual year.

To the membership, thanks for your continued subscription to the Credit Union of Choice.

We are happy to have served you at the Jamaica Teachers' Association Cooperative Credit Union.

Anne Geddes-Nelson (M.ed)
Chairman



REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2020



Mrs. Mary Dick



Mrs. Dawn Steele



Mr. Wentworth Gabbidon



Mr. Aston Messam



Mr. Clayton Hall



Mrs. Glectia Beckford



Mr. Rudolph Sewell

The fifty-seventh (57th) Annual General Meeting of the Jamaica Teachers' Association Co-operative Credit Union was held on Friday, October 2, 2020 at the Jamaica Conference Centre, Duke Street, Kingston. Due to the COVID-19 protocols, there was a restriction on the number of members who were able to attend the meeting, face to face. Consequently, the meeting was live streamed to provide the opportunity for other members to attend online.

All seven (7) members who were nominated by the nominating Committee were elected to serve for the ensuing year.

The members of the Committee are as follows:

- Mrs. Mary Dick
- Mrs. Dawn Steele
- Mr. Wentworth Gabbidon
- Mr. Aston Messam
- Mr. Clayton Hall
- Mrs. Glectia Beckford
- Mr. Rudolph Sewell
- Mr. Wentworth Gabbidon – Policy Committee
- Mrs. Dawn Steele – Promotion and Education Committee
- Mr. Clayton Hall – Delinquency Committee

We welcome Mr. Rudolph Sewell as the newest member of the Committee.

On Friday, October 9, 2020, a Special Joint Board and Committee meeting was held at the Jamaica Pegasus Hotel in New Kingston, to elect officers for the Board and Committees. Mrs. Mary Dick and Mrs. Dawn Steele were unanimously elected to serve as Chairman and Secretary, respectively, of the Supervisory Committee. Other members of the Committee elected to serve on Sub-Committees of the Board were:



REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2020

Role and Functions of Supervisory Committee

The Supervisory Committee is charged with the responsibility of auditing the operations of the Credit Union for and on behalf of the members, to ensure compliance with established standards. This includes:

- Overseeing the internal audits and receiving reports of these audits.
- Requiring the adequacy of internal control systems and procedures and adequate management of risks.
- Liaising with the Credit Union's external auditor in the conduct of this audit.
- Dealing with member complaints.

Year Under Review

The Supervisory Committee continued to direct the internal audit activities to ensure accurate preparation of records, verify the adherence to policies and procedures and internal controls, investigate reports of alleged irregularities and monitor the

overall performance of personnel and systems of the Credit Union. The scope of functions of the Committee also encompasses the observation of the effectiveness of the Board of Directors, Credit Committee, Loans and Credit Systems, Human Resources and Branch Operations.

Supervisory Committee meets every month to review internal audit reports, regulatory examination reports and the annual financial audit results. They may perform or coordinate other internal auditing functions designed to monitor internal controls, policies and procedures, and activities of the Board of Directors.

Meetings

The Committee had ten (10) regular monthly meetings; attended Joint Board and Committee meetings and participated in Round Robin meetings. Additionally, the Committee attended monthly work sessions at the Head Office. There were no meetings or work sessions held in April and May due to Covid-19.

Record of Attendance

MEMBERS	POSSIBLE SESSIONS	ACTUAL ATTENDANCE	EXCUSED	ABSENT
Mrs. Mary Dick	10	10	0	0
Mrs. Dawn Steele	10	10	0	0
Mr. Wentworth Gabbidon	10	9	1	1
Ms. Angela Chaplain	7	7	0	0
Mr. Aston Messam	10	10	0	0
Mr. Clayton Hall	10	10	0	0
Ms. Glectia Beckford	10	8	2	2
Mr. Rudolph Sewell	3	3	0	0



REPORT OF THE SUPERVISORY COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

Files

Transaction files that were selected randomly for examination at the Head Office and the branch offices amounted to 1458. In addition, the following files and policies were also examined by the Supervisory Committee:

- Senior Managers' Personal Files
- POCA Compliance Examinations by Senior Managers
- Code of Business Conduct and Ethics Audit of Financial State

Visits and Inspections

Nine of the credit Union's branch offices were visited by members of the Supervisory Committee. The May Pen and Linstead branches were not visited during the year because of the rising number of positive cases in the COVID-19 pandemic at that time. The decision was arrived at, considering the safety of Committee members, staff and members of the Credit Union.

Branches were visited with the aim of:

- Observing the operations to ensure established procedures were being followed.
- Inspecting the physical conditions of the offices and making recommendations for improvements.
- Examining files to ensure that loans were properly secured and loan policies were being adhered to.
- Checking inventories to assist with the safeguarding of the Credit Union's assets.

Findings and Observations

The Supervisory Committee is pleased that at all the branches visited, Member Service Representatives were assigned to receive and attend to members. HEART trainees were no longer being utilized as receptionists.

It was also observed that there were strict COVID protocols in place at all branches for the safety of members and staff of the Credit Union.

The Savanna-la-Mar branch was expanded to better facilitate staff and the members of the Credit Union.

There was continued effort to ensure the JTA Credit Union brand was consistent across our locations. There was general maintenance and repairs to branch offices and the head office throughout the year.

The Committee recommended, among other things, that security at the Mandeville and Santa Cruz branch offices be improved.

Training

The Credit Union continued to invest in the training and development of the staff and volunteers. All members of the Supervisory Committee participated in an online seminar on Anti-Money Laundering and Counter -Terrorism Financing in 2020.

Accounting Records

Monthly payrolls, relevant files and loan applications were examined by the Committee. Loan applications examined were carefully checked to ensure that they were properly completed and properly secured. The Committee also observed that 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 Supervisory Committee presented the reports to the Board of Directors at their monthly meetings.

The Internal Audit Department examined the following:

- Accounts Payables
- ABM Contract & Operations
- Auto Loans
- Bank Reconciliation Statements
- Branch Loans
- Branch Returns
- Cash Count
- Children of Deceased members



REPORT OF THE SUPERVISORY COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

- Delinquency
- Deceased members accounts with Loan Balances
- Dormant Accounts
- Golden Harvest
- Insurance on Fixed Assets
- Investments
- Journals
- Land Titles used as collateral
- Loans
- Loan Write-off list
- Net Savers
- New members
- Online banking
- Overdrawn Accounts
- Payroll
- Petty cash/cash count/cheque desks
- POCA Programs and Exams
- Printing and stationery – general
- Prospective Accounts
- Receipts
- Returned Cheque Register
- Staff Deductions
- Staff Training
- Suspense Accounts
- Teacher Optimizer Plus
- Transactions through Special Services
- Value Books

Volunteers' Performance

Board of Directors

The Board of Directors has continued to provide excellent strategic guidance, empowering our Credit Union to perform well in most of its planned initiatives undertaken this year, while we experienced a pandemic.

Credit Committee

The Credit Committee continued to work assiduously, meeting weekly to approve loans for members. They steadfastly ensured that loans were 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	91,405,746.00	101,487,129.32
Staff	131,132,329.74	296,301,766.34
TOTAL	222,538,075.74	397,788,895.66

Management and Staff

In the year of an unprecedented phenomenon, the Management and Staff of the Credit Union continued to display commitment and professionalism in carrying out their responsibilities. Their resilience has not gone unnoticed. We commend them and acknowledge their contribution to the success of the Credit Union, especially as they operated during a crisis.



Jamaica Teachers' Association Co-operative Credit Union Ltd.

REPORT OF THE SUPERVISORY COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2020

Acknowledgements

The COVID-19 pandemic has had an impact on the Credit Union, its members and staff all of whom have had to adapt to new protocols in order to ensure business continuity.

The Supervisory Committee wishes to take the opportunity to congratulate the Management and Staff of the Jamaica Teachers' Association Co-operative Credit Union on its quick response and execution of the Ministry of Health's guidelines on Safety Protocol for the control of the spread of the COVID-19 disease and we hope for continued safety and good health of our members, staff and volunteers during this most challenging time.

Our team appreciates the cooperation given by the Board of Directors, Management and staff in the execution of our duties and is confident that the

business of the Credit Union has been operated in accordance with the guidelines set out by the regulators.

To the membership, we express our sincere gratitude for the trust that you have placed in us to serve this most highly regarded Credit Union. We are humbled by your confidence in our stewardship, and we have worked diligently throughout the year to ensure the Credit Union remains safe and continues to positively impact the lives of our members.

Mary Dick
Chairman



General Manager's **PROGRESS REPORT** to the 57th Annual General Meeting

In developing an organization's strategic plans two of the major factors to consider is past trends and future projections. However, COVID-19 has created a new paradigm and like many other businesses the Credit Union had to consider the new realities of the times and formulate strategies to successfully navigate them.

2021 began with the Credit Union performing well, considering the limited opportunities to grow, as the Jamaican economy struggles to remain open and the education sector converts to mainly remote learning. Despite the challenges brought on by Covid-19, as of February 2021 our savings, loans, assets and membership has grown to the following:

- ✓ Savings of \$12,809,000,000
- ✓ Loans of \$12,179,318,000
- ✓ Assets of \$16,624,000,000
- ✓ Membership stood at 30,018.

Strategic Outlook

To give adequate consideration to the impact of the Covid-19 pandemic, our annual Management Strategic Planning Retreat, which usually occurs in November, was held in January 2021. At that meeting the way forward was crafted and key initiatives in the areas of Information Technology, Banking Operations, Human Resources & Administration, Finance and Marketing were formulated and approved by the Board of Directors. The following plans and activities are slated to be undertaken in 2021:





GENERAL MANAGER'S PROGRESS REPORT TO THE 57th ANNUAL GENERAL MEETING

Marketing and Member Relations

The marketing efforts of the Credit Union, for 2021, will continue to emphasize activities that are geared toward improving the lives of our members. To achieve this the marketing endeavors will seek to fulfil the overarching goals of the organization, namely to; increase membership, savings, and loans. The goals will be achieved as follows:

- ✓ **Savings-** The Credit Union will introduce two new savings products. One will be a short-term savings plan the other a long-term plan, these products are intended to increase the wealth of our members.
- ✓ **Loans-** Various loan promotions will be held at specific times during 2021. These promotions will help to grow the loan portfolio and in turn provide members with improved financial solutions.
- ✓ **Membership Growth-** To realize membership growth the Credit Union will engage our contact teachers. A nine-month long competition will be held exclusively among contact teachers. This competition will award contact teachers for their sterling efforts as ambassadors of the Credit Union, as well as their membership recruitment.
- ✓ **New Members Seminars-** In order to educate members who are new to our Credit Union family, a series of seminars will be held across the island. These seminars will be held virtually and will seek to share with all in attendance the benefits of being a member of our organization.
- ✓ **Improved Communication-** the Credit Union will improve its communication with members by way of informative and educational emails that will be sent out on a regular basis.

Banking Operations

- ✓ **Loan Growth-** During 2021 the Credit Union plans to minimize the fall-out that will undoubtedly come due to Covid-19 while at the same time remaining viable. As is expected the Credit Union intends to bolster its loan administration processes, revise the terms and conditions for loans to make the process as efficient as possible. Emphasis will also be placed on the

close management of the delinquency portfolio to ensure that this does not become unmanageable for the Credit Union and in turn detrimental to the organization's success.

- ✓ **Know Your Customer Compliance (KYC)-** In 2021 the Credit Union will continue its drive to increase its KYC compliance among the membership. The aim is to have on record the most recent personal details for all active members. Having updated records for all members will allow the Credit Union to remain compliant with local banking regulations. Additionally, having the updated records for active members allows the Credit Union to expand and improve its online and automated services delivery. The Credit Union has set in motion plans to introduce a Mastercard debit card among the membership and only members with updated information will be able to benefit from this offering.
- ✓ **Online Banking Services-** Another initiative for 2021 is to have all active members of the Credit Union subscribing for online banking services by the end of the year. This facility allows members to apply online for loans, make withdrawals and sign up for membership from remote locations. Therefore, most of the business activities carried out in our offices will be available to our members online. This is in response to the demand among our members for the availability of such service as well as changes brought on by the pandemic.

Information Technology

The Information Technology (IT) Department exist to support and improve the business delivery activities of the organization. During 2021 the adaptation of new and emerging technologies will be undertaken to improve the member experience given by the Credit Union. During 2021 the focus of our I.T. activities will be:

- ✓ **Infrastructure review, upgrade and improvement-** The Credit Union expects to continue expanding its service offering while checking the growth of hardware and power costs. We will continue to use advanced tools for data storage, management and sharing. The utilization of cloud technology must be keenly assessed based on the current technology trends, including those in the financial industry.



GENERAL MANAGER'S PROGRESS REPORT TO THE 57th ANNUAL GENERAL MEETING

- ✓ **Security and compliance-** Threats to both physical and cyber security are likely to increase. Our systems must therefore constantly identify risks that threaten our members, employees, operations, and assets and regularly assess the measures in place to mitigate those risks. It is very important that all members have a sense of security especially as the new Mastercard debit card is rolled out.

Human Resources Development & Administration

The HRD and Administration Department manages the organization's human capital. Human Resources is critical to the efficient delivery of success to our members. For 2021 the organization's HRD & Administration department will focus on various initiatives to improve staff and the way they deliver services to the members. Areas of focus will include:

- ✓ **Development of Management-** Emphasis will be placed on building the capacity of the management staff by increasing learning opportunities for new and existing staff. This will be done in an effort to provide better services and experiences for each member.
- ✓ **Staff Wellness-** This will be accomplished by implementing structured education and prevention programme for Covid-19 and other illnesses especially lifestyle diseases. We will also introduce mental health and stress management sessions, that all members of staff can benefit from.
- ✓ **Enhanced Workspaces-** Specific branch offices will be targeted during 2021 with a view to improving the aesthetics and accommodations for the comfort of both staff and the members.

Annual Branch and Staff Awards

Each year we recognize the hard work and dedication of our staff. We are keenly aware that it is impossible for us to meet any form of success without the continued commitment of each member of staff. I wish to personally commend the staff of the JTA Co-op Credit Union for their performance during 2020. It was an especially difficult year, but the staff

rallied and did all they could to deliver the support needed by each member. I am offering special commendations to **Miss Vanessa Farquharson**, Accounting Clerk in the Finance Department, who was awarded **Employee of the Year for 2020**.



Vanessa Farquharson
Employee of the year

The **Savanna-la-mar Branch** office was named **Branch of the Year** for 2020 and the branch Manager **Mr. Mark Thomas** was the **Salesman of the Year**.

The **Management Leadership Cup** was won by **Miss Maise Hayles**, Regional Manager for St. Elizabeth and Manchester.



Mark Thomas
Salesman of the year



Maise Hayles
Management Leadership
Cup Winner



GENERAL MANAGER'S PROGRESS REPORT TO THE 57th ANNUAL GENERAL MEETING



Melody Kerr



Alderene Roye

*(L-R) Caloo Pinnock, Faith Hull,
Marcia Thomas, Audrey Fung,
Pauline Tibby & Latoya Gooden-Reid*

I wish to extend congratulations to the following individuals: Latoya Gooden-Reid, Alderene Roye, Marcia Thomas, Caloo Pinnock, Pauline Tibby, Faith Hull, Melody Kerr, Rowan McFarlane and Audrey Fung. In 2020 these individuals were acknowledged for and rewarded for the many years of service and dedication to the Credit Union. The group represents staff members who have worked for the Credit Union for 25 years or more with Melody Kerr and Audrey Fung topping the list with 30 years and 35 years respectively.

Staff Movements

During 2020 we had two key promotions, that of Mrs. Anecia Fyne and Miss Kerin Galway, they were promoted to the positions of Accounts Supervisor and Branch Supervisor Portmore respectively. I wish to extend congratulations to all these members of staff and wish for them all the best as they work and grow with the



*Kerin Galway
Branch Supervisor Portmore*



*Anecia Campbell-Fyne
Accounts Supervisor*

JTA Credit Union. During 2020 we said farewell to four members of staff all of whom resigned. However, we welcomed 14 new staff to our "family." These staff members were employed in various positions at both our head and branch offices across the island.

Gratitude and Appreciation

We are grateful to our members for the trust, loyalty and confidence that they have placed in this organization. We extend special thanks to our Contact Teachers and Principals for their invaluable support. And extend sincere appreciation to the faithful volunteers (directors and members of committees) for their contribution to our success over the years and especially in 2020.

Special thanks to the Jamaica Co-operative Credit Union League, our Lawyers Livingston, Alexander and Levy; Bank of Nova Scotia (our bankers); the Department of Co-operatives and Friendly Societies, the Ministry of Education, Bursars, Ministry of finance, the Jamaica Association of Co-operative Credit Union Managers Ltd. And the Jamaica Teachers Association.

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*



REPORT OF THE NOMINATING COMMITTEE TO THE 57th ANNUAL GENERAL MEETING



(l-r) Ms. Louise Clarke, Mrs. Melva Humes-Johnson, Mr. Robert Ramsay and Ms. Andria Givans

The Nominating Committee met at the Jamaica Teachers' Association Co-operative Credit Union Limited, 97A Church Street, Kingston, on Friday, March 26, 2021.

Present were:

Mrs. Melva Humes-Johnson - *Chairman*
Ms. Andria Givans - *Member*
Ms. Louise Clarke - *Member*
Mr. Robert Ramsay - *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

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*

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

Dr. Margaret Bailey - *Region 1 (Kingston,
St. Andrew & St. Catherine)*
Mr. Morris Stewart - *Region 3 (St. Mary, St. Ann
& Trelawny)*



REPORT OF THE NOMINATING COMMITTEE TO THE 57th ANNUAL GENERAL MEETING

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

Retiring members are:

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

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

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

Supervisory Committee

All members are retiring:

Mrs. Mary Dick
Mr. Wentworth Gabbidon
Mrs. Dawn Steel
Mr. Aston Messam
Mrs. Glectia Beckford
Mr. Clayton Hall
Mr. Rudolph Sewell

Members nominated to serve for one year are:

Mrs. Mary Dick
Mr. Wentworth Gabbidon
Mrs. Dawn Steel
Mr. Aston Messam
Mrs. Glectia Beckford
Mr. Clayton Hall
Mr. Rudolph Sewell

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 2022

Volunteers retiring will be as follows:

Board of Directors

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

Credit Committee

Mrs. Lena Russell
Mr. Leon Nash

Supervisory Committee

(All persons nominated in 2021)

Mrs. Melva Humes-Johnson
Chairman

Senior Managers



Robert Ramsay,
General Manager



Lisa Taylor
Assistant General Manager



Maxine Nugent
Manager Finance



Suezette Hemmings-Bryan
HRD Administration Manager



Fabian Webb
Manager Information Technology

Regional Officers



Rowan McFarlane
May Pen & Linstead



Joel Scott
Port Maria, Browns Town & Port Antonio



Maise Hayles
Santa Cruz & Mandeville



Mark Thomas
Montego Bay & Savanna-La-Mar



Millicent Westcarr
Portmore & Morant Bay



MARIE MORGAN
Manager



PETHREL GREEN
Clerk/Typist



CAROL RINGROSE
Delinquency Officer



DENESHA GIBSON
Delinquency Clerk



RUSHANE DALEY
Delinquency Clerk



VERA SHARPE
Supervisor-Loans Mortgage Officer



FAITH ROBINSON-HULL
Loans Security Officer



ALICIA TYRELL
Loans Security Clerk



CALOO PINNOCK
Loans Officer



NADINE BLACKWOOD
Loans Officer



DAVE BLACKWOOD
Loans Officer



DANE LAZARUS
Cheque Desk Clerk



JORDAN IDEHEN
Loan Securities Clerk



MAXINE NUGENT
Manager



**MARCIA McINTYRE
THOMAS**
Accountant



MAXINE NICHOLSON
Secretary Finance



**ANECIA CAMPBELL-
FYNE**
Accounts Supervisor



OPAL CARTY
*Account Clerk/Expense
Reconciliation*



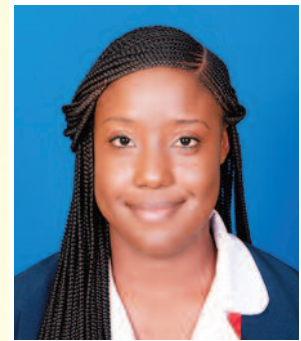
TIFFANY CLARKE
Account Clerk/Expense Payable



LISA SMITH
*Membership Service
Representative*



ANDRE JOHNSON
Investment Officer



**VANESSA
FARQUHARSON**
Account Clerk/Branch Reconciliation



ALEXIA WILLIAMS
Account Clerk/Journal



**SHERINE
GOODEN-BLOUNT**
Data Systems Support Officer



ROBERT RAMSAY
General Manager



ANDREA REEVES
Executive Secretary



KEMEISHA SEWELL
Clerk Typist



AUDREY FUNG
Audit Supervisor



ALTHEA SIMMS
Audit Officer



FELEISHA GORDON-OUTAR
Audit Clerk



DENISE WALKER
Marketing & Public Relations Officer



GERTLINE WHITE
Asst. Marketing & Public Relations Officer



TIFFANNI ROBINSON
Risk & Compliance Manager

INFORMATION TECHNOLOGY DEPARTMENT



FABIAN WEBB
Manager



DAVID WAITE
Information Technology Operations Officer



DAMION CAMPBELL
Systems Support Technician



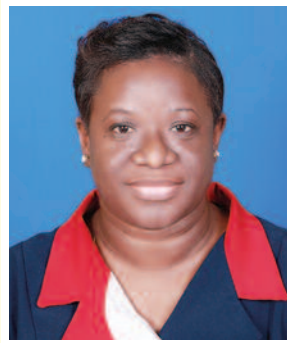
SUEZETTE HEMMINGS-BRYAN
HRD & Administration Manager



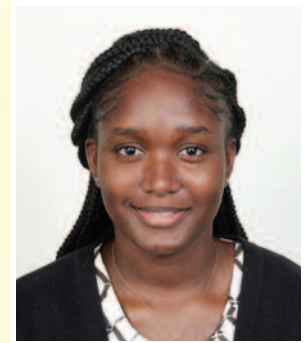
HEATHER HIGGINS
Secretary, HRD & Administration



NICKEISHA VERMONT
*Human Resource Development
Officer*



LATOYA GOODEN
Supervisor Office Service



BRITNEY CARTER
Telephone Operator/ Receptionist



**SHIRLEY FRANCIS-
LEVENE**
Courier Clerk



MELROSE BYFIELD
Office Attendant



LAUREL BRUFF
Office Attendant



DOROTHY HENRY
Office Attendant



ROBERT MURRAY
Messenger



NORVAL GORDON
Porter



LISA TAYLOR
*Assist. General Manager/Banking
Operations*



**PAULINE STEWART-
TIBBY**
Secretary, Banking



TONI-ANN FRASER
Member Service Co-ordinator



ALICIA SIMPSON
Registry - Supervisor



SHANIEK MAYNE-JONES
Membership Information Officer



SHAWNA SYMISTER
Membership Information Clerk



FLETCHER JACOBS
Registry Clerk



JAYSON BARNETT
Registry Clerk

Staff

SAVANNA-LA-MAR BRANCH



MARK THOMAS
*Savanna-La-Mar Branch
Regional Officer*



ANDREA GRANT-BROWN
Branch Supervisor



KAY-ANN BAXTER
Member Service Representative



JODIAN JOHNSON
Branch Clerk



TELSIA THOMPSON
Branch Clerk



GIFFETT SHAKES
Office Attendant

MONTEGO BAY BRANCH



MARK THOMAS
*Montego Bay Branch Regional
Officer*



CLAUDIA SMITH
Branch Supervisor



TANIA SHIPPY
*Membership Service
Representative*



**MARJORIEANN
BROWN**
Branch Clerk



**SWADY-ANN
STEADMAN-ERSKINE**
Branch Clerk



SYLVIA MULLINGS
Office Attendant



KIMBERLY NEIL
Branch Clerk

SANTA CRUZ BRANCH



MAISE HAYLES
Santa Cruz Branch Regional Officer



SANDRALEE ALLIE
Branch Supervisor



LEONARD SMITH
Member Service Representative



LINCOLN MURRAY
Branch Clerk



KISHANN ROCHESTER-DYER
Branch Clerk



MELLODY KERR
Office Attendant

MANDEVILLE BRANCH



MAISE HAYLES
Mandeville Branch Regional Officer



NOVA SWABY-WRIGHT
Branch Supervisor



NORDA BROWN
Member Service Representative



KHAREY GAYLE
Branch Clerk



VENNEL TAI
Office Attendant

*Missing from photo is
SIMONE HENDRICKS
Branch Clerk*

Staff

MORANT BAY BRANCH



MILLCENT WESTCARR
Morant Bay Branch Regional Officer



GLENDIA COLE
Branch Supervisor



MELISSA MARSHALLECK
Member Service Representative



CHENECKA WILLIAMS-LOUZA
Branch Clerk



CHRIS ANN HITCHMAN
Branch Clerk



DONNA HAMILTON
Office Attendant

PORTMORE BRANCH



MILLCENT WESTCARR
Portmore Branch Regional Officer



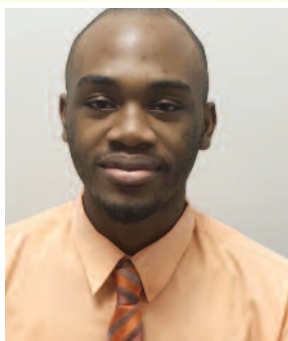
KERIN GALWAY
Branch Supervisor



NAKITA SMITH
Member Service Representative



KIMBERLY MATTIS
Branch Clerk



FERNANDO FACEY
Branch Clerk



INGRID LACKISH
Office Attendant

LINSTEAD BRANCH



ROWAN McFARLANE
Linstead Branch Regional Officer



KERENE GRIFFITHS
Branch Supervisor

*Missing from photo is
KERRISHA FACEY
Member Service Representative*



FAYONA EDWARDS
Branch Clerk



TANEEL RAINFORD
Branch Clerk



MICHELLE RODNEY
Office Attendant

MAY PEN BRANCH



ROWAN McFARLANE,
May Pen Branch Regional Officer



ALDERENE ROYE
Branch Supervisor



SHEVELLE GRANT
Member Service Representative



LATAWNY GORDON
Branch Clerk

*Missing from photo is
TYRONE PINNOCK
Branch Clerk*



MALOLA TAYLOR
Office Attendant

PORT MARIA BRANCH



JOEL SCOTT
Port Maria Branch Regional Officer



VERON WESTON
Branch Supervisor



TATLYN ANDERSON
Member Service Representative



JOAN SOMIREDDY
Branch Clerk



SHANTEL DUCKIE-DANVERS
Branch Clerk

*Missing from photo is
KARN FLYNN
Office Attendant*

PORT ANTONIO BRANCH



JOEL SCOTT,
Port Antonio Branch Regional Officer



ANGELLA HARTLEY-FULLER
Branch Supervisor



TANISHA SCOTT
Member Service Representative



DANESSA MAIR
Branch Clerk



KAREN WHITE-CASSIE
Office Attendant



JOEL SCOTT
*Brown's Town Branch Regional
Officer*



**SHAIKIA BOWERS-
BLACK**
Branch Supervisor



**LOTOYA SIMPSON-
ALLISON**
Member Service Representative



NICOLE LAWRENCE
Branch Clerk



CUTILYN BOWEN
Office Attendant



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.*



2020 Highlights



**JTA Co-operative
Credit Union Limited**

Awards
\$1.71 million

in tertiary scholarships & grants

The JTA Co-operative Credit Union Ltd. (JTACCUL) has awarded scholarships and grants of over \$1.7m to twelve outstanding members who are entering their final year of tertiary studies. These individuals represent the diversity of our membership and are completing studies at both the first degree and the Masters level. Mrs. Lissa Francis-Davis, teacher at Robert Lightbourne High, was this year's recipient of the prestigious Desmond DC Gascoigne Award. This is the highest award given by the Credit Union it is named for one of the founding members of the organization, and is bestowed upon the applicant who receives the highest score across several categories of assessments.

For over 6 decades the JTA Co-op Credit Union has been steadfast in its commitment to serve each member and support them in the fulfilment of their goals. That is why thirty-five years ago the organization instituted the Tertiary Scholarship Awards. It is with humble pride that the JTA Co-op Credit Union offers these awards to its members. The organization is confident that this small gesture will have big results and go a far way in creating better teachers, who in turn will be better equipped to educate the nation's children.

2020 D.C. Gascoigne Recipient



Mrs. Lissa Francis-Davis,
Acting Vice-Principal
Robert Lightbourne High School

"Thank you for 61 years of sheer excellence, inspired by creativity and a commitment to the educators of this country. Today, I am proud to be an educator and a member of this noble organisation. Thank you for providing this opportunity for myself and others within the teaching community to soar to even greater heights."

2020 Tertiary Scholarship Awardees



**Denroy
Forbes**



**Maxim
Vernon**



**Alisha
Morgan-Lewis**



**Tannece
Francis-Huslin**



**Shernette
Rhooms-Wilson**

2020 Tertiary Grant Awardees



**Janice
Johnson**



**Maria
James**



**Aldin
James**



**Verlia
McLaughlin**



**Patricia
Jackson**



**Remona
Williams-Harrison**



**JTA Co-operative
Credit Union Limited**

HEAD OFFICE
87a Church Street
Kingston

PORTMORE
Shop 202a
Brimley Road
St. Catherine

MORANT BAY
2 George Street
Morant Bay
St. Thomas

PORT ANTONIO
Shop 88
4022 Port Antonio
Road
St. Andrew

PORT MARLBOROUGH
Shops 100 & 101
Port Marlborough
St. Mary

BRANDY'S TOWN
Court Street
Brandy's Town
St. Ann

SCOTTS BAY
Lot 1, Bayview Estate
Scot's Bay
St. Elizabeth

SAVANNAH LA BELE
100 Great George Street
Savannah La Bele
St. James

SAVANNAH LA BELE
100 Great George Street
Savannah La Bele
St. James

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Kingston

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Shop #25a
Portmore Mall
St. Catherine

MORANT BAY
2 Georges Street
Morant Bay
St. Thomas

PORT ANTONIO
Shop #8
West Harbour
Plaza
Pt. Antonio

PORT MARIA
Little Bay
Port Maria
St. Mary

BROWN'S TOWN
Court Street
Brown's Town
St. Ann

MONTEGO BAY
Lot 3, Bogue Est.
Straddle Drive
Montego Bay

SAVANNA-LA-MAR
110 Great Georges Street
Say-la-mar
Westmoreland

SANTA CRUZ
La Beaulieu Plaza
Santa Cruz
St. Elizabeth

MANDEVILLE
5 1/2 Caledonia Road
Mandeville
Manchester

MAY PEN
2 Bryan's Crescent
May Pen
Clarendon

Linstead
Shops #1 & 2
26 King Street,
Linstead
St. Catherine



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

Little Bay, Port Maria, St. Mary

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